

PUBLIC ENGAGEMENT IN BUDGETING

Budgeting is one of the most important decisions local agencies make.

Why involve the Public in Budgeting?

- The annual budget is typically the strongest statement of the local agency’s priorities for the community. As such, it is important that the community is involved in the development of this document.
- Meaningful public involvement can help residents understand the hard choices that budgeting entails, and assist policy-makers in better understanding the programs and services residents value most.
- Increased public understanding about local agency budgets, including revenues, expenses and challenges can lead to greater support for budgetary decisions as well as for measures to increase effective use of local revenues.
- Transparency about the local agency finances and the budget decision-making process promotes public trust and confidence in the agency’s stewardship of taxpayer dollars.
- The International County/City Management Association considers resident participation a core competency for successful public managers.
- The budgeting process allocates scarce taxpayer dollars to services, programs and facilities that play a key role in determining the community’s quality of life.

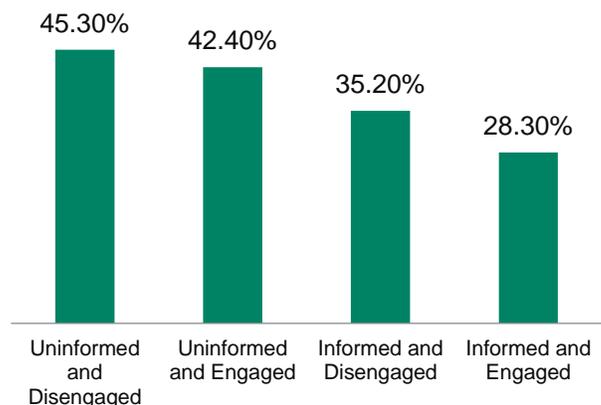
What Is “Public Engagement?”

Public engagement works to increase the extent to which residents become more informed about local issues and participate more effectively in local decision making. Approaches include:

- Public information
- Public consultation
- Public deliberation
- Sustained public problem solving

► **More information:** www.ca-ilg.org/document/what-public-engagement

Probability: Belief that Sales Tax Rate is "Too High" When People Are:



Source: Center for California Studies, *Civic Engagement and Local Fiscal Attitudes: 2013 Survey of Californians*

Choosing the Right Approach Means Asking the Right Questions

- What type of input do staff and officials want from the public relating to budget decisions—a vision, an expression of broad community values, new ideas or choices among options, or ranked or unranked sets of ideas or preferences?
- How will the public's preferences and/or ideas be considered in final budget decision-making?
- Is the goal solely a one-time process or also to build an ongoing local agency and community capacity for public engagement?
- In terms of the desired participation, is the goal to hear:
 - From a broad cross-section of community?
 - From those with present direct interest in the subject, including stakeholders or stakeholder groups?
 - Or a combination of both of these groups?
- What time period as well as financial and staff resources can be devoted to the effort?
- Is broader community understanding and support for the ultimate budget decisions the goal? How important is that goal?
- Is the local agency (elected and staff) clear about its public engagement commitment, goals, and process. Is there clear communication between elected officials and staff?
- How comfortable are policy-makers with public involvement in budget decisions? Are they willing to strongly consider community opinion, even if it means reducing spending elsewhere in the budget?

Using Consultants Successfully

Local agencies sometimes find it helpful to get assistance from public engagement consultants.

► More information:

www.ca-ilq.org/PEConsultantTips

Tools to Consider

Once the purposes for engaging the public are clear, the task becomes selecting the approaches that best fit the goals. Often using more than one tool will secure the broadest participation.

Surveys: These provide a snapshot of public opinion at any given time; methods can include online, phone, mail, or in person (for example, using instant polling devices).

When to use: *When seeking input on budget balancing choices or strategies.*

Online Forums (Social Media): Technological platforms that allow for a virtual exchange of information and preferences.

When to use: *To gather input from a large number of people, on their schedule, from their home or office.*

Advisory Boards, Commissions and Committees

Advisory Boards, Commissions and Committees: Community members, typically representing interests, groups, areas of expertise or geographic areas are selected to provide input on budget goals, issues, priorities and decisions.

When to use: *When seeking to create a conduit for information between communities and local agency.*

Workshops: Opportunities for information sharing, discussion and feedback on budget goals and issues.

When to use: *Can give a significant number of community participants an opportunity to grapple with budget issues.*

Deliberative Forum: Similar to a workshop, but usually involves more information sharing and increased time for participant dialogue.

