

**Finding the Gap:  
Examining Perceptions of Citizen Participation  
In the Budget Process of Local Government**

**By:**

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The attached paper represents work done by a UNC-Chapel Hill Master of Public Administration student. It is not a formal report of the Institute of Government, nor is it the work of School of Government faculty.

**Executive Summary**

Citizen participation can be viewed through several lenses. It can be viewed as a way to reduce the level of citizen distrust in government, to influence budget allocations or community decisions, or simply to educate citizens about governmental activities. This study begins to explore citizen participation effectiveness in the budget process through a series of stakeholder interviews in four cities in North Carolina. The analysis of the responses shows some variation in thinking between groups of citizens, elected officials, and staff when determining effective participation methods. However, there are several important commonalities shared between groups regarding the role citizen's play in the process and the importance of communication and cooperation between groups.

## **Introduction**

Citizen participation in local government has been advocated as an effective method to reduce the level of citizen distrust in government and to educate citizens about governmental activities.<sup>1</sup> Scholars, elected local officials, administrative staff, and citizens seem to support the idea of creating more avenues to develop and foster citizen involvement in local government.<sup>2</sup> However, research has shown increased citizen input can lead to a variety of perceived negative consequences such as increased staff work load, additional resource allocation, increased levels of public scrutiny, negative media coverage and increased levels of apathy or distrust of government if citizens perceive their ideas were not thoroughly considered.<sup>3</sup>

Despite the publicity citizen participation has gained since the mid-1990's, a recent study in North Carolina has shown tepid support for active participation methods, especially within the budget process.<sup>4</sup> Citizens have reported in previous nationwide studies they feel like local leadership is guiding the budget process.<sup>5</sup> Local governments in North Carolina are generally not making extensive efforts to directly involve citizens in budgeting.<sup>6</sup> This has led to increased citizen complaints of feeling disconnected from the budget process.<sup>7</sup>

The background research led me to propose the research question, how do stakeholders of municipal budget processes in North Carolina define effective citizen participation? This study is an exploratory first step toward the goal of defining effectiveness. I will discuss the perceptions of citizen participation through a series of forty telephone interviews in four cities across North Carolina. Each stakeholder group was selected in order to give a different perspective of citizen participation. One key point within this research has been to study where the perspectives of the groups tended to overlap and where they seem to be far apart. Are expectations among the groups really different or are expectations similar?

## **Methodology**

I consider my research to be exploratory in nature. I did not formulate a standard definition of effectiveness; instead the study relies on each participant's insight on how citizen participation works in their community. The four cities were selected based on population size and my familiarity of their budget processes. City selection was not as important because the focus of the study comes from comparing the groups against each other, not the individual communities.

I identified three main stakeholder groups: elected city council members, city and budget staff, and citizen groups. At least three telephone interviews within each group/per city were targeted, totaling thirty-six interviews. I was able to conduct forty interviews due to the willingness of subjects to participate.

Each participant was asked the same four questions, followed by additional follow-up questions based on the responses. I sought to keep the questions open-ended. Confidentiality was maintained throughout the study. The study received IRB approval on November 7, 2007.

To begin the interview process, I contacted the city manager of each municipality to introduce the background, goals, and subject matter of the research study. The second step involved contacting all members of the city council. Determination of who was selected depended on availability and willingness to participate. The city manager, budget director, and a senior budget analyst were asked to participate in the study as members of the city and budget staff. For the citizen stakeholder group, budget staff identified citizens who had participated in previous citizen budget advisory boards, citizen committees or neighborhood organizations. See Appendix 1 at the conclusion of the report for an overview of those who participated in the study.

### **Cities A-D: Citizen Participation Researched Communities**

Cities A and D have a great deal in common; both have relatively large urban and suburban populations with a self-reported reputation of having an active citizenry. They have long established council-manager forms of government with a diverse city council that is perceived to actively seek out information from citizens. City B has the largest population of the four cities studied and they also have a well-established council-manager government. City B has a diverse city council with a relatively moderate level of participation as identified through the responses of the council, staff and citizens. City C has the smallest population and its community is the most rural of the four cities. There are relatively small expectations for direct citizen involvement, but they value the methods currently in place.

