

A Local Official's Guide to Public Engagement in Budgeting



The research for this guide was funded by:

IBM Center for the Business of Government

The James Irvine Foundation

The distribution of this guide to local officials was made possible by:

Willdan Financial Services (previously known as MuniFinancial)

Primary Contributors :

Deb Marois, Principal, Marois Consulting and Research

Terry Amsler, Program Director, Collaborative Governance Initiative, Institute for Local Government

Greg Keidan, Program Coordinator, Collaborative Governance Initiative, Institute for Local Government

JoAnne Speers, Executive Director, Institute for Local Government

Additional Contributors:

Many thanks to the following individuals for sharing the budgeting experiences and expertise that made this report possible: Therese Ambrosi Smith, Director of Parks and Recreation, City of Cupertino; Carol Augustine, Finance Director, City of Menlo Park; Randy Bachman, Former Assistant City Manager, City of Redding; Frank Benest, Consultant, Former City Manager, City of Palo Alto; Kerry E. Burns, Deputy City Manager, City of Daly City; Nami Coloretti, Former Budget Director, City and County of San Francisco; Mary Dodge, Finance Director, City of El Cerrito; Archon Fung, Kennedy School of Government, Harvard University; Matthew Hawkesworth, Treasurer/Finance Director, City of Claremont; Lisa Irvine, Finance Director, City of Carlsbad; Malka Kopell, Founder, Community Focus; Mark Linder, former Deputy City Manager, City of San Jose; Patricia E. Martell, City Manager, City of Daly City; Amber Meshack, Project Coordinator, Department of Neighborhood Empowerment, City of Los Angeles; Bill Statler, Director of Finance and Information Technology, City of San Luis Obispo; Ed Tewes, City Manager, City of Morgan Hill; Dr. Edward Weeks, Associate Professor, Department of Planning, Public Policy and Management, University of Oregon; Malcolm Smith, Public Communications Manager, City of Redwood City; Mary McMillan, Deputy County Manager, County of San Mateo.

Participants at a San Mateo County Youth Visioning Forum

We are also grateful to these reviewers:

Carol Augustine, Finance Director, City of Menlo Park

Salud Carbajal, First District Supervisor, County of Santa Barbara

Malka Kopell, Founder, Community Focus

Bev Perry, Former Mayor, City of Brea

Photo Credits:

Greg Keidan, Institute for Local Government

All decisions regarding the final content of this publication were made by the Institute for Local Government.

Table of Contents

INTRODUCTION: INVOLVING THE PUBLIC IN LOCAL BUDGETING ... 2
APPROACHES TO PUBLIC ENGAGEMENT IN LOCAL BUDGETING ... 5
Budget Education and Outreach ... 5
Budget Surveys ... 10
Budget Advisory Committees ... 13
Budget Workshops ... 17
Budget Deliberative Forums ... 23
Relationships with Neighborhood Councils and Committees ... 32
Conclusions ... 35
THINKING STRATEGICALLY ABOUT THE PURPOSES OF PUBLIC ENGAGEMENT ... 36
A DOZEN LESSONS TO GUIDE PUBLIC ENGAGEMENT IN BUDGETING ... 38
RESOURCES FOR ENGAGING THE PUBLIC IN LOCAL BUDGETING ... 47
ENDNOTES ... 48

For Personal Use Only. Not for Distribution.



Introduction: Involving the Public in Local Budgeting

The Challenge of Matching Resources to Community Needs

Budgeting—the allocation of usually limited resources to fund vital public services and facilities—is a central activity of city and county government. The challenge is that there are typically more local needs than resources to fund them.

Many of the basic costs of government are increasing and there are frequently calls for new or expanded services to meet local needs. At the same time, there are serious pressures on local revenues given the impacts of broad economic forces at the local, regional and national levels.

Local revenues are further impacted as a result of state budget shortfalls and take-aways, as well as by the reallocation of revenues that local agencies have depended on to serve their communities. Any decision to increase local revenues, especially in challenging economic times, is itself a challenge and typically requires public support.

Many of the basic costs of government are increasing and there are frequently calls for new or expanded services to meet local needs. At the same time, there are serious pressures on local revenues given the impacts of broad economic forces at local, regional and national levels. Local revenues are further impacted ...

Why Involve the Public in Budgeting?

Residents know the kind of community in which they wish to live. They are also especially aware of the quality and quantity of public services and facilities. These services and facilities are a key determinant of the quality of life in a community and impact residents in very real and direct ways. As a result, budgeting decisions affect how the public understands and assesses a public agency's—and its officials'—performance.

While the task of budgeting can be a difficult and often thankless one, involving the public in budgeting decisions offers a number of opportunities to cities and counties:

- To better inform residents about the budget, the budget process, and the resources available to fund public services and facilities.
- To give residents and local officials alike a fuller picture—and a broader appreciation—of the many diverse community needs to which a local budget strives to respond.
- To provide decision-makers with direct information and guidance from residents about the kind of community the public wishes to have, and what services and facilities they most need and value.
- To better highlight and address the trade-offs associated with reconciling multiple demands with limited resources.
- To generate new and perhaps unanticipated budgeting ideas.
- To generate public understanding and support for the budget decisions which are ultimately made.
- To produce a more informed, responsive and responsible local agency budget.

“We had never taken our budget on the road before. In the past, residents would have to come to us at our Tuesday meeting. The public responded very positively to this change. It also created more balance in how these budget-related issues were being reported in the media. People were happy and impressed that we went out to the community to educate them and get their input, and it helped to open people’s eyes to the fact that we are all in the same boat.”

—County Supervisor

Central Valley²

As with all public engagement efforts, especially those more broadly inclusive and deliberative, public engagement increases the likelihood for more lasting public decisions and for an increased trust between residents and their government. Involving the public in budgeting decisions is also an opportunity to invest in a community’s “civic infrastructure” – the community’s ability to work through and solve problems together.¹ Taken together, the results include a more open, responsive and collaborative system of local governance.

Public engagement may also help residents to better understand the state-local finance system so that they are better equipped to make well-informed decisions at the ballot box.

About This Guide

This guide draws on examples of public engagement in city and county budgeting throughout California and describes six general approaches that local agencies use, often in strategic combination, to involve residents in the budget process.

These six approaches to public engagement in budgeting are:

- 1 Education and Outreach
- 2 Surveys
- 3 Advisory Committees
- 4 Workshops
- 5 Deliberative Forums
- 6 Relationships with Existing Neighborhood Councils and Committees

For the most part, these approaches go significantly beyond the minimum legal requirement for public comment at meetings of decision-making bodies. This does not suggest that public hearings and comment periods are not an important aspect of local budgeting, only that other forms of

public engagement can contribute important - and different - benefits to an informed, responsive and successful local budget.

Some local agencies use public engagement activities to work through specific and one-time budget challenges. Others have chosen to include elements of public engagement processes in every budget cycle. Whatever local interests may be, the recommendations contained in this guide will help local agencies make better decisions for their own use of public engagement.

While the examples in this guide are drawn from public engagement efforts of cities and counties throughout California they are not a complete inventory of all approaches and they may or may not reflect the current practices of a given local agency. Our main interest is to describe the range of the public engagement strategies that are possible and offer guidance on choosing from among them or combining approaches for optimal outcomes.

A Word about Public Engagement Principles

There are principles (some would say values) that underlie public engagement practices. Different approaches to public engagement may be more or less consistent with principles established by associations of public engagement practitioners that are intended to ensure the quality and credibility of these processes.

Local officials may find it useful to acquaint themselves with the best thinking in this area. Two leading public engagement organizations, the National Coalition for Dialogue and Deliberation (NCDD) and the International Association for Public Participation (IAP2) have developed principles to help guide general practice in this field. The NCCD *Core Principles for Public Engagement* are found at www.thataway.org/pep, and IAP2's *Core Values for the Practice of Public Participation* are online at www.iap2.org.

Drawing heavily on the work of these organizations, the Institute for Local Government has created the *Principles for Public Engagement Practice for Local Officials* (www.ca-ilg.org/publicengagementprinciples) that are specifically applicable to public engagement practices sponsored or organized by local governments.

Getting Started: First Steps

- Find out how other local agencies have engaged in local budgeting.
- Consult the Institute for Local Government (www.ca-ilg.org/cgi) and other sources of information (see *Resources* section on page 47).
- Use this guide's content, including the *Dozen Lessons to Guide Public Engagement in Budgeting* on page 38 to plan your approach.
- Be rigorous about having a clear purpose, and chose public engagement approaches that are realistic for your resources and consistent with your efforts' purpose and principles.
- Get started early and develop your public engagement approach in collaboration with community and other partners.
- Communicate your budgeting plans early, effectively and transparently.

Approaches to Public Engagement in Local Budgeting

As described above, this guide draws on examples of public engagement in city and county budgeting throughout California and organizes them into the following six general approaches:

- 1 Education and Outreach
- 2 Surveys
- 3 Advisory Committees
- 4 Workshops
- 5 Deliberative Forums
- 6 Relationships with Existing Neighborhood Councils and Committees

Any of these six approaches may be implemented alone, but in practice they are often used in combination. For example, public education and outreach is an essential component of almost any budget workshop or forum.

In fact, public engagement strategies approaches can be carefully and strategically combined to create an overall public engagement effort with a more inclusive, effective and fully comprehensive character. However any such combination, in its conception and its implementation,

should be fundamentally in line with the overall purpose of the full participatory budgeting effort. See the section *Thinking Strategically about the Purposes of Public Engagement* on page 36 for more information on this point.

Each of the following subsections describes one of these approaches, offers practical advise for its use, and provides examples of each approach.

1 Budget Education and Outreach

Why This Approach?

Taking steps to share information about the agency's budget and budget process serves a number of important purposes. Such information enables residents to:

- Better understand the budget and the local budgeting process;
- Knowledgeably discuss budget issues among themselves and with decision-makers;
- Understand the constraints affecting the allocation of resources; and
- Reach more informed opinions about how limited financial resources should be allocated.

A key message to highlight is that a budget is a series of choices a community makes about how to use available resources.

It's also important for the community to understand when choices have been made by other decision-makers. For example, state and federal law dictates some local expenditures. Decisions made by state and federal officials also can affect the availability of revenues to meet community priorities, as can economic forces.

“The community needs to know what you are doing and why. Otherwise, when people don’t have information and they have problems, they assume the worst.”

—Mayor
Central Coast City³

Keep in Mind

A public information and outreach strategy is an important first step in involving the public in budget decisions. In fact, it is an essential aspect of the rest of the public engagement approaches described in this guide.

By itself, however, a one-way public information effort results is fairly limited in providing opportunities to meaningfully involve the public in the decision-making process or foster collective ownership of budget-related challenges.

Key Elements

To accomplish the goal of informing the public, materials should be easy to understand and avoid technical jargon. Explain the key decision points an agency faces in adopting a balanced budget in light of the nature, needs and values of the community and larger trends. Present information in an organized and easy-to-read format.

- **Information to Provide.** An overview of the budget sources of revenue, distinctions between restricted and general fund revenue, 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. In some communities, including relevant past council decisions may also be important.
- **Information Outlets.** Options may include the local agency’s website, public access TV, community newsletters, local media (including ethnic media), special mailings, podcasts, public briefings, and more.
- **Inclusiveness.** In diverse communities where a portion of residents have limited English skills, local ethnic media and appropriate translated materials will also increase the likelihood that all elements of the community benefit from the agency’s information efforts.

