

Citizen Participation in Local Government Budgeting

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Citizen participation in the governance process is widely encouraged by academics and professional organizations and is a popular conference topic. Key public policy decisions are made during the public budgeting process, so this would appear to be an important opportunity for meaningful citizen participation. Yet little is known about how and when citizens are involved in the budget process.¹

Involving citizens in the governance process is rooted in the Jeffersonian tradition of American politics. Jefferson advocated locally based, bottom-up government that is responsive to citizens, and he viewed citizen apathy as dangerous to civic health. There is little disagreement that the public should have an opportunity to influence government action. Whether or not the public uses the opportunity, keeping that option available is important in a democracy. It is accepted in this article that, at least in theory, citizen participation is valued and beneficial to government.

What are governments trying to accomplish when they involve citizens? There are two main goals:

- To inform the public of government decisions
- To involve the public in government decision making

Many government officials stop at the first goal, using citizen involvement primarily as a way to educate the public. Making the additional effort of involving citizens in decision making, however,

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Table 1. Study Respondents

Population, 1997	Total	# Responding	% Responding
Cities			
Less than 1,000	237	14	6
1,000–4,999	194	72	37
5,000–9,999	47	32	68
10,000–24,999	35	24	69
25,000–49,999	9	5	56
50,000–99,999	8	8	100
100,000 and up	6	6	100
Total	536	161	30
Counties			
Less than 25,000	29	15	52
25,000–49,999	25	10	40
50,000–99,999	23	12	52
100,000–199,999	18	11	61
200,000 and up	5	5	100
Total	100	53	53

can provide officials with insights and information, leading to better public policy decisions.²

Although governments usually offer some avenues for citizen input, sometimes reluctantly, officials have little sense of how they might involve citizens and to what extent they should do so. Before governments try to increase citizen participation, they should understand what methods work well. One of the most important aspects of local governance is budgeting. In 1999 the Institute of Government and the North Carolina Local Government Budget Association cosponsored a survey of all 536 of North Carolina’s municipalities and all 100 of its counties.³ The survey sought answers to four broad questions about citizen participation in budgeting:

1. Do managers think it necessary to involve citizens in budgeting?
2. What are the most common methods that governments currently use to involve citizens in budgeting?
3. Do managers think that these methods are effective? Why or why not?
4. Are there particular practices that managers would recommend others’ adopting or avoiding?

This article briefly describes current North Carolina law regarding citizen participation in budgeting. It then presents the survey results and discusses their implications for North Carolina officials, particularly budget staff and city and county managers.

Current North Carolina Law

Section 12 of the Local Government Budget and Fiscal Control Act (North Carolina General Statute § 159-12; hereinafter G.S.) includes several provisions for both informing citizens and seeking input from the public. The budget officer of a city or a county must file a copy of the proposed budget with the clerk of the governing board, who must ensure that any interested party has the opportunity to inspect the budget pending its adoption. The clerk also must publish notice that the budget is available for citizen review, and make it available to all news media in the county.

In terms of participation, communicating information in this way is passive. It gets information out to the public, but it does not provide a mechanism for obtaining citizen input.

The traditional way in which input is

obtained is through public hearings. G.S. 159-12 states, “Before adopting the budget ordinance, the board shall hold a public hearing at which time any persons who wish to be heard on the budget may appear.”⁴ (Virtually all states have statutes with a similar provision.)⁵ Further, the hearing must cover the entire budget. A workshop on the budget does not satisfy statutory requirements; neither does a hearing on a limited portion of the budget proposal.⁶ As a result, jurisdictions tend to hold hearings at the end of the budget process.

State law does not dictate when the hearing must be held, or even the number of days that must pass between provision of notice of a hearing and the hearing itself. In keeping with the spirit of the law, however, governments should provide the public with reasonable notice—for example, notice five to ten days before the hearing.

State law also does not specify the number of days that must pass between the hearing and adoption of the budget.⁷ It is not unusual for local governments to hold a public hearing and adopt a budget in the same evening.

Although North Carolina law does not specify the location, the time, or the manner of the hearing, the obvious purpose of making the budget available, giving notice, and holding a hearing is to provide an opportunity for public participation in the budget process. This purpose is best served when governments conduct hearings at a time and in a manner that is conducive to active participation. But when and how is that?

Although there seems to be widespread compliance with the public hearing requirement,⁸ there has been little information available on whether managers think that public hearings are an effective way to involve the public. There also has been little more than anecdotal information on alternative efforts to involve the public and the effectiveness of those efforts.