<b>City</b>	<b>Population</b>	<b>Form of Government</b>	<b>Participative Culture</b>
<b>A</b>	175,000-200,000	Council-Manager	Active
<b>B</b>	200,000-225,000	Council-Manager	Moderate
<b>C</b>	50,000-75,000	Council-Manager	Low
<b>D</b>	75,000-100,000	Council-Manager	Active

### **Elected Officials**

The elected officials group is interesting because of their shared opinions regarding citizen participation. I expected the distribution of opinions to be more varied across cities because of the different levels of political activism of each community. However, it was quickly evident through the interviews that when it came to discussing effective citizen participation, the elected officials share some common ideas. By analyzing the results of the interviews, I found three clear conclusions.

First, elected officials believe they ultimately are elected by citizens to serve the public interest. One official reported, “The final decision rests on our judgment on what is best for the city. Not on the self-interest of a few special interest groups. We try to represent the interests of the community.” The elected officials believe they have a duty to keep the community in mind as they decide on local issues because they were elected by the citizens.

Second, elected officials tend to think of themselves as actively engaging the citizenry to ensure groups are informed about budgetary issues facing the community. Elected officials support the idea of seeking out citizens in order to help prioritize programs, capital projects, and community issues. According to one elected official, “the budget is a reflection of community priorities, thus, electing city council helps to demonstrate how effective a city has been at eliciting citizen input...if we are re-elected then that is a sign that people agree that you are representing the interests of the community.”

Finally, elected officials have a tendency to define effectiveness by having a mechanism in place to encourage citizen participation. One common mechanism identified by elected officials is public hearings. North Carolina General Statute § 159-12 requires each local government entity to hold one public hearing on the budget, “at which time any persons who wish to be heard on the budget may appear.”<sup>9</sup> Elected officials believe hearings give citizens an opportunity to participate by personally identifying their individual or community wide issues. Interestingly, one official stated participation during hearings is effective “when we are not cutting programs like we originally set out to do as a result of community organizations, activists and general citizenry speaks out against cutting programs. Community groups come to meetings, complain about their situation or the effects it would have on the community and then we go back and try to figure a good way to compromise; we end up backing off the position generally when outcries occur; and their voice is heard by the council.”

### **City and Budget Staff**

As a collective group, staff members were generally similar in their responses. I was able to identify three main conclusions about effective citizen participation.

The first category revolved around the idea of the “effective” citizen. The highest number of common responses came from the idea that citizens, in general, are not able to understand the complex and technical nature of the budget. One staff member commented that the “complexity of the budget is a major setback...there is so much going on in the city that few people have time, resources or know-how to really review budget allocation decisions.”

Second, staff seemed to be very supportive and actively urge citizens to serve as community advocates. The most effective role for citizens would be to organize as a neighborhood, come to council meetings, advocate using clear logic, and maintain a community wide focus during the budget process. During an interview one staff member said getting the support of active citizen advocates was the single greatest factor in getting a recent \$119 million dollar bond referendum passed. “If you can get the active citizenry to act as your support base in the community, then it makes explaining the tough budget decisions easier. Citizens will feel a part of the process and take ownership over it.”

Lastly, having an open dialogue and maintaining two-way communication between each stakeholder group is the third way effectiveness was discussed by staff members. In fact, staff members said effective communication and cooperation is the foundation and building block to any sustainable citizen participation process. One staff member indicated “allowing for two-way communication between staff, council, and citizens involves more than just simply explaining why budget conditions are like they are. It is paramount to dig a bit deeper and communicate to inform and to get feedback.” A second staff member said, “by establishing more opportunity you will receive more and greater expectations of positive results from process. As a city, you must deal with disappointment and frustration felt by citizens. If you are not prepared, then it will result in lower levels of engagement because of the high level of frustration and disappointment. This results in constantly trying to place requests into context of budget and city issues.”

A third staff member said effective citizen participation relies on the ability of local government leaders to listen and to give timely feedback to citizens during tough fiscal times. Oftentimes, ineffective communication will lead to the following conflict: “We (as staff or elected officials) heard you; no you did not (citizens). The question for the staff becomes: How do you get people to understand the unpopular policy decisions? And then to let them know that their concerns were listened to? This is a very difficult thing to do and we do not have a good answer for it.”

### **Citizens**

The citizen group in general had greater variety in their overall responses; however, three common themes emerged. Much like the staff group, citizens talked about the characteristics that make an “effective” citizen, and what the appropriate role in the budget process should be for a citizen. The citizen as a community advocate was the ideal role that was most often identified by this group.