Salina Community Dialogue Budget Forum



A good strategy is to identify the key questions decision-makers and the community face as it relates to the budget. For example:

- What are the most important things to do over the next two years?
- What are the trade-offs we are willing to make as a community to accomplish those priorities?

As one city manager⁴ has said, these questions communicate the key message that “This is not a government problem, this is a community problem.” He notes that when people understand this is about choices and not just a financial issue, the burden is not solely on the shoulders of local officials.

Finally, it goes without saying that all the information shared about an agency’s budget must be fair and accurate. Withholding important information is a sure way to diminish the community’s trust in the budget process and its leaders. If mistakes have been made in the past that are creating challenges today, admit it. However, do so in a way that acknowledges the good faith and intentions of those who may have made what may appear, with hindsight, to be mistakes.

Examples

Well-designed summaries of agency budgets can provide residents, council members and staff easy-to-understand explanations of local fiscal issues. The following agencies produced reader-friendly budget documents that received Public Communications Budget Awards from the California Society of Municipal Finance Officers. Each of the examples was produced in-house at minimal expense.

Brentwood

Brentwood’s two-page Budget-in-Brief document provides a condensed version of the key information included in the city’s operating budget and capital improvement program. It offers the reader a quick and easy overview of the city’s fiscal position for

the current fiscal year. For example, the city’s revenues and expenditures can be found on one page and are presented in such a way as to be self-explanatory.

The “snapshot” format of the Budget-in-Brief makes it an effective handout for use at the annual state of the city event attended by the public and the media, and at the city booth at the annual Cornfest summer festival. The Budget-in-Brief is typically available at other events where the city has a booth, and the mayor takes copies to meetings as appropriate. The intended audience includes both residents of Brentwood and individuals who may be interested in either living in Brentwood or doing business there.

Resources for Further Information

- City of Brentwood Budget-in-Brief
www.ci.brentwood.ca.us/pdf/new/finance/budgets/2005_budget_brief.pdf
- City of Palo Alto Budget-in-Brief
www.cityofpaloalto.org/civica/filebank/blobload.asp?BlobID=8875

Mountain View

The City of Mountain View's Narrative Budget is the city manager's summary of revenue and expenditure issues for the upcoming fiscal year. This report provides revenue and expenditure projections for the major funds of the city and presents the financial condition of the city in a format that is easily understood by residents, the city council, and staff. The report also provides a comprehensive preview of the major issues facing the city and presents the city manager's budget recommendations that will be addressed in the proposed budget.

The information contained in the Narrative Budget Report conveys the financial status of the city. It enables resident and council members to better understand the issues facing the city, how those issues affect the city's budget and the alternatives the city council can take to resolve issues.

The report is presented at a study session where residents can provide their input on the issues and recommendations. The report allows the city council to concentrate on the key issues facing the city so they can adopt a fiscally sound spending plan.

Orange County Transportation Authority

The Orange County Transportation Authority developed a ledger sized, tri-fold brochure known informally as the "Popular Budget." The purpose of the brochure is to communicate fiscal, organizational and programmatic information to the agency's constituents. The Popular Budget summarizes essential information and uses design, concise headings and titles, and graphics to convey complex issues for the general readership.

Agency staff and elected officials use the Popular Budget to bring the "message to the people" at community meetings, council meetings, and civic/philanthropic gatherings. Wide distribution of the Popular Budget has helped the agency communicate its mission, programs and services, and, especially, annual budget and fiscal health to the county board of supervisors, city councils, and the public. To further disseminate the information, an electronic version of the document appears on the agency's website (www.octa.net).

Palo Alto

The City of Palo Alto's "Budget-in-Brief" brochure uses a composition of text, color photos, graphs and pie charts to depict the city's financial standing over a 12-month period. The brochure is available at city hall for anyone interested in budget information. The city also distributes it in an annual mailing. Many people access it through the city's website.

The brochure provides residents, council members and staff easy-to-understand explanations of where the city gets funding and how it is spent. It categorizes revenue and expenditures by fund: general, enterprise and capital. This helps residents understand why, for example, utility rate increases (enterprise funds) cannot be used to keep libraries open longer hours (general fund). The Budget-in-Brief provides an opportunity for the community to review and understand the choices their representatives have made in spending the city's resources.

In addition to providing details of revenue and expenses, the Budget-in-Brief discusses budget achievements, the budget climate, and major capital improvement projects. It also provides a schedule for the annual budget hearings so residents are aware of their opportunities to provide input.



Richmond

The City of Richmond produces a Budget-in-Brief Handout that provides an overview of the operating and capital improvement budgets, includes the city's five core strategic goals, and highlights accomplishments linked to those goals.

The purpose of this document is to highlight and summarize the city's accomplishments in reflecting management policies and community priorities through the operating and capital improvement budgets.

Pictures that reflect capital beautification projects and economic development efforts, along with graphs, are incorporated into the document. It also includes a description and illustration of the city's revenue sources, and an explanation of how property tax and sales tax revenues are allocated to the city.

The Budget-in-Brief Handout has been distributed at community budget presentations and events. Residents have found it helpful in aiding their understanding of available financial resources and how they are allocated to fund services and infrastructure.

Resources for Further Information

- City of Mountain Views Narrative Budget
www.ci.mtnview.ca.us/city_hall/admin_services/forms_and_documents.asp

Los Angeles Youth Dialogue



Resources for Further Information

- Orange County Transportation Authority Popular Budget
www.octa.net/pdf/popbudget.pdf

Resources for Further Information

- City of Richmond Budget-in-Brief
www.ci.richmond.ca.us/DocumentView.aspx?DID=3740

2 Budget Surveys

Why This Approach?

Surveys can provide a relatively easy to organize snapshot of public opinion at any given time. Such snapshots can give decision-makers a picture of the services that the public most and least values, and the budget choices that enjoy more or less support.

Keep in Mind

Surveys do have limitations. For instance, those who respond to a survey may be only minimally informed about the issue in question, and the opinions expressed may be tentatively held and can change as new information emerges or if other circumstances change.

Survey methodology affects the validity and usefulness of the results. For example, online surveys only reach a certain segment of the community (those that own and use computers and have access to Internet service). Phone surveys may exclude a portion of the community if cell phone numbers are not part of the sampling. In multilingual communities, surveys conducted in a respondent's native language will more fully and accurately reflect his/her views.

Because of their question-and-answer format most (but not all) surveys typically offer limited opportunities for respondents to consider and respond to alternative budget scenarios or trade-offs. Surveys also tend to only minimally connect responding residents with the sponsoring local agency.

Participants at a San Mateo County Budget Dialogue



Survey methodology affects the validity and usefulness of the results. For example, online surveys only reach a certain segment of the community (those that own and use computers and have access to Internet service).

Phone surveys may exclude a portion of the community if cell phone numbers are not part of the sampling.

In multilingual communities, surveys conducted in a respondent's native language ...

Key Elements

Surveys collect information by telephone, special mailings, or online. They may seek input from a truly random or generally representative sample of respondents. Or, they may simply request input from anyone who wishes to participate.

Surveys may be stand-alone efforts or combined with other methods of seeking public input. For instance, survey results may be used to develop budget balancing choices or strategies that residents later discuss at community workshops and other forums.

Some surveys are accompanied by educational materials, as part of an overall outreach and communication effort.

Examples

Los Angeles: An Annual Approach

This metropolis has conducted an annual budget survey as part of a larger public involvement process. Survey participation has increased each year, and the city received about 5,000 responses in 2008 from a combination of online and handwritten surveys.

While it's not a representative sample, the staff member responsible for the effort believes that it helps residents feel as if they have a voice in the budget process.⁵ The agency has been working with a consultant to create an interactive web survey based on a statewide project called, "The Budget Challenge". This survey will include questions about tough choices. Elected officials are hoping the new format will encourage high levels of participation.

Menlo Park: Multiple Survey Formats

This city in the southern part of the San Francisco Bay Area worked with consultants to distribute a budget survey in three formats: by mail to every resident and business, in an open online survey, and via phone with a representative sample of residents. The survey was available in Spanish and was also distributed at schools.

This survey, one part of a more comprehensive public engagement effort, was introduced by detailed descriptions of the various service and programs funded in the operating budget. It gathered information about community priorities by asking residents to balance the budget using

strategies that would reduce costs and/or increase revenue. Each household and business received a survey with information about city services, their current costs, the potential impact of cost reductions, and potential revenue options.

City officials used the results from the surveys as preliminary feedback to guide the deliberations in follow up workshops that developed budget-balancing strategies. One official reports that along with other benefits, she believes that the survey helped inform residents about city services and how much they cost.⁶

San Jose: Professional Polling

This community in the heart of the Silicon Valley retained a professional polling company to survey a random, representative sample about their perceptions of city services and funding priorities. Using a random-digit dial method, the firm reached 450 San Jose residents. The survey was translated and conducted in Spanish and Vietnamese, as well as English.

The phone survey included trade-off questions such as "Would you cut X to increase public safety?" Questions also explored residents' rating of the quality of public services, perception of the agency's budget, priorities for increases or cuts in spending, and attitudes toward budget-related policy issues. A number of demographic questions allowed analysis of survey results by particular subgroups.



Salinas Residents Discuss Budget Priorities

San Luis Obispo: Polling and Utility Bill Inserts

This central coast community has worked with a consultant to conduct a representative sample survey to identify and rank preferences for discretionary and non-discretionary services. The city also included inserts in utility bills that provide notice of community budget meetings and, on the back, asked customers to list three to five things that the agency should do in the next two years.

The effort yielded approximately 500 to 700 responses from a mailing of 14,000. These survey results have helped city leaders understand what services residents value most.

Santa Cruz: Online Community Feedback Portal

The City of Santa Cruz developed an interactive online strategy for engaging residents in resolving a budget crisis. This “Community Feedback Portal” includes information about the city’s current financial situation and how

city revenues are spent. It also asks residents to suggest ideas on how to resolve challenges posed by the budget crisis and to vote on other people’s suggestions using an online forum that allows anyone to see how many votes each suggestion has received. Visitors to the site are invited to sign up to stay informed about the city budget process, to participate in town hall discussions or focus groups, or to have a speaker from the city address their organization.

Faced with daunting budget cuts, Santa Cruz officials felt that some decisions needed to be made immediately with the help of residents. By creating an online opportunity for residents to educate themselves about local impacts of the financial crisis and to offer constructive suggestions about how to respond to the city’s fiscal problems, city leaders were able to get useful community feedback more quickly than community forums and elections would allow.



Santa Monica: Online Surveys

This Southern California coastal community has used its website to gather public input on the city budget. Questions include:

- What do you think are the most important issues facing the community in the coming year?
- What programs and services do you think should be funded to address these issues?

Responses are posted on the website (with posters’ names if they wish) in order to promote further discussion and participation. The current agency budget is available to the public online. Elected officials and staff review and consider the responses in preparing the budget.

3 Budget Advisory Committees

Why This Approach?

Advisory committees are a relatively easy and inexpensive way to include additional voices and fresh perspectives in the budgeting process. These committees can offer important feedback to local agencies on budget ideas and plans, provide new budget ideas and recommendations, and provide a forum where different budget approaches and recommendations can be considered.

Advisory committees can also provide greater transparency to the budgeting process by serving as a conduit of information to the larger community. To the extent the committee enjoys the trust and respect of the community its support for the budget—to the degree that this is communicated widely—may create such trust in the broader community.