Survey Results

Respondents

One hundred sixty-seven municipalities and 56 counties responded to the survey by mail, fax, or telephone, for response rates of 31 percent and 56 percent, re-

Table 2. **Extra Effort to Involve Citizens**

Population, 1997	# Responding	% Going Beyond State-Mandated Hearing
Cities		
Less than 1,000	14	29
1,000–4,999	72	24
5,000–9,999	32	44
10,000–24,999	24	42
25,000–49,999	5	40
50,000–99,999	8	50
100,000 and up	6	83
Total	161	52
Counties		
Less than 25,000	15	27
25,000–49,999	10	20
50,000–99,999	12	50
100,000–199,999	11	18
200,000 and up	5	20
Total	53	29

spectively.⁹ Surveys were completed by city and county managers, town clerks, and budget or finance personnel.

Respondents included most of the large municipalities but few of the smallest (see Table 1). Thus the data do not form a representative sample of North Carolina cities, towns, and villages. (To simplify discussion, all municipalities are hereafter referred to as “cities.”) In contrast, about half of the counties in each population range responded, although here too, the largest units were most likely to respond.

Views on the Need to Involve Citizens

Although citizen involvement is a hot topic in management literature these days, local governments in North Carolina are generally not making extensive

efforts to involve residents in budgeting. Barely half of the cities responding to the survey and less than a third of the counties go beyond the single, mandated hearing to get citizen input (see Table 2).

In general, cities tend to seek input more than counties do. This result might be explained by the different types of services offered by the two forms of government. Counties provide funding for, among other things, social services, public health services, mental health services, and schools, and the boards overseeing these services may seek citizen input when they are preparing their own budget request for the county. For example, of the counties that responded, seventeen cited school boards as making special efforts to involve citizens. Social services boards, public health boards,

and other boards also were mentioned. County government staff and board members may see less need for citizen input when they consider the overall budget because they may think that it already has been provided at the department level.

In explaining why they did or did not seek input from citizens, respondents indicated that the process was guided by the desires of the leadership. Of those who said that they did seek citizen input, the desire (as opposed to the obligation through policy) of the staff or the governing board or staff to seek public opinion seemed to provide some motivation. Almost three-quarters of responding cities cited staff desire, and almost two-thirds, governing board desire.

The pattern for counties was similar. The most often cited reason for extra effort to involve the public was board interest. Almost half of the counties also cited staff interest.

Although there is informal interest in hearing from citizens, boards clearly want to remain flexible in when and how they obtain input. Only 13 percent of the city respondents had a formal policy or requirement for citizen involvement beyond the single, state-mandated hearing. Medium to large cities were more likely to have such requirements than small cities. Only one county, a larger one, reported having such a policy or requirement.

The motivation to get the public involved does not come entirely from the board and the staff, however. About 40 percent of both city and county respondents cited citizen interest as a motivator. Interestingly, relatively few respondents cited tradition or interest-group pressures. (For a breakdown of all the responses by reason, see Table 3.)

Of those that did not seek extra citizen involvement, the most common reason cited, on both the city and the county

Table 3. **Reasons for Extra Effort to Involve Citizens**

	% Board Policy or Requirement	% Informal Board Interest	% Staff Desire to Hear Opinion	% Tradition	% Citizen Interest	% Interest-Group Pressure	% Other
Cities	13	62	72	32	43	13	17
Counties	7	67	47	20	40	20	33

Note: Fifty-three cities and fifteen counties responded. Respondents could cite more than one reason.

Table 4. Reasons for No Extra Effort to Involve Citizens

	% Lack of Board Interest	% Lack of Staff Interest	% Lack of Time	% Lack of Financial Resources	% Lack of Personnel	% Process Gets Too Complicated	% Citizens Won't Respond	% Poor Response in Past	% Other
Cities	57	7	20	8	19	7	28	50	19
Counties	71	16	34	16	18	16	34	39	11

Note: One hundred five cities and thirty-eight counties responded. Respondents could cite more than one reason.

level, was lack of governing board interest. The second most common reason was poor response in the past, when attempts to get citizens involved did not seem very effective. At the county level, lack of board interest was a far more important factor than anything else, including poor past response: 71 percent of respondents cited lack of board interest, whereas only 39 percent cited poor past response. (For a breakdown of all the responses by reason, see Table 4.)