Communication and cooperation ranked highly in the minds of citizens. Citizens indicated that in order to have an effective citizen participation process, city staff and elected officials must first set objectives, as to what type of input they are looking to gain. One citizen summed it up best by saying:

If they (staff and elected officials) clearly identify objectives, and clearly define all aspects of what they are hoping for, so that all citizens know what is going on, then the key seems to be communication. Staff and local leaders must identify needs or the purposes to undertake the

initiative, to communicate those needs, develop the process and procedures relative to objectives, to ensure citizens are aware of the process and in the end the citizens receive feedback from the staff or elected officials.

One way to combat the difficulties surrounding the communication barrier between citizens and the other groups is to publish a separate budget summary aimed solely with the general citizen as the target audience. Citizens reported how difficult and technical the budget is to read and comprehend and thus give their input. This yearly budget summary “would go over the ‘highlighted’ sections of the budget and let people know about the issues facing the community now and in the immediate future through inclusion of trend data and analysis. This would greatly help explain things and go over why the city makes decisions and greatly increase political buy-in with the community.”

The last theme was an often underlying, but clearly negative tone citizens had when they discussed their experiences with citizen participation. One citizen described the budget cycle with clear frustration because the individual felt “year after year during the ‘crunch time’ of budget deliberations, the council would attempt to cut a very necessary program or function.” The citizen indicated the program was something most citizens supported. The council would propose these cuts to create a public outcry in order to create a smooth path to allow the council to increase the city budget and thus getting more money from the citizens. To some citizens this process was giving people the illusion of participation.

A second negativity expressed was the rejection of the notion that elected officials actively seek to get input on budget priorities from citizens. It was clear in the interviews that citizens felt they were not given appropriate means to have their voice heard. Citizens rejected the notion that public hearings (in the current format) were effective methods of citizen input. During public hearings “they (staff/elected officials) try to elicit information from the public, but the budget covers an enormous amount of purely technical language. It is not helpful as it just ensures that people will not complain that they were not given the opportunity to be heard, but it does not necessarily address the substance of the concerns that were heard.”

## **Discussion**

### *Commonalities*

There are three main commonalities between the groups that help to shed some light on how the communities view effective citizen participation. I identified each commonality by analyzing the data gained from the interviews and then compared responses in order to see where these common responses overlapped not only between groups but across groups as well. The three common conclusions are as follows:

- Citizen input must be followed by feedback from staff or local leaders
- Communication and cooperation are the foundations of an effective citizen participation practice
- The appropriate role of the citizens is to serve as macro-level community advocates

<b>Common Themes from Interviews</b>	<b>Elected Official Response Rate</b>	<b>Staff Response Rate</b>	<b>Citizen Response Rate</b>
Citizen input must be followed by feedback from staff or local leadership	71%	69%	77%
Communication and cooperation are the key to effective citizen participation	79%	77%	77%
Citizens serve as community advocates on a "Macro" level	64%	69%	69%
<b>Total Group Membership</b>			<b>40</b>

### *Significant Deviations*

There are four significant differences identified as a result of the analysis of the interviews. The significant differences are as follows:

- Whether elected officials actively seek input from citizens on budget priorities
- Whether public hearings is an effective means to elicit citizen participation
- If there is concern regarding the late timing of citizen input
- Whether citizens understand the technical nature of the budget

<b>Common Disparities from Interviews</b>	<b>Elected Officials Response Rate</b>	<b>Staff Response</b>	<b>Citizen Response Rate</b>
Elected officials support and actively seek input from citizens on budget priorities	86%	77%	23%
Public hearings are effective mechanisms to gain citizen participation	86%	62%	15%
Concerned about late timing of input	29%	54%	62%
Citizens do not understand technical nature of budget process	64%	92%	69%
<b>Total Group Membership</b>			<b>40</b>

### **Conclusions and Recommendations**

The information gained from the interviews revealed that there were important gaps in some of the perspectives between elected officials, staff and citizens. There seems to be three different definitions and expectations by the stakeholder groups of what is “effective” citizen participation. Elected officials tend to define effective citizen participation by reelection and a lack of citizen complaints. For staff, effective citizen participation means providing information to the public and encouraging them to act as macro-level community activists, and thus making informed citizens a valuable resource to get other members in the community to understand tough, controversial or pressing decisions made by local

officials. Citizens view effective participation through a different lens. Overall, citizens believe an effective participation system should include two-way communication (between all three stakeholder groups), more opportunity to be heard earlier in the process (not in a late May budget public hearing), and involvement in honest dialogue with staff and elected officials regarding the budget and their role in the process.