Membership can include representatives of community, business or other groups, or may be composed of members of the general public—or a combination of the two.

Keep in Mind

Advisory committees can take a variety of forms in response to local interests and needs. They offer opportunities for the education, engagement and, at times, deliberation of advisory committee members. However, as relatively few people are typically involved, there is a risk that important viewpoints won’t be represented. A local agency using a budget advisory committee must be realistic about outcomes and consider whether other opportunities for broader engagement exist.

While members can be appointed by individual council members or supervisors, setting common criteria for membership, and having a less political selection processes, may offer greater success.

Key Elements

Budget advisory committees can provide local agencies with more focused input from a select group of community members. Often, but not always, the participants are community leaders or stakeholder representatives with special skills or interest in finance, business or policy. These volunteers become intimately familiar with the details of the budget and are especially active during the development phase of the budgeting process.

Committee members are typically recruited, formally or informally, through political and social networks. Elected officials typically appoint or invite committee members. When the committee is composed of representatives of groups and organizations, the committee members can serve as conduits for information between the group and the local agency.



Community Forum in San Mateo County



Sometimes the elected officials creating the advisory committees will specify what questions the committee should address. In other situations, committees actively present and advocate new ideas to local leaders.

Examples

El Cerrito: Financial Advisory Board

El Cerrito, a small city in the eastern part of the San Francisco Bay Area, has used a financial advisory board, for many years composed of five public members working with one elected official liaison and one staff liaison.

The primary role of the financial advisory board is to review draft budgets—especially major proposed changes to programs, staffing, and fees—and provide recommendations to ensure consistency and readability. The board also reviews the city’s comprehensive annual financial report, comprehensive financial policy, and all debt issues.

Staff reports that the board offers a fresh set of eyes and helps staff anticipate elected official and residents’ questions. The open dialogue between staff and board members demonstrates that all budget issues are open to review. A well-staffed and well-informed board is a useful forum to test new ideas. It also conveys community concerns as well as what the public needs to know to feel comfortable with how their money is being spent. The city council retains ultimate authority over policy,

of course, but the board’s efforts save the council time and have reduced the number of questions at budget hearings

While each advisory board member was initially appointed by an individual city council member to a term coinciding with his/her own, board members are now selected through an interview and appointment process by the city council collectively.

Redding: City Manager’s Budget Committee

To help prepare its biennial budget, a city manager in this northern California community has sought the expertise of specific individuals. The manager selected two or three community members to participate in a series of department staff meetings and provide recommendations.

The selected residents learn about agency finances and long-term plans through meetings with the management and finance staff. This includes meeting with each department head, learning about specific budget issues and their proposed budgets, asking questions, and making suggestions using assessment forms. Although budget recommendations ultimately rest with the city manager, the perspectives of the advisors are influential.

El Cerrito, a small city in the eastern part of the San Francisco Bay Area, has used a Financial Advisory Board for many years composed of five public members working with one elected official liaison and one staff liaison ...



Participants at a San Mateo County Youth Visioning Forum



The expectation has been that budget committee members will:

1. Do their homework, including the review of several thick binders of material that includes issue papers and budget particulars.
2. Actively participate in meetings.
3. Share their perspectives on the budget with elected official decision-makers at the end of the process.

Staff members report that this process helped improve the agency’s relationship with the business community and enhanced public trust in general. It has also provided a mechanism for streamlining the public hearing process on the budget.

Ventura: Citizen Blue Ribbon Budget Committee

In February 2009, the Ventura City Council created a Citizen Blue Ribbon Budget Committee, a 15 person working group to dialogue with the community regarding the submission of a revenue measure to the voters.

Interested community members were asked to participate by attending four community meetings held by the committee during the month of March. The committee heard public testimony as to whether or not a sales tax measure should be placed on the ballot, when the measure should be placed on the ballot if it was pursued, and how the revenue generated by the measure should be spent.

The committee presented its report to the city council in April 2009 and recommended that a measure to approve a half-cent sales tax increase subject to a four year sunset provision should be placed on the ballot. The mayor of Ventura commented that, “this intense, three-month budgeting exercise that

saw the city council, city staff and members of the community come together to “budget for outcomes” resulted in an \$11 million cut in spending. Every city employee agreed to a five percent cut in compensation, and programs and staff positions were eliminated.

The city council accepted the recommendation from the committee and voted to add a half-cent sales tax increase, Measure A, to the November ballot. The measure failed to pass however.

“The community needs to know what you are doing and why. Otherwise, when people don’t have information and they have problems, they assume the worst.”

—Public Agency Staff
City of Redding⁷

A Note about Selecting Members of Advisory Committees

An important element of the success of any advisory committee is its membership. It can be helpful to be clear on what the agency’s goals are in creating the committee, so members can be selected to maximize the agency’s likelihood of achieving its goals.

- 1 Expertise. If the goal of having the committee is to secure additional expertise in the budget process, select individuals with a background in budgeting issues—for example in their businesses, nonprofits or consulting practices. Also be prepared to be candid upfront on how much time diligent service will take (including preparation time), so a potential member can realistically assess whether he or she has the time to commit to the task.
- 2 Representation. Another goal of having a committee is to assure that certain perspectives from the community have a voice in the budget process. In that case, it is important to consider whether a particular committee member does indeed share the perspective of the group whose input is sought and whether that group trusts and respects the individual being selected to share its views. It can also be helpful if the representative commits to engage in two-way communication: both from the group and back to the group about what the representative is learning and what the committee is grappling with.
- 3 Process. If, in the effort to assure that diverse perspectives are represented, an agency anticipates that a group will have challenges coming to agreement on recommendations and priorities, it can be helpful to include members with collaboration and consensus building process skills. In addition, all members of the group will find their service on the committee more meaningful if individuals have the skill of being able to disagree without being disagreeable and engaging in what might be perceived as personal attacks.

Finally, a committee will be most likely to achieve its goals if they know what those goals are and, to some extent, are not. Clarity about what the group is supposed to achieve will help keep discussions and information-gathering efforts productive and focused on the group’s ultimate work product.

4 Budget Workshops

Why This Approach?

Budget workshops can offer the general public, as well as organized stakeholders, an opportunity to question, comment on, and shape budget goals and development. Workshops may involve gatherings of various sizes and will often make use of a facilitator.

The distinction between “budget workshops” and “budget deliberative forums” (see the next section) is one of degree. For the purpose of this guide budget workshops are defined as opportunities for public information, discussion and feedback on a county or city budget, with the results intended to be used by decision-makers. Results may include primarily the collection of individual feedback or more collective participant opinion and judgment.

Generally, we define them as more of a stand-alone and shorter-term opportunity for public engagement (than public forums), although workshops may be held in more than one community location, and in some cases they may have an online component.

Keep In Mind

More than surveys, budget workshops promote collaborative discussions among residents and offer a greater depth of budget-related input to local officials. They are particularly useful processes for participants to generate information about the services they most value and express preferences for planned budget expenditures.

Budget workshops are typically held on weekday evenings or on a weekend, so workshop time is often limited to a few hours. This may provide enough time to convey very basic budget information to participants but often not enough for participants to grapple with complex budget recommendations or to consider substantive alternatives. Time constraints may also limit the potential for workshop participants to reach detailed agreement on recommendations, especially where substantive differences exist.

To be successful, budget workshops require good design and logistics, preparation of background materials (as appropriate), effective recruitment of participants, and skilled facilitation. As a result, inclusive budget workshops can require significant staff time and other resources. Some agencies employ consultants to help plan and facilitate workshops. Alternatively, staff and/or volunteers may plan and facilitate the meetings and small group processes.

The bottom line is that budget workshops are effective strategies if the goals for the meeting are realistic for the time available, and if the information participants have (or are given) about the budget and budget choices prepares them for the discussions.

The decision to hire a professional facilitator turns on the skills and availability of agency staff or volunteers. Sometimes the public may perceive consultants or community volunteers as more impartial, which can generate more trust in the process.

Key Elements

Budget workshops differ in their scope. Some are larger, “town hall” style community forums. Others are smaller meetings involving neighborhoods or targeted groups in the community. Some agencies choose to hold multiple workshops each to be held during different phases of budget development.

The first step is to determine the goal of the workshop(s). A county or city may be seeking community input on service priorities to guide overall budget development or may want the public to comment on particular aspects of the proposed budget. Generally, workshops that focus on more limited goals, such as budget-related visions, values, and/or preferences will be most successful. Discussions aimed at reaching group consensus on more detailed budget recommendations require realistic plans for adequate discussions and skilled facilitation. (See “Deliberative Forums” on page 23)

In terms of presenting information, workshops typically begin with brief presentations by elected officials or senior staff about relevant budget information, history and challenges, perhaps with reference to prepared budget documents. Staff from multiple departments may be on hand to answer questions.

Depending on the size of the workshop, attendees can be divided into smaller groups to discuss ideas, preferences, and/or priorities. Participants may engage in back and forth discussions, exchange views and opinions, and seek to reach

common agreement on their ideas or recommendations. An outline of critical questions or choices facing decision-makers can help focus the discussion. It can also be helpful to present different budget scenarios.

Examples

Brea: Staff and Community Workshops

As is the case with many local agencies, this small Orange County community has eliminated staff, programs, and services due to reduced revenues. Facing another deficit, leaders reached out to involve staff and residents in making difficult and painful decisions to create a balanced agency budget.

As a first step towards a crafting a balanced budget in a collaborative way, the city manager asked staff to volunteer to serve on a budget strategic planning committee. Thirty to forty city staff members met twice a week to discuss the budget situation and community priorities, as well as to suggest where to make cuts.

The agency also hosted two community-wide public dialogues to give residents the opportunity to weigh in on budget decisions and to share their values and priorities with the budget strategic planning committee.

The first dialogue involved approximately 25 residents in discussing big picture questions about how to approach the looming budget deficit. The second meeting attracted nearly 50 participants.

This meeting began with information about the budget problem and how it developed, as well as about the agency's collaborative budget process. Residents participated in facilitated small group discussions about what was important to them about living in their community and what they considered to be "core" services.

The city manager noted that this process gives elected officials and residents a common understanding of budget issues and process, and enables residents to be a part of the budgeting process.

The mayor observed that the public engagement processes keep residents informed and let them know that elected leaders are listening to their concerns. He believes that such engagement also helps elected officials feel confident that they are making decisions that are responsive to their community.

Carlsbad: Small Workshops that Make an Impact

Carlsbad, a Southern California city, has made a series of budget workshops an annual practice. Multiple forms of outreach are used to recruit participants, including utility inserts, newspaper ads and articles, televised announcements at governing body meetings, and the agency's website.

Each workshop has included a budget overview by staff followed by question-and-answer discussion. Representatives from every department are on hand to answer questions.

This approach allows people to learn together, explains the city finance director.⁸ She reports that some resident's questions are challenging, but that she and other agency staff do their best to provide information so that everyone has a shared, mutual understanding of the budget and the issues. Staff provides notes on the discussion to elected officials who consider this community input before the final budget is approved.

These budget workshops have influenced major budget decisions. For example, complaints about the impact of overcrowding at the local pool helped secure council support for an additional pool complex.

The finance director believes that the budget workshops are worth the time and effort they require. Costs are low because the meetings are held at agency facilities and most participating staff don't require overtime pay.

Claremont: Goal-Setting Workshops

This Southern California college town has a tradition of public engagement, including participation in the agency's biennial budget process. This process has included a series of five workshops over a six-month period to weigh-in on services funded by the city budget.