In larger cities, lack of board interest

and poor past response were the primary motivations. The situation was slightly different in smaller cities. In addition to low board interest and poor past response, smaller cities seemed to be constrained by lack of resources—time, money, or personnel. These three factors also were cited by counties of all sizes.

Although staff interest seemed to be a big motivator for involving citizens, lack of staff interest did not seem to be a big motivator for not involving citizens, particularly in cities and small counties.

Some staff, especially in counties and smaller cities, thought that citizen participation unduly complicated the budget process, but this did not seem to be a big factor for everyone. This finding should be interpreted with caution, however, because there may be a bias in reporting; that is, staff may have been unwilling to take responsibility for not wanting citizens involved.

When asked for reasons other than those already mentioned for not going beyond the single public hearing, coun-

Table 5. Methods Currently Used by Cities to Involve Citizens

Method	# Respondents	When in Budget Process Method Is Used				
		% Beginning	% Early	% Middle	% Late	% End
Legally mandated hearing	138	5	2	13	22	58
Other public hearings	37	38	35	16	30	5
Special open meetings (town meetings)	61	10	11	5	10	2
Opportunities to speak at regular meetings	102	50	46	55	51	44
Citizen advisory boards	31	52	48	29	13	10
Mail-in coupons	5	80	20	0	0	0
Coffeehouse conversations	20	65	55	50	40	25
Telephone surveys	5	60	0	40	0	0
Mail surveys	12	58	25	0	0	0
Fax surveys	3	100	0	0	0	0
Web sites/e-mail	9	78	22	11	11	11
Visits to local civic groups	27	33	44	56	19	19
Visits to neighborhood associations	10	30	50	30	10	0
Contact initiated by citizens	34	44	53	53	53	38
Other	21	—	—	—	—	—

Note: Respondents were asked to indicate when in the budget process the method cited was used. Respondents could indicate more than one time if it was used multiple times. The definitions for the times are as follows: *beginning*—at outset of budget process; *early*—while manager and staff are forming budget but before it has been presented; *middle*—shortly after budget is recommended to governing board but before it or committee begins budget briefings, work sessions, or meetings; *late*—while governing board or committee holds briefings, work sessions, or meetings on budget; *end*—after all briefings, work sessions, or meetings have been completed and just before board adoption of annual budget.

Table 6. **Methods Currently Used by Counties to Involve Citizens**

Method	When in Budget Process Method Is Used					
	# Respondents	% Beginning	% Early	% Middle	% Late	% End
Legally mandated hearing	36	0	3	28	36	33
Other public hearings	5	0	20	60	60	0
Special open meetings (town meetings)	16	31	44	56	38	13
Opportunities to speak at regular meetings	26	62	62	54	58	42
Citizen advisory boards	14	43	43	14	14	7
Mail-in coupons	1	100	0	0	0	0
Coffeehouse conversations	12	50	50	67	33	33
Telephone surveys	0	NA	NA	NA	NA	NA
Mail surveys	1	0	0	100	0	0
Fax surveys*	1	0	0	0	0	0
Web sites/e-mail	6	33	50	66	50	50
Visits to local civic groups	16	19	25	25	31	25
Visits to neighborhood associations	7	0	14	0	14	14
Contact initiated by citizens	20	40	45	50	60	50
Other	9	—	—	—	—	—

Note: Respondents were asked to indicate when in the budget process the method cited was used. Respondents could indicate more than one time if it was used multiple times. The definitions for the times are as follows: *beginning*—at outset of budget process; *early*—while manager and staff are forming budget but before it has been presented; *middle*—shortly after budget is recommended to governing board but before it or committee begins budget briefings, work sessions, or meetings; *late*—while governing board or committee holds briefings, work sessions, or meetings on budget; *end*—after all briefings, work sessions, or meetings have been completed and just before board adoption of annual budget. NA = not applicable.

*The respondent checking fax surveys did not indicate when in the process the method was used.

ties responded that the single hearing seemed sufficient. Some representative comments follow:

- “Tax/fee increases generate adequate citizen input.”
- “[We] feel our process is open now—no need to change.”
- “[It] seems that one hearing is sufficient for the public.”

City responses were more varied, but several mentioned lack of citizen interest:

- “[There is] no citizen interest.”
- “[There is a] lack of requests for additional hearings.”
- “No one has ever suggested it.”