There is a gap present between elected official's perceptions of actively engaging citizens, whether through public hearings, community meetings, or some other mechanism versus the largely negative perception held by citizens of the current efforts made by local government (both staff and elected officials) to engage citizens in the budget process. The second gap identified how staff and citizens defined the ideal role citizens should play in the budget process. It is important for local officials to define the characteristics of an "effective" citizen in the community before they design a process to foster citizen participation. It seemed as if some communities were designing citizen participation processes without taking the necessary steps of identifying community needs, citizen desires or historical community expectations regarding the role of the citizen in the budget process.

One of the biggest obstacles local governments face when designing a citizen participation process is the technical language and overall complexity of the budget document. One recommendation from citizens suggested it would be helpful to have a citizen oriented budget summary. The summary would cover the "highlights" by explaining how tax dollars were going to be spent in the coming fiscal year. Citizens suggested that the local government publish a short (5-10 pages) budget summary that excludes the overly technical language and would display trend data through graphs and short narratives. The summary would be a great way to take the first step to begin to close the gap in expectations between local government and its citizens.

## Appendix 1: Interview Specifications

Stakeholder Group	Title	Interviews
<b>Elected Local Officials</b>	<b>Mayor</b>	<b>3</b>
	<b>Town/City Council Members (New)</b>	<b>2</b>
	<b>Town/City Council Members (Experienced)</b>	<b>8</b>
	<b>Council Member (Mayor Pro Tem)</b>	<b>1</b>
<b>Category Total</b>		<b>14</b>
<b>City/Budget Staff</b>	<b>Town/City Manager</b>	<b>3</b>
	<b>Assistant Town/City Manager</b>	<b>2</b>
	<b>Deputy Town/City Manager</b>	<b>1</b>
	<b>Budget Director</b>	<b>4</b>
	<b>Budget Analyst</b>	<b>1</b>
	<b>Finance Director</b>	<b>1</b>
	<b>Planning Director</b>	<b>1</b>
<b>Category Total</b>		<b>13</b>
<b>Citizens</b>	<b>Advisory Boards</b>	<b>2</b>
	<b>Citizen Committee Members</b>	<b>2</b>
	<b>Neighborhood President</b>	<b>3</b>
	<b>Neighborhood Congress Member</b>	<b>3</b>
	<b>CIP Panel Members</b>	<b>3</b>
<b>Category Total</b>		<b>13</b>
<b>Total Interviews</b>		<b>40</b>

## Appendix 2: Key Elements of Citizen Participation in Budgeting <sup>10</sup>

Elements	Variables
<b>Environment</b>	<ul style="list-style-type: none"> <li>•Structure and form of government</li> <li>•Political Structure</li> <li>•Legal Requirements</li> <li>•Population size and diversity</li> </ul>
<b>Process Design</b>	<ul style="list-style-type: none"> <li>•Timing</li> <li>•Type of budget allocation (by program or earmarked funds, operating, capital)</li> <li>•Participants (selection method, numbers, representation)</li> </ul>
<b>Mechanisms</b>	<ul style="list-style-type: none"> <li>•Sincere preferences/willingness to pay</li> <li>•Public Meetings</li> <li>•Focus Meetings</li> <li>•Simulations</li> <li>•Advisory Committees</li> </ul>
<b>Goals and Outcomes</b>	<ul style="list-style-type: none"> <li>•Surveys</li> <li>•Reduce cynicism</li> <li>•Educate participants about budget</li> <li>•Gather input for decision making</li> <li>•Change resource allocation</li> <li>•Enhance trust</li> <li>•Create sense of community</li> </ul>

**Appendix 3: Common Themes from Elected Officials**

<b>Elected Official Responses and Themes from Interviews</b>	<b>Number of Responses</b>	<b>Percentages</b>
Elected Officials support and actively seek input from citizens on budget priorities	12	86%
Public Hearings are Effective Mechanisms to gain Citizen Participation	12	86%
Communication and Cooperation are the Key to effective citizen participation	11	79%
Citizen input must be followed by feedback from staff or local leadership	10	71%
Elected Officials are voted to be public stewards: Citizens with budgetary training	9	64%
Citizen self interest and promote "pet projects"; do not have community mindset	9	64%
Citizens serve as community advocates	9	64%
Citizens do not understand technical nature of budget process	8	57%
Citizen surveys are mechanisms for citizen input	7	50%
Citizens are apathetic, do not care about budget process	7	50%
<b>Total Group Membership</b>	<b>14</b>	