The workshops' goals are to identify:

1. What the agency is doing well and should continue;
2. What the agency is already doing but needs to do more of; and
3. What the agency is not doing that needs to be addressed.

Some workshops involve the community at large and are held in different parts of the community. Others seek input from agency board and commission members, volunteers and other highly involved community members.

The discussion begins with a brief overview of the budget, focusing on an explanation of revenue sources. "We show residents what portions of sales, property and other taxes are received by the city, as well as explaining the types of fees that are charged to fund city-provided services," says the city finance director. Similarly, there is an effort to explain how funds are spent using charts that the average person can easily understand.

Following the presentation, staff are available for one-on-one discussions to clarify, respond to questions and create avenues for further communication.

Although agency staff facilitate the discussion, the finance director notes that it has been important to the community and to elected officials that this dialogue be resident-driven.⁹ "Participants have generated their own ideas rather than ranking a list of items produced by staff. This helped ensure staff won't overlook key resident priorities."

Working in small groups, participants consider public services from a neighborhood and a citywide perspective. Next, each group shares their findings with the whole group as staff tally the results for their report to elected officials. Staff asks residents questions to delve more deeply into key issues and record participants' ideas on video screens or large whiteboards.

Elected officials attend the workshops to listen to the discussions, but not to share their own views. A workshop later in the budgeting process gives elected officials the opportunity to review the priorities generated from earlier workshops, and then ask community members detailed questions.

"We are looking for specific, identifiable goals for the two-year budget cycle to meet people's needs," the finance director explains. "It's something we can address and tackle and show results. Then we can come



back in the next budget cycle and ask, ‘How did we do? Now what category would you put this in? Do we still need more or have we done enough?’”

Once goals are set, city staff develop a proposed budget and work plan, and present these to the council at a two-day budget workshop. After each department presentation, there is an opportunity for public comment and discussion among residents and department staff. Workshop results range from small tweaks to going back to the drawing board if staff missed the mark or a burning issue arises between January and May.

The finance director believes this approach works better than waiting to engage residents during a budget crisis. “If the city communicates regularly with residents and engages them in active dialogue for a long time, then the community will be more likely to trust that the city is being fiscally responsible with their dollars and approve a ballot measure.” He adds that, “The community feels they have a stake and that their voices are heard, even if they don’t always get what they want.”

Cupertino: Workshops Based on Board Game Metaphor

(Please note that while Cupertino no longer uses the budget board game described below, we include it as an example of local inventiveness in encouraging public discussion about budgeting.)

A board game metaphor helped this community engage residents in budget discussions. The “Balance or Bust” game was presented at the agency’s

annual “community congress,” which has used different formats depending on current issues and leadership styles. About 100 community members showed up to play the game when it was introduced.¹⁰

The object of the game was to progress through one budget cycle and identify where to cut a specified amount from the city budget in order to eliminate a deficit. Players formed teams and worked to reach a majority decision. Players made choices about reducing service levels, increasing operational efficiency, initiating economic development projects, raising fees, applying for grants and/or refinancing debt. Unanticipated events and accompanying costs—or example, the effects from natural disasters or a recession—also added a degree of realism to the discussions.

Before the game, the city manager provided an overview of the budget, including details such as the distinction between restricted and general fund money, sources of revenue, and restrictions. Afterwards, elected officials listened as teams presented their conclusions and reflected on the process. Most people reported that reaching consensus and choosing among options is a lot harder than it looks. The game gave critics of the agency’s budget process a new perspective by experiencing what decision-makers wrestle with.

In the first use of the tool, public safety emerged as the highest priority among participants. Leaders were surprised, however, at the second highest priority: communications.

Participants emphasized the need for public agencies to keep the community informed about what’s going on. This input influenced the agency’s approach to communications; it established its own AM radio station with community and emergency information. It also added video podcasts of city meetings and events to its website.

Not only did leaders learn about their constituents’ priorities in these workshops, but the public had fun and became better informed about city finances. Download the “Balance or Bust” game template at www.ca-ilg.org/balanceorbust

The finance director believes this approach works better than waiting to engage residents during a budget crisis. “If the city communicates regularly with residents and engages them in active dialogue for a long time, then the community will be more likely to trust that the city is being fiscally responsible with their dollars and approve a ballot measure.”

Fresno County: Workshops to Address Service Priorities

In this southern Central Valley county, a county supervisor organized a series of public workshops to involve the community in a thorny budget battle.¹¹ The conversations occurred against a backdrop of a publicity campaign which pitted public safety against social services as a budget priority.

Working with community leaders, the county hosted a series of public workshops in churches around the county to discuss what it would mean to residents if the county cut social services. At the meetings, department heads gave brief overviews of their programs so the public could learn who was competing for what scarce resources. Many people had not known about the proposed cuts, and residents were given the opportunity to share comments or ask questions.

The supervisor believes the effort resulted in a more balanced reporting of these issues by the media and informed many residents about the proposed budget cuts for the first time. This was the first time that the county budget discussion was moved outside of city hall, and the supervisor reports that residents were, “happy and impressed that we went out to the community to inform them and ask for their input. It helped to open peoples’ eyes to the fact that we are all in the same boat.”

In the first use of the tool, public safety emerged as the highest priority among participants. Leaders were surprised, however, at the second highest priority: communications. Participants emphasized the need for public agencies to keep the community informed about what’s going on. This input influenced the agency’s approach to communications; it established its own AM radio station with community and emergency information. It also added video podcasts of city meetings and events to its website.



Encouraging Broader Public Involvement In Local Budgeting

While local officials are increasingly seeking residents' involvement in local budgeting, some voices are typically heard more than others. Ensuring greater participation from often underrepresented groups, including but not limited to ethnic, immigrant, low-income, youth, and disability communities, will help achieve more effective and trusted outcomes.

- **BUILD COMMUNITY CAPACITY** – Before specific issues are on the table, help develop the knowledge and capacity of less involved residents and communities to understand local government and local budgets and budgeting—as well as the opportunities and benefits of involvement.
- **GET HELP** – Identify and seek the help and advice of community-based and intermediary organizations, including grassroots leadership groups, clergy, and community-specific media, that can assist with general education about involvement, as well as provide two-way conduits for communication between government and community residents on specific issues and policies.
- **DEVELOP RELATIONSHIPS** – The degree to which communities trust local officials' commitment to engagement can be critical. Personal relationships developed by elected officials and agency staff with community and advocacy organizations will reap many rewards.
- **COMMUNICATE EFFECTIVELY AND RESPECTFULLY** – Know your communities changing demographics, and invest in culturally and linguistically appropriate communications material and strategies. Transportation assistance and childcare (perhaps through respected intermediary organizations) can often be helpful.
- **BE FLEXIBLE** – Holding public meetings in community settings known and accessible to the populations you wish to reach, perhaps co-sponsored by respected intermediary organizations, can help achieve your goals for broader participation. Explore what engagement tools and processes will best meet the needs and conditions of the residents you're seeking to involve.
- **STAY IN TOUCH** – As appropriate, keep up to date lists of appropriate community and ethnic organizations and groups concerned about given issues and keep them informed of opportunities for involvement.
- **SAY THANK YOU** – Express appreciation for those that do become involved - at relevant meetings and hearings and by letter or e-mail afterwards.
- **BUILD IT IN** – Make the invitation and integration of less engaged community voices into local decision-making a part of your ongoing good governance efforts.

For more information, visit www.ca-ilg.org/cgi.

5 Budget Deliberative Forums

Why This Approach?

As with budget workshops, budget deliberative forums offer the public the opportunity to question, comment on, and shape a proposed local agency budget. However budget-related deliberative forums typically involve more intensive and/or longer-term facilitated processes than budget workshops, often with more time for participants to be informed about budget choices and to engage in back and forth discussions that result in concrete and usually more collective recommendations.

The distinction between budget workshops (see previous section) and deliberative forums is, frankly, not always easily discernable as this is often more a question of degree than of a completely different process.

However, budget deliberative forums usually involve one or more of the following:

- A longer timeline for public engagement, involving multiple meetings of participants;
- More intensive education of the participants to allow them to better understand the budget and budgeting process;
- More than one avenue for engagement, such as surveys, stakeholder group interviews, online dialogues and deliberative forums, or multi-level public forums where earlier and more general public input is developed into more detailed recommendations at a later forum; and
- A central focus on “deliberation,” involving a face-to-face exchange of ideas among participants, often with the goal of developing consensus-based recommendations.


Such deliberative forums can give a significant number of community participants an opportunity to grapple with budget issues in greater depth than a shorter workshop might allow. Participants have the chance to become more informed about the issues, hear diverse perspectives, weigh budget alternatives and trade-offs, and develop recommendations for decision-makers.

When done well, deliberative public forums should yield more complete and useful recommendations with a greater degree of community support. This more in-depth engagement can help focus a community's attention, generate new ideas, and help create support for new budget directions.

A Budget Forum at Hartnell Community College in Salinas

Resources for Further Information

Institute for Local Government

 A Local Official's Guide to Immigrant Civic Engagement
www.ca-ilg.org/immigrant

Keep in Mind

This type of engagement activity may require substantial time and resources and the full understanding and support of elected officials and senior staff. Such forums typically take more time and resources than a survey or workshop. Trained facilitators are usually required to help keep groups on track, address substantive differences of opinion, and ensure that even the quieter voices are heard.

With greater public visibility may come more scrutiny of the process by the media and others, so advance planning should include a media relations and communication strategy. An effective communications plan will ensure that the work and recommendations of the public forum will be known to many more residents. This is an essential element in ensuring a greater public confidence in the process and support for the resulting budget.

Key Elements

These forums may be especially useful when community leaders want to engage residents in substantive conversations about how to solve structural budget deficits. By creating an intensive and/or ongoing space for face-to-face exchange of ideas and consensus building, budget deliberative forums go beyond identifying priorities to focus on specific actions and trade-offs necessary to balance a local agency's budget.

Budget deliberative forums generally (but not always) extend over a longer time than budget workshops. They may consist of several meetings over a period of weeks or months with multiple opportunities for participation from a wide cross-section of the community. Participants are typically provided with appropriate budget information and have the opportunity to grapple with the real challenges and trade-offs of budget preparation.

Like budget workshops, budget deliberative forums require good design and logistics, preparation of background materials, effective recruitment of participants, and skilled facilitation. Many local agencies that use budget deliberative forums mix them with other participatory budgeting strategies, including surveys, education and outreach efforts, or consultation with stakeholder groups. A planned and coordinated set of public engagement activities extends participation opportunities to more individuals and provides decision-makers with more informed and well-considered budget visions, values and ideas.

Most agencies employ consultants to help plan and/or facilitate such forums, especially when they are seeking a greater degree of consensus on detailed budget recommendations.

Examples

Menlo Park: “Your City/Your Decision”

In 2005, this south San Francisco Bay Area community faced a fourth consecutive year of budget cuts due to a 50 percent decline in sales tax revenue and an overall economic slump. Though the agency had conducted budget-related surveys in the past, these did not reveal public preferences related to real trade-offs and hard choices.

Officials decided to undertake a community engagement process to understand community priorities and in order to solicit ideas to balance the budget. Staff worked with multiple consultants to develop a two-phase public process. An ad hoc resident budget advisory committee assisted with process planning and outreach. This approach was carefully designed to include a full spectrum of engagement opportunities to ensure that the full range of outcomes were obtained

During the first phase, every city resident and business received a very detailed budget survey encompassing revenue and expense options. Staff used this data to develop potential budget-balancing options that could reduce costs, increase revenue or provide services through alternative means.