Several city respondents took the time to note the important difference between efforts to inform the public and efforts to involve the public. For example: “Other entities had little result with surveys, work sessions, etc. [We are] considering use of

Internet and other means to disseminate information. Emphasis [is] on providing information, not getting input.”

Methods of Involving Citizens

Governments that go beyond the standard hearing to involve citizens in the budget process do so in a wide range of ways.

Among cities, some methods are more active than others. For example, almost all local governments provide opportunities for the public to speak at regular meetings. A large number of cities responding to this survey (61) hold special open meetings, such as town meetings. These methods, however, collect input only from those who show up and are willing to speak publicly. Public speaking can be very intimidating for the average citizen.

In contrast, some cities reach out to citizens, going outside the hearing rooms or the council chambers to probe com-

munity opinion. Some survey citizens by mail, telephone, or fax. Officials, usually managers accompanied by staff or department representatives, visit civic groups and neighborhood associations. Other cities use formal methods. For example, a surprisingly large number, thirty-one, have citizen advisory boards. Other cities, especially smaller jurisdictions, rely on informal methods, such as coffeehouse conversations. (For a breakdown of cities by method, see Table 5.)

In the “other” category, one city mentioned a finance committee composed of citizens and commissioners that makes recommendations to the board. A second city mentioned focus groups; a third, community meetings on the budget; a fourth, a neighborhood forum with representatives from twenty-four neighborhoods; and a fifth, employee meetings. In all these methods, staff or board members actively seek input from citizens. How-

SAMPLE RESPONSES TO QUESTIONS ON METHODS

“WHAT METHODS ARE LEAST EFFECTIVE?”

“Public hearings. They are held so late in the process that it is difficult to adapt to suggestions received. Also, in my career, I have seen very few specific requests made at budget hearings. The general comment is, ‘Don’t raise taxes’ or ‘Cut taxes.’”

“Legal public hearing. The public doesn’t participate.”

“The public hearing. It’s too late to effectively influence the process. Also few citizens express their concern or desires through this process. The public hearing participants are usually representatives of nonprofit organizations requesting funding.”

“Public hearings. No one comes. If they do, it’s too late.”

“Legally mandated public hearing. Too structured, too orchestrated, input often in written format, late in process.”

“WHAT METHODS ARE MOST EFFECTIVE?”

“Public hearings at the beginning of the process—well advertised so everyone feels part of the solution, not just a problem.”

“Other public hearings, early in the process. Because of timing, citizens are able to express their concerns and request at a time before board has set direction for staff.”

“Public hearings, because the press makes it widely known.”

“Hearings early on tend to focus on needs and to be rather positive, in contrast to hearings after budget submission, which usually consist of agencies begging for money.”

Among other ways of involving citizens, one county mentioned having citizens on its boards. Another mentioned an innovative speaker’s bureau, consisting of budget and finance staff who speak to various community groups—a version of the “visits to community groups” mentioned earlier.

Again, on this question most respondents referred to ways of disseminating information rather than ways of directly involving people. For example, several respondents mentioned media contacts or press coverage.

Methods Seen as Least Effective

Ironically, even though public hearings are the most common method used, city and county officials alike see them as the least effective way to involve the public. While they considered methods such as special open meetings and opportunities to speak at regular meetings to be relatively ineffective (see Table 7), the clear target of their frustration is public hearings. (For some illustrative comments, see this page.)

The main criticism of public hearings concerns timing. Because most jurisdictions hold only the state-mandated hearing, and that hearing usually takes place late in the process, the public has little opportunity actually to influence results. The hearing takes on a perfunctory or symbolic function. Many of those who help manage the process acknowledge this fact.

Methods Seen as Most Effective

Surprisingly, public hearings also were seen as the most effective method to involve the public (for sample responses, see this page). The pro-hearing sentiment was not as clear as the anti-hearing sentiment, but hearings, open meetings, and opportunities to speak at regular meetings all were popular. Both cities and counties viewed methods of providing face-to-face input as effective. In addition, respondents felt strongly about a variety of other methods, from surveys to meetings with neighborhood associations and civic groups (see Table 8).

Recommended Practices

Asked what practices they would recommend others adopting or avoiding, most responded with recommendations of

ever, the majority of comments in the “other” category (11 of 20) described efforts to advertise meetings or provide information to citizens (not necessarily to obtain information from them), including a public kiosk, newsletters, posters, and local cable television broadcasts.