<b>Appendix 4: Common Themes from Staff</b>		
<b>Staff Responses and Themes from Interviews</b>	<b>Number of Responses</b>	<b>Percentages</b>
Citizens do not understand complexity, technical nature of budget	12	92%
Elected Officials support and actively seek input from citizens on budget priorities	10	77%
Communication and Cooperation are the Key to effective citizen participation	10	77%
Citizens serve as community advocates	9	69%
Citizen input must be followed by feedback from staff or local leadership	9	69%
Citizens are apathetic, do not care about budget process	8	62%
Citizen self interest and promote "pet projects"; do not have community mindset	8	62%
Public Hearings are Effective Mechanisms to gain Citizen Participation	7	54%
Concerns on Late Timing of Input	7	54%
Elected Officials are voted to be public stewards: Citizens with budgetary training	6	46%
<b>Total Group Membership</b>	<b>13</b>	

<b>Appendix 5: Common Themes from Citizens</b>		
<b>Citizen Responses and Themes from Interviews</b>	<b>Number of Responses</b>	<b>Percentages</b>
Citizen input must be followed by feedback from staff or local leadership	10	77%
Communication and Cooperation are the Key to effective citizen participation	10	77%
Elected Officials <i>do not</i> support and actively seek input from citizens on budget priorities	9	69%
Citizens serve as community advocates	9	69%
Concerns on Late Timing of Input	8	62%
Citizen help prioritize projects from ground-up	7	54%
Citizen Budget Summary	7	54%
Citizen Involvement should be a 365 day process, not just during budget season	7	54%
Public Hearings are Ineffective Tools to get citizen input	6	46%
Elected Officials are voted to be public stewards: Citizens with budgetary training	6	46%
<b>Total Group Membership</b>	<b>13</b>	

## Appendix 6

<b><u>Interview Script</u></b>
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**Objectives:** Inquire about and understand

- 1) Perception of effectiveness in the budget process
- 2) The role of the citizen in the process
- 3) Matching Perceived Roles Vs. Reality
- 4) Similarities and differences in opinion between stakeholders
- 5) Timeline of participation-when does it occur
- 6) Measuring the differentiation between informing the public and efforts to involve the public

**Public Participation Effectiveness:**

1) In your opinion, how willing are staff members and/or elected officials to share or seek out information from citizens? In what ways?

2) In your experience, how can you determine whether citizen participation is effective?

3) In your experience, what has been the most effective role for citizens to play in the budget process?

4) In your experience, what are some common obstacles in obtaining effective citizen participation?

Follow-up Questions:

General Observations:

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<sup>1</sup> Ebdon, Carol and Aimee Franklin “Citizen Participation in Budgeting Theory” Public Administration Review. May/June 2006. (437-447).

<sup>2</sup> Lisa Blomgren Bingham, Tina Nabatchi, and Rosemary O’Leary. “The New Governance: Practices and Processes for Stakeholder and Citizen Participation in the Work of Government” Public Administration Review, September/October 2005, Vol. 65, No.5. (pgs 547-558).

<sup>3</sup> Callahan, Kathe. “The Utilization and Effectiveness of Citizen Advisory Committees in the Budget Process of Local Governments” Journal of Public Budgeting, Accounting & Financial Management, 14(2), Summer 2002 (295-319).

<sup>4</sup> Berner, Maureen. “Citizen Participation in Local Government Budgeting” Popular Government. Spring 2001. (24).

<sup>5</sup> Ebdon, Carol and Aimee Franklin “Citizen Participation in Budgeting Theory” Public Administration Review. May/June 2006. (437-447).

<sup>6</sup> Berner, Maureen. “Citizen Participation in Local Government Budgeting” Popular Government. Spring 2001. (25).

<sup>7</sup> Ibid.

<sup>8</sup> Participative Culture: Based on the interviews, I was able to generally characterize the type of culture each city has when it comes to citizen participation. Identifying each community as having an “active” “moderate” or “low” participative culture was based on the interview subject’s self identification of their own perceptions.

<sup>9</sup> North Carolina General Statute 159-12.

[http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_159/GS\\_159-12.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_159/GS_159-12.html)

<sup>10</sup> Ebdon, Carol and Aimee Franklin “Citizen Participation in Budgeting Theory” Public Administration Review. May/June 2006. (437-447).