In the second phase of the public engagement process, community members were invited to deliberate on budget balancing options in three public forums. Nearly 200 community members worked together in small



A Budget Forum at Hartnell Community College in Salinas

groups designed to simulate a city council. Participants were asked to choose among specific strategies that focused on the difficult choices to reduce the budget deficit to zero (or less). The exercise required each group to discuss options and develop a collective recommendation by voting on each strategy.

Elected officials used these recommendations to develop a balanced budget. Based on community input, the agency decided to include a utility user tax on the ballot, which passed by a narrow margin. The process was positive, staff observed, until the following year when the agency experienced a budget surplus. Several factors led to the unanticipated surplus, including deferred costs and savings due to staff vacancies. “People felt betrayed,” the city’s finance director observed.¹² As a result of the controversy, the newly elected city council rolled back the tax and established a finance committee as a standing advisory body.

... budget deliberative forums require good design and logistics, preparation of background materials, effective recruitment of participants, an dskilled facilitation.

Many local agencies that use budget deliberative forums mis them with other participatory budgeting strategies, including surveys, education and outreach efforts, or consultation with stakeholder groups. A planned and coordinated set of public

engagement activities extends participation opportunities ...

“This process was a real eye-opener and educational experience for city staff, especially for finance people who don’t often get a chance to directly interact with the community.”

—City Staff Member
Menlo Park¹³

San Mateo County: A Visioning Process to Guide Future Spending

San Mateo County developed a face-to-face and online visioning process to help guide their budget decisions. This “Shared Vision 2025” process built upon and updated a long-range plan that had been collaboratively developed with community input in 1999. The county held a series of facilitated community meetings designed to reach out to a broad cross-section of residents and to define a vision of what people want from and for their county over the next fifteen years.

A steering committee of residents helped to promote a broad and open process. This included meetings in

different locations around the county, including a Spanish language meeting in a Latino community, a meeting at a large local employer, and one with members of youth commissions in the county. The process yielded five “vision” statements that influenced the county’s budget decisions.

“Because these were disparate groups of people brought together in disparate locations, I felt we were able to get a valid list of vision statements that represent what their county is about,” commented one county supervisor.¹⁴

The public input gathered in the community forums was augmented by individual opinions collected through an online survey posted on the county website. This survey asked residents what they thought should be the highest priority goal for the county to set for itself to achieve by 2025, and how strongly individuals supported the county’s current goals. Some questions focused specifically on housing options, an important and controversial issue in an area where homes are expensive and in limited supply.

“One of the things that is difficult as an elected official is that all too often, the way the process works is there is an item in front of us in a public meeting, and a dozen residents may come to speak to that agenda item. A couple may speak in favor of it and the rest against it—everyone has their two minutes at the microphone. At the end, as an elected official, I may have no clue if what I just heard is representative of the community. It could be that some folks who don’t like something got organized and showed up with a busload of people at the meeting.”

—County Supervisor
San Mateo County¹⁵

Daly City: Identifying Community Values and Priorities

The south Bay Area community of Daly City, like many municipalities in California, experienced declining revenues from sales and property taxes. Faced with difficult decision of what to cut in its two-year budget, the city sought to educate and involve residents in a deliberative process to identify community values and priorities that would determine funding levels for city programs and services.

The city held four public meetings over five weeks in various parts of town and at different times - half during the day on Saturdays and half on weekday evenings. A special edition of the city community newsletter with extensive information on city revenue

sources, services, and spending, along with a mail-in survey, was also sent to all residents to gather opinions from those not attending the public forums.

Each forum was hosted by the city manager and city staff in conjunction with a neutral third party facilitator. The facilitator trained graduates of the city’s citizen academy and members of city commissions to serve as small group facilitators.

Each meeting began with a welcome and background information on the city’s financial situation. Participants asked questions and discussed alternatives and priorities in small groups while a volunteer facilitator

recorded their input on large flip charts. Each group shared their top ideas with the other residents and city officials in attendance. Some creative ideas from one meeting included posting volunteer ideas and opportunities on the city website and reducing street cleaning while raising fines for littering.

Information from the public forums and survey, along with input from a city employee engagement effort, was presented at a city council study session. The city council drew on this information, as well as on staff recommendations, to craft budget goals for the next fiscal year.

Participants at a San Mateo County Youth Visioning Forum

San Luis Obispo: Public and Council Workshops

This central coast city seeks to link the community's priorities with the available resources through meaningful public involvement in their two-year budgeting process.

Two public workshops and a larger community forum give residents opportunities to engage face to face with city staff and officials at different points in the budget process. A first public workshop "sets the table" by reviewing the status of existing city plans, projects, and goals. A second workshop held the next month "builds the foundation," reviewing the city's fiscal policies and the results of a five-year fiscal forecast, which sets the stage for the fiscal challenges and opportunities facing the city. Lastly, the city holds an interactive community forum the following month. In 2009 over 250 people participated in the budget forum.

Additional outreach includes specific notices to over 200 community groups and individuals, coverage in the local press and on the city's website, invitations to members of the media to attend workshop briefings on budget issues, and requests for the involvement of the city's approximately one hundred advisory bodies.

Elected officials consider the input received and discuss biennial goals at an all-day workshop that is held after the community forum. The workshop facilitator helps elected officials to craft their priorities into four to eight goals that have high-consensus from the council as a whole ...

The city also includes a community budget bulletin with utility bills along with a survey (typically completed by more than 500 residents) asking about the "three to five most important things for the city to accomplish in the next two years."

Elected officials consider the input received and discuss biennial goals at an all-day workshop that is held after the community forum. The workshop facilitator helps elected officials to craft their priorities into four to eight goals that have high-consensus from the council as a whole.

Lastly, before preparing and issuing the preliminary budget, city staff prepare detailed work plans to achieve the identified goals. After the council amends and approves the work plans, the preliminary budget is released. Four to five community workshops that follow assess how well the preliminary budget responds to council goals before a final budget is adopted.

This process allows community ideas and concerns to be surfaced early and assures that council goals drive the process. A city staff member noted that the workshop always brings something new and valuable to the goals-setting process. This process also provides elected officials with a framework for accomplishing their policy agenda. Because the city has set budget priorities in this way for almost 20 years, the community has a clear expectation that they will be meaningfully involved and have an impact on the outcome.

The city follows up with residents who participated in the workshops in order to highlight how public input impacted final budget decisions. City officials believe that such follow-up encourages attendance at future public engagement events. An easy to read "Budget-in-Brief" reflecting the results of this public process is mailed to all community members and posted on the city's website.



San Francisco residents participate in a high-tech budget forum

Morgan Hill: Community Conversations

When this south San Francisco Bay Area city predicted ongoing operating deficits, it launched a series of "community conversations" to get the community's help in setting priorities. "The city was willing to cut back if needed, but wanted to have the community conversations before making these decisions," says the city manager.¹⁶ The city engaged a consulting organization to help design the process, develop materials and train staff and volunteers to facilitate the conversations.

Leaders originally envisioned holding the conversations in backyards and over coffee in people's homes. However the press was critical of this process as not being sufficiently open so the agency responded by holding the conversations in public facilities and making them open to everyone.

Over a period of about five months, more than 300 people participated in 26 different community conversations at community centers, schools, city hall, and churches. Stakeholder groups such as the chamber of commerce and an organization of Spanish-speaking residents also hosted conversations. The city manager says that, overall, participants mirrored the population at large.

Community members were asked to reach consensus on pursuing one of three broad options: a) cut back and maintain minimal level of services; b) raise taxes modestly to sustain current level of services; or c) raise taxes significantly and concurrently increase levels of services

Participants discussed the pros and cons of these choices with an understanding that their input would be considered in the city council's final decision-making.

As part of education and outreach efforts, residents received a newsletter that described the issues and background information relevant to the conversations. Each conversation began with an overview of the budget issues and the conversation process presented by a trained volunteer facilitator. Participants then watched a video that featured interviews with local residents representing a variety of opinions about local government, which also further explained budget issues and the dialogue process.

Decision-makers participated in a final set of conversations, along with other officials, advisory committee members, and a number of residents who had participated in earlier discussions. Results of the prior conversations

were shared as a foundation for this additional dialogue. Results indicated that residents did not want services reduced but would not support additional taxes unless significant improvements in services occurred.

This deliberative process faced several challenges from the start. While there were champions of the proposed process among elected officials and they unanimously recognized the benefit of community engagement, the (then) city manager observed that there were varying levels of understanding and support for this particular method. In addition, the local press had a degree of skepticism about the approach.

Despite these challenges, a follow-up poll indicated a high degree of public trust and confidence in the process. In addition, 75 percent of participants said they wanted to continue to participate and be kept informed.

"Dialogue is important not just to collect opinions but to talk about consequences and implications. We thought this would lead to better solutions and increased trust."

*—City Manager
City of Morgan Hill¹⁷*

Redwood City: Community Workshops Inform Council Priorities

This diverse city in San Mateo County has established a reputation for innovative community building and civic engagement activities which the city council and staff “build into” many areas of the city’s daily work. This includes city budgeting. Redwood City holds deliberative public workshops early in the process of preparing their two-year budget. In January of 2008, Redwood City held two community workshops designed to gather input from a broad cross-section of residents that would help the city council determine what key priorities should guide their spending over the following two years.

A general invitation issued via e-mail, public access TV, press releases, the city website, and flyers brought nearly 100 people from all parts of the city to the three-hour evening workshops. Participants were seated at round tables in small groups of about eight people, with a trained volunteer facilitator at each table to help guide the discussion. The city determined that providing food contributes to the success of their community engagement efforts, so dinner was served

After participants were provided with an overview of the budgeting process, facilitators at each table asked questions designed to gather budget ideas and suggestions and reach some level of consensus about what the city council’s budget priorities should be when preparing the new budget. Each table reported their findings to the entire group at the close of the meeting, and city staff gathered all the data and prepared a briefing for the city council on the priorities that surfaced.

The results of these workshops were referred to during subsequent council deliberations and public hearings on the budget. While not all of the reported community priorities were reflected in the final budget, the community had significant and early input into the budgeting process.

Salinas: Service Level Dialogues

The city council in Salinas has made “consistent community outreach and engagement” one of its four thematic goals. As part of this commitment, the city conducted a series of four three-hour community conversations about city service levels in four different neighborhoods. This was part of the city’s effort to address a large budget deficit.

With the assistance of grant funds, Salinas was able to hire a firm to help design, promote, and facilitate community budget conversations. Bilingual advertisements helped draw out hundreds of residents who were representative of the city’s diversity. At each meeting, the consultants gave an introduction to city services, quality of life issues, and the city’s current economic situation.

They explained that the city was in a position of needing to either cut back on services or increase revenues. Participants were provided detailed graphs and charts showing where the city’s money came from and how it was spent, as well as data showing how Salinas’ services compared with nearby cities.

Following the presentation, participants worked in small groups using worksheets to guide them in a discussion about the pros and cons of three different budget scenarios. These alternatives included: a) reduced services; b) somewhat increased taxes to preserve present services; and c) higher fees and taxes necessary to add to and improve existing services.

Participants reached consensus on the best scenario and the methods they preferred to make their choice workable. After the discussions, participants were asked to fill out detailed surveys asking for their final judgment about how the city should handle its deficit and what trade-offs they were willing to accept in order to receive this level of services.