When to use: *When budget development is contentious and more in-depth and informed public input is desired.*

Participatory Budgeting: Allocation of a portion of revenues for local agency projects and programs by residents, utilizing an extensive nomination, community forum and voting process.

When to use: *When seeking to develop extensive community involvement in budget choices, particularly when there are significant differences of opinion in the community about spending new tax dollars or one-time funds, where community trust is low and/or where there are "new" revenues to allocate.*

Communication and Engagement

Information and outreach are essential components of any public engagement strategy:

- **Budget and Financial Information.** For the public’s input to be helpful, it must reflect the realities of the agency’s fiscal situation. This requires that the public have appropriate and accessible information about both the budget process and the public agency’s finances.
- **Process Information.** Another component of the communications strategy is sharing information about the budget decision-making process and the opportunities residents have to participate in discussions and share their thoughts.
- **Inclusive Education and Outreach Strategies.** For decision-makers to hear from an informed and representative cross-section of the community, the agency must use education and outreach strategies that reflect the diverse ways that community members receive information.
- **Feedback Loops.** It is important that residents understand how their input influenced the ultimate budget. This could be accomplished through a community newsletter, a section of the budget narrative, or social media tools

► **More information:** www.ca-ilg.org/EffectivePE-Strategic-Communication

One Strategy: Start with Goals

The Government Finance Officers Association (GFOA), the leading professional organization for public agency finance professionals, recommends that the budget process be tied to goals. Such goals can define what a community wants to preserve or what it wants to move toward (something GFOA calls the “preferred future state of the community”).

The budget process is a tool to realizing those goals, involving the allocation of resources to fund local agency services, programs and facilities which are a key part of the strategy for accomplishing the goals. Such goals also help decision-makers and the community set priorities for allocating limited resources.

Such goal setting can occur as part of the budget process or a separate strategic planning process. It is often helpful to begin the goal-setting process several months in advance of the annual budget process, so that the budget will reflect the key priorities of the city council and community.

Goal Setting Question Example: What are the most important things for the city/county/school/special district to focus on over the next five years?

A Strategy for Sustaining Public Engagement

A Working Group on Legal Frameworks for Public Participation has produced a model local ordinance for public participation as a tool for local agencies to use in committing to inclusive and authentic public participation in local agency decision-making processes.

► **More information:** www.ca-ilg.org/post/new-strategy-sustaining-public-engagement

Engage the Full Spectrum of Your Population

You may want to consider that participation in public engagement efforts more fully reflect community

“The mission of the budget process is to help decision-makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.” [emphasis added]

—National Advisory Council on State and Local Budgeting

For Additional Information

- *A Local Official's Guide to Public Engagement in Budgeting*
www.ca-ilg.org/engaging-public-budgeting
- *Effective Public Engagement through Strategic Communication*
www.ca-ilg.org/EffectivePE-Strategic-Communication
- *Broadening Participation*
www.ca-ilg.org/broadening-participation
- *Transparency Strategies*
www.ca-ilg.org/transparency-strategies
- *Public Engagement Key Questions for Local Officials*
www.ca-ilg.org/PublicEngagementKeyQuestions
- *GFOA, Best Practices in Budgeting, Principle 1*
www.gfoa.org/services/nacslb/introprinciples.htm#l
- *GFOA Resource: Best Practices in Budgeting*
www.gfoa.org/services/nacslb/
- *Information on Local Agency Finance*
<http://www.ca-ilg.org/Budgeting-finance>
- *Evaluating Public Engagement Activities*
www.ca-ilg.org/measuring-public-engagement-success
- *ICMA Resource: Practices for Effective Local Government Management*
<http://webapps.icma.org/credentialing/Practices.pdf>



The Institute for Local Government is the nonprofit research and education affiliate of the League of California Cities, the California State Association of Counties and the California Special Districts Association.

Its mission is to promote good government at the local level with practical, impartial, and easy-to-use resources for California communities.

The Institute's current program areas include:

- Local Government Basics
- Public Engagement
- Ethics and Transparency
- Sustainability
- Collaboration and Partnerships

The Institute also gratefully acknowledges the following individuals who reviewed this document and offered their comments prior to publication:

- Dan Keen, City Manager, City of Vallejo
- William Statler, Municipal Financial Management Consultant, Retired Director of Finance & Information Technology/City Treasurer, City of San Luis Obispo

Public Engagement in Budgeting
www.ca-ilg.org/engaging-public-budgeting

Institute for Local Government
1400 K Street, Suite 205
Sacramento, CA 95814
(916) 658-8208