According to a Salinas Neighborhood Services staff member, “the city is hoping that, through repeated involvement in processes like this, residents will become more responsible for what happens in their community ...”

San Francisco: Keypad Technology Supports Deliberation

In 2005, the City and County of San Francisco gave randomly selected participants an opportunity to discuss and rank local services using “real time” keypad and computer technology. This allowed the results of many small group deliberations to be aggregated and shared.

Approximately 300 residents participated in small group discussions facilitated by trained volunteer facilitators or city staff. Participants received information on different budget scenarios, discussed the options in small groups, and expressed their preferences on the choices offered. Five San Francisco supervisors observed the meeting to hear first-hand from constituents.

The most common priorities identified were good government, jobs, economic development, education, public safety and quality of life. These priorities informed the mayor’s ’05-’06 budget, in which he sought to preserve and expand funding for vital services in these areas.

Such keypad technology has the potential for “scaling up” participation to involve a significant number of residents, and to generate and clearly demonstrate a group’s collective judgment on desired service and budget priorities. In this case, despite attempts to recruit a representative sample of

participants in the discussions, the agency remained concerned that the activities did not fully involve all sectors and ethnic groups of the community. Budget and time constraints contributed to difficulties in recruiting a fully representative sample of residents.

The former city budget director feels the dialogues yielded useful information for agency officials, but cautions that high-quality deliberative civic engagement is expensive and takes more time to do effectively.¹⁸ The use of public engagement has to be integrated early enough into the budgeting process to be useful to policy makers and worthwhile to the public.



Residents discuss the budget and enjoy a meal at a Redwood City Workshop, OR Redwood City Budget Workshop

6 Relationships with Neighborhood Councils and Committees

Why This Approach?

A number of cities and counties have ongoing working relationships with neighborhood councils or committees through which to engage residents in community building and solicit community input on a range of policy and community development matters. Such neighborhood councils can help provide early community input into budget preparations as well as review and offer feedback on specific proposed budgets. Their members are typically highly motivated individuals with an interest in participation, and they can serve as an important part of the broad cross-section of the community that a county or city may wish to engage.

Because of their work focus and relative permanence they can also bring a useful knowledge of local agency services and community needs. They may also be counted on to be a part of the budgeting process on an annual basis.

Keep in Mind

Local agencies must provide these councils and committees with information about the budget and clear roles and responsibilities in the budget process. Agencies must also show how the input received will be considered by policymakers. In some cases, appropriate organizational or process support may be provided to neighborhood groups to ensure their effective participation.

Committees and councils with resident membership that includes harder to reach or typically less involved populations will be especially important partners—as will those that can serve as conduits to neighborhood residents beyond a small leadership group.

Those neighborhood groups that claim to speak for the neighborhood but whose members do not reflect resident diversity may need to be encouraged to seek greater diversity. Otherwise, the local agency may need to pursue more inclusive and representative engagement.

As with many of the public engagement approaches described above, working through existing neighborhood councils and committees will often be most effective as one component of a larger public engagement strategy.

Key Elements

Neighborhood committees and councils can be integrated into a public engagement process on the budget in a number of ways. For those neighborhood groups that already have budgeting experience and expectations of being involved, shared learning (by the neighborhood council or committee and the local agency) based on past budget engagement experience is important and should lead to improvements in the process.

Regularly updated understandings (or formal protocols) outlining how the local agency will engage the neighborhood group in the next budget cycle should also be pursued.

Any of the specific engagement approaches described earlier in this guide could be used in conjunction with neighborhood councils and commissions. However given the community-wide perspective that these neighborhood entities may have, it will often be useful to engage them relatively early in the budgeting process through budget workshops or forums. These approaches will more likely solicit members' ideas and build broader community trust and support for the final budget plan.

For Personal Use Only. Not for Distribution.

Examples

Los Angeles: Neighborhood Councils

This Southern California metropolis has an extensive system of “neighborhood councils,” provided for in its charter.¹⁹ The nearly 90 present councils are organized and led by local community stakeholders-- including residents, employees, representatives from non-profits and others—but certified and funded by the city. As a formal part of local government, the councils must comply with open meeting laws, ethics training requirements and other requirements.

To involve these entities in the City of Los Angeles budget process, the councils have been convened in the fall for a “Budget Day.” The councils receive an overview of the city’s fiscal picture from the mayor and his staff. They are invited to participate in a process that includes community meetings, discussions to identify regional priorities, and a citywide budget survey. This process culminates in a meeting between the mayor and 16 community representatives selected to advocate for their regional priorities in the mayor’s proposed budget.

Neighborhood councils have helped the agency develop and distribute its budget survey to area residents, and some councils have also sought additional neighborhood input.

The neighborhood councils review survey results and appoint a total of 14 representatives to meet with the mayor before the budget is finalized. Each region prepares their own

presentation and representatives often relate personal stories that illustrate their area’s priorities, which are also shared with the agency departments.

San Jose: Neighborhood Advisory Committees

The San Jose Strong Neighborhoods Initiative, a network of neighborhood advisory committees, was organized to strengthen community participation in redevelopment areas. These committees developed visions for their neighborhoods and identified priorities for redevelopment spending. Following the success of these efforts, the city council expanded the neighborhood advisory committee model citywide.

Prior to the city’s decision to involve the new neighborhood advisory committees, the proposed budget was presented in local meetings to council districts. Residents could ask questions and cast “dot votes” to identify priority efforts to fund and things that they could do without. Though turnout at these meetings varied widely, participants asked good questions and provided feedback that could be shared with elected officials.

The agency decided to encourage the participation of neighborhood associations in the budget process by summarizing its 1000-page budget in a six-page “Budget in Brief.”

Next, the agency retained a consultant to facilitate a three-hour budget workshop for community leaders. The agency’s Neighborhood

Services Department maintains a roster of approximately 200 active neighborhood associations and asked each to designate a community leader to participate in the budget workshop.

At this workshop, residents created lists of positive things about living in their community and things they would like to see improved. The participants then reached a consensus on five priority areas. These priorities were incorporated into the agency’s annual budget message. In turn, the city manager incorporated the input into the budget and demonstrated how this aligned with the identified priorities.

Finally, elected officials and senior agency staff participated in another facilitated workshop. The session followed the same process, though only elected officials participated in prioritizing goals. After elected officials selected their three-year goals, participants divided into working groups to discuss next steps. This allowed the city manager to link his budget presentations to the council’s priority goals as well as neighborhood-generated priorities.

The process has been influential. One approved annual budget included funds for two additional code enforcement staff; an idea responsive to the neighborhoods’ priorities even though code enforcement was not one of the elected officials’ original top five priorities.

Conclusions

The examples described above are a representative but certainly not a complete inventory of efforts by cities and counties in California to involve the public in local budgeting. New initiatives are ongoing and, in fact, seem to be increasing as local jurisdictions confront ever more challenging budget scenarios and choices. Replication and innovation in this area is likely to continue and there will be a growing number of examples from which local officials can draw public engagement ideas and best practices.

One idea that clearly emerges is that different approaches to public engagement can be carefully and strategically combined to create an overall public engagement effort with a more inclusive, effective and fully comprehensive character. However, any such combination must be in full alignment with the overall purpose of the participatory budgeting effort. (See the section *Thinking Strategically About the Purpose of Public Engagement* on page 36 for more information on this point.)

The effective and purposeful use of public engagement in local budgeting offers immediate and longer term benefits for communities and their public officials. We encourage county and city officials to take advantage of what can be learned from the many public engagement efforts to date throughout California and beyond and to consider appropriate engagement strategies.

New Participation Requires New Governance

Achieving this kind of citizen participation or engagement (in budgeting) requires that we not only shift the way we think about citizens and their roles in governance processes, but shift the way we govern itself - shifting the administration processes and structures such that citizen engagement is possible.

Julia Becker and Cheryl Simrell King. The Challenge to Improve Citizen Participation in Public Budgeting: A Discussion, Journal of Public Budgeting, Accounting & Financial Management (Fall 2002).

The practical experiences of local officials in California suggest the benefits of involving the public in local budgeting. These same benefits accrue when the public is involved in other areas of appropriate local agency decision-making as well. In fact, a capacity for public engagement not only helps local agencies respond to a particular challenge or controversy, but it also aids in relationship and trust building among community residents - and between residents and local officials. This added “social capital” and increasingly adaptive and responsive political culture produce a more collaborative local governance that helps communities reduce polarization and successfully work through difficult issues.

Each local agency will of course make its own decisions about whether and how to engage residents in the budget process. We believe that the budgeting process is very much about identifying and creating the sort of community in which residents wish to live, and therefore resident participation in that process is important.

The effective and purposeful use of public engagement in local budgeting offers immediate and longer term benefits for communities and their public officials. We encourage county and city officials to take advantage of what can be learned from the many public engagement efforts to date throughout California and beyond and to consider appropriate engagement strategies.

A Dozen Lessons to Guide Public Engagement in Budgeting (page 38) presents collected lessons—or points of guidance—to assist local officials and others in successfully undertaking participatory budgeting efforts.

Thinking Strategically About the Purposes of Public Engagement

The term “public engagement” means different things to different people. In this guide we use the term very broadly, as do many local officials, to encompass all the specific approaches we’ve described. However these and other public engagement approaches can be put to use for different overall purposes.

One way to think strategically about the different purposes of public engagement is to identify them as: public information, public consultation and public deliberation.

1 Public Information typically involves one-way communication to inform the public about a problem, issue or policy matter. In local budgeting, this can include information about the present or proposed budget, the budgeting process itself, and/or the specific budget-related challenges or issues facing the community. *For local agencies, a public information purpose is to inform the public about the budget, the budget process and/or budget choices.*

2 Public Consultation generally involves asking members of the public for their individual views on a topic or issue. This include soliciting input on budget-related values or service preferences, or on specific budget ideas or recommendations already on the table. These are important and useful purposes and may fit local needs. However such input may be relatively uninformed and offer few if any opportunities for people to discuss their views

with others, shape possible solutions or make collective recommendations. A survey or a public hearing on a proposed annual budget are examples of public consultation, as are some community meetings that primarily seek individual feedback on a proposed budget. *For local agencies, a public consultation purpose generally provides decision-makers with individual public opinions on budget priorities or feedback on proposed budget elements or overall local budget plans.*

3 Public Deliberation occurs when residents or other groups (such as local agency employees) are engaged in constructive dialogue that results in jointly prioritized or agreed upon ideas or recommendations. Public deliberation can occur in large or small groups, and it may take a variety of forms including but not limited to one-time forums, or a series of face-to-face or online community conversations.

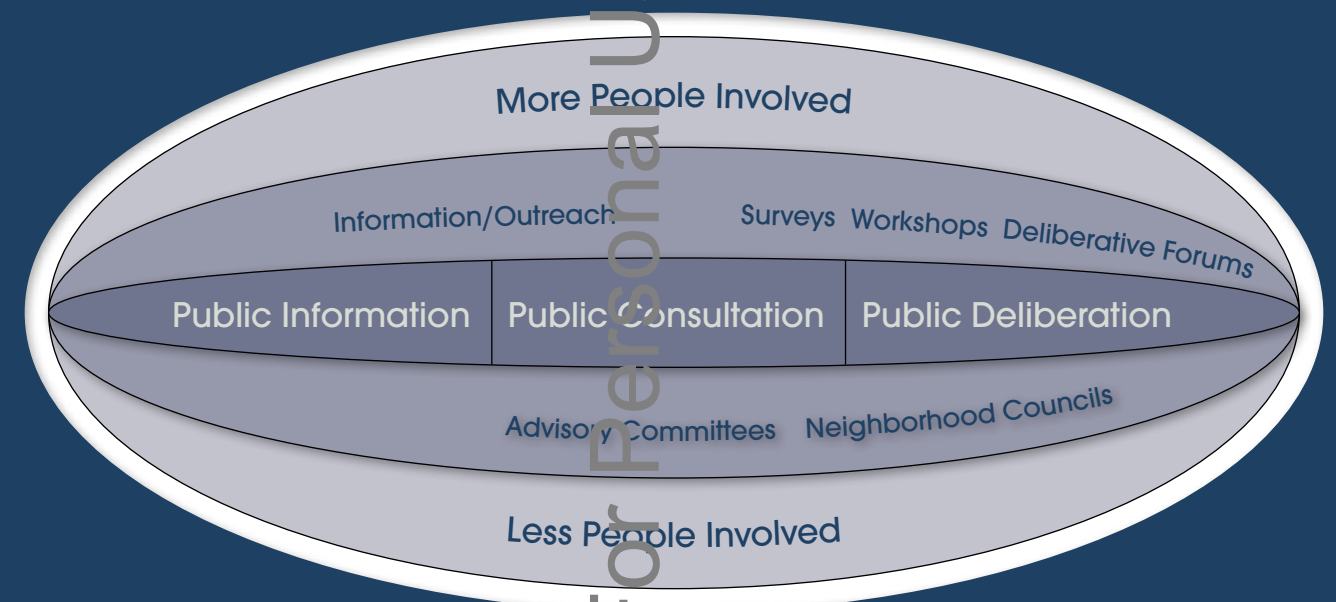
Public deliberation occurs when residents or other groups (such as local agency employees) are engaged in constructive dialogue that results in jointly prioritized or agreed upon ideas or recommendations. Public deliberation can occur in large or small groups, and it may take a variety of forms including but not limited to one-time forums, or a series of face-to-face or online community conversations.

Deliberative process in local budgeting often involves a cross-section of informed residents addressing budget issues together, giving and discussing the reasons for their views and ideas. Participants grapple with key choices and trade-offs and work through differences to develop common recommendations. For local agencies, a public deliberation purpose is to engage the public or others stakeholders earlier in the budgeting process and to generate informed and collaboratively developed budget visions, ideas and recommendations for use by decision-makers. (Note this ends the definition of #3)

Various public engagement approaches and techniques can be carefully and strategically combined to create an overall public engagement strategy with a more inclusive, effective and

fully comprehensive character. However any such combination, in its conception and its implementation, must be fundamentally aligned with the overall chosen purpose of the full participatory budgeting effort. Such a purpose is generally informative, consultative or deliberative in nature - as described above. What’s important here is not so much the terms, but for local officials to be very clear about the sort of information - or public knowledge- they want to result from their public engagement activities.

The following graphic suggests, in a very, very general way, the relationships of the public engagement approaches described in this guide to the three fundamental purposes and to degree to which more of the public in involved in some way.



A Dozen Lessons to Guide Public Engagement in Budgeting

In collecting the stories of local agencies that have engaged residents in their budget processes, a number of common themes emerged as staff and elected officials shared their experiences and insights. A consideration of these lessons will assist local officials in developing a public engagement plan to meet their particular needs and interests.



1 Clearly Identify Your Public Engagement Purposes

Clear purposes allow a city or county to choose the most appropriate public engagement approach. Public agencies may have different goals for engaging the public in local budgeting decisions.

Among others, these may include:

- A public more informed about the budget;
- A budget that is more shaped by and responsive to public input and interests;
- Greater support for the local agency budgeting process;
- Greater public support for the budget itself once approved;
- Contributions to a “culture” of effective and sustained local public engagement; and/or
- Compliance with any legal requirements for public participation.

Additionally, the three categories of public engagement described earlier in this guide (oriented to public information, consultation or deliberation) should be discussed as an additional means to determine and frame the chosen purpose or purposes. Each suggests a different set of budget-related priorities or outcomes for policymakers and communities to pursue.

A Dozen Lessons: In Brief

- 1 Clearly identify your public engagement purposes
- 2 Choose the best approach(es)
- 3 Ensure the buy-in of local leaders
- 4 Consider early public involvement
- 5 Use consultants wisely
- 6 Prepare for and provide adequate resources
- 7 Develop a media and communications plan
- 8 Frame and communicate budget issues and questions clearly
- 9 Ensure appropriate participation
- 10 Plan for and use the public input received
- 11 Let participants know what happened
- 12 Learn from your experience

Some public engagement efforts will of course use more than one category. In California many local agencies frequently combine more than one approach to maximize results. For instance, public outreach and education, and often budget surveys as well, can be important building blocks for budget workshops or forums ...

A public information orientation provides budget-related information to the public; public consultation focuses on opportunities for feedback on a budget or budget elements already developed; and public deliberation generates informed and give and take discussions among the public that results in values, visions, or very specific recommendations to help shape the budget from an earlier stage.

While most public engagement efforts will support some degree of resident understanding and support for the budget and the budget process, deliberative processes, effectively carried out, are more likely to generate more substantial results in these areas.

However, especially for public deliberation strategies, clarity about the form and detail of the input sought is especially important. For instance, when asking for resident input, is the focus on identifying community values that drive budget choices; on preferences for local services; and/or on detailed recommendations about budget revenues and/or expenses?

There is no one best outcome for all local agencies (see “Thinking Strategically about the Purposes of Public Engagement”). However different overarching public engagement purposes will point an agency toward specific approaches and techniques that will more likely result in the desired goals.

2 Choose the Best Approach(es)

Once the purposes for engaging the public are clear, a review of the various approaches in this guide may be helpful. While not an exhaustive list, they suggest different ways to involve the public in service of the desired public engagement goals.

Some public engagement efforts will of course use more than one category. In California many local agencies frequently combine more than one approach to maximize results. For instance, public outreach and education, and often budget surveys as well, can be important building blocks for budget workshops or forums.

However some local agencies will want to focus on providing information to the public, and therefore a budget outreach and education approach will be enough to satisfy their purposes. Others will primarily seek a snapshot of public opinion. They may conduct a survey asking about satisfaction with services or budget-related expense preferences. Public opinion on these questions may change frequently, but surveys typically provide input from more residents than workshops or forums alone.

For those agencies seeking public responses to budgets and budget elements already developed to one degree or another, a public hearing or comment period may be an appropriate response.

Budget advisory committees can provide feedback or offer new ideas, but they involve relatively few members of the public.

The “education and outreach,” “survey” and “advisory committee” approaches help to generate outcomes that at least partially inform the public about the budget, create a budget that is to some degree shaped by and responsive to the public, and that adds a degree of legitimacy and support to the budget process and the final budget itself. These are also relatively inexpensive approaches that generally require limited or modest staff time.

However, budget workshops and forums will be the best choice for those local agencies that wish to create a budget that is much more shaped by extensive public dialogue and deliberation. This approach has the potential for generating more informed budgets, and for the development of greater support for the local agency budgeting process and for the final budget itself. This more extensive engagement will also allow for discussions about trade-offs and other factors that can result in more specific budget recommendations to local decision-makers.

It is also important to consider up front whether the agency’s goal is to hear from organized public stakeholders, from the broader public, or from both.

Additionally, these more extensive deliberative involvement strategies will often generate greater understanding and buy-in by those participating and also generate more support for the budget process and the final budget.

3 Ensure the Buy-in of Local Leaders

The understanding and support of elected officials and senior staff - including finance directors - is critical for the success of almost any public engagement approach, and perhaps especially for public workshops and deliberative forums. Discussions among the key political leaders should lead to a common understanding of public engagement purposes, the desired approach, and how the public input received will be used by decision-makers.

Also make early efforts to involve interested community and neighborhood groups, business leaders, local (including ethnic) media, and other prominent leaders and stakeholders in thinking about the best public

engagement approaches. This adds to the likelihood of an appropriate, fully supported and successful process. This may be particularly important if there is a history of community controversy or mistrust about local budget issues.

Mainstream media will rarely be full partners in these processes as they typically prefer to maintain an arm’s length relationship. Nevertheless, meetings with editors or editorial boards can help build understanding about the purpose of the public engagement effort and help ensure coverage. Public engagement purposes, materials, solicitation for participants, updates (as appropriate) and results should be shared with the media.

Mainstream media will rarely be full partners in these processes as they typically prefer to maintain an arm’s length relationship. Nevertheless, meetings with editors or editorial boards can help build understanding about the purpose of the public engagement effort and help ensure coverage. Public engagement purposes, materials, solicitation for participants, updates (as appropriate) and results should be shared with the media.

4 Consider Early Public Involvement

While there are many and varied engagement strategies, local officials interviewed for this guide repeatedly emphasized that agencies should not wait until a draft budget is proposed to ask the public about their budget-related needs and priorities. To wait risks that those consulted will feel that important decisions have already been made. Early input builds trust in the public engagement process and in the local agency.

It is important to develop effective working relationships between local agency staff and consultants. The role of staff liaison to a consultant should be clear ...

5 Use Consultants Wisely and When Needed

Some agencies may not have enough staff to support public involvement in the budget process. They often hire consulting firms to handle tasks like conducting budget related surveys and polls.

As appropriate, a consultant or consulting firm can also help design and facilitate public engagement processes intended to solicit resident ideas and recommendations on a local budget. External facilitators can be particularly helpful to ensure the public views a process as impartial. In Morgan Hill, a civic engagement consulting firm trained civic leaders and other volunteers to help facilitate a number of community meetings designed to solicit public ideas.

The selection of a consultant should reflect the community’s budgeting process needs. A local agency that has carefully considered what it wants to achieve will be better able to select an appropriate consultant. A consultant’s advice should be considered, but the agency should make decisions based on its own determination of its public engagement purposes. Interviewing more than one firm to compare possible approaches is often a good practice.

It is important to develop effective working relationships between local agency staff and consultants. The role of staff liaison to a consultant should be clear. Additionally, relevant agency staff should be informed about how their work will be impacted by the consultants and the engagement process.





6 Prepare For and Provide Adequate Resources

Each of the various public involvement approaches requires different levels of financial support and staff time. For instance, surveys can be cost-effective but still costly depending on their scope and methodology. Budget workshops and public forums will require advertising, material preparation, staff time (often after usual working hours), and design and facilitation (perhaps with the assistance of consultants). Under-investments in preparation and delivery can seriously diminish process quality and potential benefits.

It is particularly important not to underestimate the amount of staff time that public involvement processes can require. Even less elaborate engagement processes may add many time-consuming and time-sensitive tasks to staff's regular responsibilities.

At the same time, the ability of local governments to effectively communicate with and engage members of the community is increasingly a necessity and not a luxury in terms of effective local governance. Selected staff positions may include responsibilities for community engagement. And public involvement in budgeting may provide both elected officials and staff with experiences the build a greater local capacity for resident engagement over time.

While being realistic about it, an agency requiring additional resources for a planned engagement approach may seek community partners to share the workload or approach local businesses or foundations for financial support.

7 Develop a Media and Communications Plan

A process that engages dozens or even hundreds of residents may have positive impacts on those participants and result in good ideas for your local budget, but the broader dissemination of these efforts will likely result in a more broadly informed and supportive public. As appropriate to your approach, involve local media early and have a communications plan in place that can help "scale up" the benefits of your engagement process. If residents understand the role of people like themselves in the preparing the local budget, this will generally build support for the budget process and the final budget.

8 Frame and Communicate Budget Issues and Questions Clearly

No matter what the public information, consultation or deliberation approach, a local agency's communication about the budget, budget challenges, and budget process will impact the success of the local agency's engagement of the community. Successful public engagement processes include well-crafted materials that avoid jargon, acronyms and insider-speak. Written materials should define terms that may be unfamiliar to the public. Visuals, such as easy to understand charts and graphics can be very helpful.

Clarity and repetition of communication about the budget within the public engagement process is no less important. The questions the public addresses should be consistent with the purpose of the process and what they know about. A question on a mail or phone survey to a random sample of the community may be quite different than one

No matter what the public information, consultation or deliberation approach, a local agency's communication about the budget, budget challenges, and budget process will impact the success of the local agency's engagement of the community. Successful public engagement ...

posed to members of a budget advisory committee composed of informed stakeholders, or to residents who have received extensive budget briefings and materials as part of an ongoing public forum grappling with developing detailed budget recommendations.

The degree to which participants in a public budget workshop - or even public forum - can digest sufficient information to consider real trade-offs and to make detailed recommendations requires well-prepared materials, well-framed questions (or choices), sufficient time, and usually skilled facilitation.

If a local agency or a consultant prepares background materials for process participants, participants must have time to review and become familiar with them. Public information about the agency budget must set up participants for a successful experience, not frustration.



9 Ensure Appropriate Participation

The selected public engagement approach influences who will participate in the process. However, there are often broad choices in how participants may be selected. For budget workshops and forums, choices generally include:

- self-selection (open to all who want to attend) or sponsor invitation (asking organized stakeholders and/or specific representatives of the broader community);
- open but targeted selection that seeks to attract participants who generally reflect the local population (this may include an overall approach that includes meetings organized to reach specific neighborhood, ethnic or immigrant communities); or
- a more rigorous and often costly random sample approach that reflects community's demographics.

Emphasis may be on the participation of organized groups of stakeholders with interests in budget questions and/or "unaffiliated" members of the broader community. This doesn't need to be an "either/or" choice. Stakeholder groups may be engaged in a number of ways that complement a broader public engagement process. Typically, however, participants in budget workshops or forums represent themselves and don't speak for their group or organization.

Drawing on a random sample of residents allows local agencies to look at the results of surveys and public conversations with a greater degree of confidence that the results reflect the full community's views. However this can be an expensive approach, especially for public workshops and forums. It may also be seen as unduly limiting the participation of interested residents.

Even if a random sample is not the goal, participants who broadly reflect the community will provide a more complete picture of budget opinions and ideas. They will also secure fuller support and legitimacy for the public engagement process and for final budget decisions.

Reaching out to encourage this broader participation can be challenging and requires time and attention. Success depends on getting started early, securing community partners, and maintaining flexibility in engagement plans and processes. See the sidebar "Encouraging Broader Public Involvement In Local Budgeting" on page 22.

Sources for Recruiting Public Engagement Participants

- Local agency commissions
- Local media including local and regional ethnic media
- Neighborhood leaders and associations
- Neighborhood Watch
- Emergency preparation/response groups
- Community-based and advocacy organizations
- Chambers of Commerce and other business groups
- "Friends of" groups (for example, Friends of the Library)
- Schools and parents associations
- Immigrant and ethnic community organizations
- City employees
- Local unions
- City volunteers
- Clergy and congregations
- Youth commissions, organizations and centers
- Seniors commissions, organizations and centers
- Service clubs (for example, Rotary)
- United Ways
- Renters organizations
- Homeowners associations
- Residents of apartment complexes
- Sports and recreation groups
- Personal social networks (Facebook, Myspace)

10 Plan For and Use the Public Input Received

One of the biggest public engagement mistakes is to ask for input from the public and then not consider it the final decision-making. Those organizing public engagement efforts must ensure that local agency staff and elected officials understand how public views and recommendations will be integrated into final decision-making. This should be communicated upfront to participants.

For longer budgeting processes, regular updates to participants and the broader community can be very useful. Closing the loop in this way assures participants that their time was well spent and that their ideas were taken seriously.

11 Let Participants Know What Happened

While a relatively easy and inexpensive step, many local agencies that sponsor public engagement neglect to close the circle with participants and let them know the outcomes of their participation. This is especially important in those instances where members of the public have contributed hours of time and offered very specific budget-related visions and ideas. Inform participants both about how their ideas and recommendations were considered and used. If they weren't used, explain the reasons why. Thank them for their participation and keep their names on file for inclusion them in future budget and other local agency information and engagement efforts. Research suggests that such engagement can lead to further participation.

For Personal Use Only. Not for Distribution



12 Learn From Your Experience

Whatever public engagement approach is used, the local agency should take the time to review the effort and ask what lessons have been learned that will help with future public involvement. While the evaluation questions have to fit the specifics of the process and the problem addressed, a few questions will almost always be helpful to consider. These include:

- In hindsight, to what degree was your public involvement plan complete and appropriate to the budget issues at hand?
- To what degree was the process implemented effectively?
- Were participation goals met, and did the involvement reflect the community's demographics?
- Was the specific public engagement process (or processes) appropriate for the kind of input you were seeking?
- If consultants were used, did they have the skills for the job, and (if they facilitated) was there a safe and well-managed environment for people to participate effectively?
- Did local officials consider the public's ideas or recommendations in their final decision-making about the budget?
- Did the public involvement process result in local officials making a more informed and/or better decision?
- Was there greater support for the (resulting) budget?
- Was there feedback to participants about how their recommendations were or were not used?
- How do your local elected officials and staff view the benefits and challenges of the process?
- Did local officials and participants view the public involvement process as transparent, well-managed, and appropriate to the issue(s) under consideration?
- Would participants be more or less likely to attend other such processes in the future?
- What would you do differently next time?

Information can be gathered from participant evaluation forms, from interviews or surveys with participants, local elected and appointed officials, staff and other community stakeholders. It doesn't have to be an expensive or time consuming process, however grappling with these and other questions will ensure that the next public engagement effort will be even better. For more information, see the public engagement review tool at www.ca-ilg.org/reviewtool.

Whatever public engagement approach is used, the local agency should take the time to review the effort and ask what lessons have been learned that will help with future public involvement. While the evaluation questions have to fit the specifics of the process and the problem addressed, a few questions will almost always be helpful ...

Resources for Engaging the Public in Local Budgeting

Publications

- Julie Beckett and Cheryl Simrell King, *The Challenge to Improve Participation in Public Budgeting: A Discussion*, *Journal of Public Budgeting, Accounting & Financial Management* 14 (3), 463-485 (Fall 2002)
- Frank Benest, *Marketing Your Budget: Creative Ways to Engage Citizens in the Bottom Line*, International City/County Management Association (1997) (Available from Alliance for Innovation Online Store: www.transformgov.org/store.asp)
- Carol Ebdon and Aimee Franklin, *Searching for a Role for Citizens in the Budget Process*, *Public Budgeting & Finance* Vol. 24, Issue 1 (March 2004).
- Carol Ebdon and Aimee Franklin, *Citizen Participation in Budgeting Theory*, *Public Administration Review* 66 (3), 437-447 (2006).
- Dr. Edward Weeks, *The Practice of Deliberative Democracy: Results from Four Large-Scale Trials*, *Public Administration Review* Vol. 60, No. 4 (July/August 2000).
- National Advisory Council on State and Local Budgeting, *Recommended Budget Practices* (June 1998)

Other Resources

- **Collaborative Governance Initiative, Institute for Local Government:** The Institute's Collaborative Governance Initiative promotes effective and inclusive public engagement in counties and cities in California, providing support and resources to local officials and helping them make good choices about the design and use of public involvement in local decision-making. www.ca-ilg.org/cgi
- **"Balance or Bust" Game Template:** This is an adaptable template for a game developed by the City of Cupertino Parks and Recreation Department that educates participants about city budgeting and the difficult trade-offs necessary when making budget cuts. It can be used in any city or county or local agency to involve residents in prioritizing services and spending in a fun and creative way. www.ca-ilg.org/balanceorbust
- **Common Sense California:** The purpose of Common Sense California (CSC) is to help solve California's public problems by promoting citizens' participation in governance. CSC has provided modest grant to cities and school districts to support such participation, including a number to support public involvement in budgeting. www.commonseca.org
- **Next Ten Project:** A nonprofit, nonpartisan organization that educates, engages and empowers Californians to improve our future economy and quality of life together. Their website offers an interactive educational tool called The Budget Challenge that lets users build their own state budget by choosing how much to spend on services and how to pay for them. The City of Los Angeles is working with Next Ten to adapt this for local use in participatory budgeting. www.next-ten.org/index.php
- **The Participatory Budgeting Unit:** A project of the charity, Church Action on Poverty, based in Manchester in the United Kingdom. They support public sector and community groups to develop participatory budgeting processes in their local areas within the UK. They are working with the Department for Communities and Local Government in rolling out and supporting a program of participatory budgeting pilots. www.participatorybudgeting.org.uk
- **Your City/Your Decision Mailer:** Budgeting-related educational materials and survey that were mailed to every resident and business in Menlo Park as part of that city's "Your City/Your Decision" project. www.menlopark.org/departments/mgr/bacmailer.pdf

End Notes

1. Dr. Edward Weeks, Associate Professor of Public Administration and Planning, and Director of the Deliberative Democracy Project, University of Oregon.
2. Henry Perea Sr, Fresno County Board of Supervisors.
3. Dennis Donahue, Mayor, City of Salinas.
4. Frank Benest, Consultant, Former City Manager, City of Palo Alto.
5. Amber Meshack, Project Coordinator, City of Los Angeles.
6. Carol Augustine, Finance Director, Menlo Park.
7. Randy Bachman, Former Assistant City Manager, Redding.
8. Lisa Irvine, Finance Director, City of Carlsbad.
9. Matthew Hawkesworth, Treasurer and Finance Director, Claremont.
10. Therese Ambrosi Smith, Director of Parks and Recreation, City of Cupertino.
11. Henry Perea Sr, Fresno County Board of Supervisors.
12. Carol Augustine, Finance Director, Menlo Park.
13. Id.
14. Rich Gordon, County Supervisor, County of San Mateo.
15. Id.
16. Ed Tewes, City Manager, Morgan Hill.
17. Id.
18. Nani Coloretti, Former Budget Director, City and County of San Francisco
19. Amber Meshack, Project Coordinator, Los Angeles Department of Neighborhood Empowerment



About the Institute for Local Government

The Institute for Local Government is the nonprofit research affiliate of the League of California Cities and the California State Association of Counties. Its mission is to promote good government at the local level.

The Institute's Current Program Areas Include:

Climate Change
Collaborative Governance Initiative
(Public Engagement)
Healthy Communities
Intergovernmental Conflict Resolution
Land Use and Environment
Local Government 101
Public Service Ethics

The Institute for Local Government

1400 K Street, Suite 205
Sacramento, CA 95814
Phone: (916) 658-8208
Fax: (916) 444-7535
www.ca-ilg.org

For additional copies
of this publication,
please call (916) 658-8208
or visit www.ca-ilg.org
SKU: 1941
Price: \$25

For Personal Use Only. Not for Distribution.