More traditional methods of involving the public, such as the legally mandated public hearing, most often take place at the very end of the budget process. In cities, more than half of all respondents reported that they hold their public hearing after all briefings, work sessions, or meetings have been completed and just before board adoption of the annual budget ordinance. Another 22 percent reported holding the budget hearing late in the process, after the manager had recommended a budget to the board and during the board’s briefings, work sessions, or other meetings on the recommended budget. In contrast, the

cities using less traditional methods, such as surveys, neighborhood meetings, or citizen advisory boards, reported holding public hearings in the early to middle stage of the process. (For a breakdown of these responses, see Table 5, page 26.)

The results for counties were similar (see Table 6, page 27). Counties reported relying on the traditional mandated public hearings for input, and the majority (69 percent) said they did so late in the budget process. Counties also reported relying on opportunities for citizens to speak at regular meetings and special open meetings, such as town meetings. County officials were active in visiting civic groups and using coffeehouse methods and citizen advisory boards. Counties were more likely to spread the timing of efforts across the budget process, but, as with cities, there was a tendency to use innovative methods earlier than traditional methods.

Table 7. Most Effective Methods

Method	% Cities	% Counties
Public hearings (mandated or otherwise)	26	24
Special open meetings (town meetings)	15	18
Opportunities to speak at regular meetings	18	18
Citizen advisory boards	11	0
Mail-in coupons	1	0
Coffeehouse conversations	8	4
Surveys	12	0
Web sites/e-mail	0	6
Visits to local civic groups	8	6
Visits to neighborhood associations	5	0
Contact initiated by citizens	2	0
Other	6	6

Note: One hundred six cities and seventeen counties responded.

what to do. The responses spanned a wide variety of practices.

Although there was no specific practice to adopt or avoid, there was a clear theme concerning approach: get input early and often. Half of the positive recommendations from counties and about a third of the positive recommendations from cities noted the value of early input. Many of these recommendations also mentioned using the chosen method, such as hearings, multiple times.

Conclusions

Four main conclusions come from this survey. First, local government staff seem to support public participation, but, appropriately, staff take their cue from the governing board. As in most other matters in city and county government, the board determines the extent of public involvement in decision making.

Second, there is a difference between educating the public about decisions and

bringing them into the decision-making process. Governments' attempts to elicit citizen participation can range from limited efforts to inform citizens, to aggressive efforts to involve them. Is summarizing the proposed budget in the local newspaper a form of citizen participation? In a way, yes, since it educates and informs citizens about government activities. However, most would argue that there is a different quality between that practice and establishing a citizen advisory board to make formal recommendations to the governing board.

Which is better? This question involves a judgment that is the responsibility of the governing board. To some officials, more limited forms of public participation make for better governance, and more extensive forms are inefficient and ineffective. Others consider involving citizens to be a fundamental duty and view opening up the process as an opportunity to improve decision making.

Third, for those looking to involve the public effectively, there does not seem to be a clearly preferred method. Rather, the method depends on the goal and the way in which the method is conducted. Public hearings were mentioned more than any other method as both the most and the least effective way to involve the public. How can this be so? If the goal is merely to inform the public, hearings may not be effective. If the goal is to involve the public in the decision, some hearings may work very well.

Although this survey did not ask for detailed information, community context may be important. In some communities a history of active public hearings may foster a sense of support for speaking out. In smaller communities, visiting local neighborhood groups may educate and involve citizens. In larger jurisdictions, surveys may be the best way to understand the opinions of a cross-section of the city's or county's population.

Finally, if governments want to involve the public, timing is vital, regardless of the method used. Those happy with their methods often mentioned the value of doing things early. Respondents expressed a high level of frustration with the use of public hearings, particularly because they most often take place at the end of the process, when little meaningful input can be given. If managers and governing

Table 8. Least Effective Methods

Method	% Cities	% Counties
Public hearings (mandated or otherwise)	61	57
Special open meetings (town meetings)	8	0
Opportunities to speak at regular meetings	9	0
Citizen advisory boards	2	7
Mail-in coupons	2	14
Coffeehouse conversations	7	14
Surveys	5	14
Web sites/e-mail	2	7
Visits to local civic groups	1	0
Visits to neighborhood associations	0	0
Contact initiated by citizens	2	0
Other	0	0

Note: Eighty-nine cities and fourteen counties responded.



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boards wish to have citizens actively involved in the budget process, they must consider at what point in the process that input most effectively takes place. Meetings, surveys, and conversations, when conducted in a timely manner, afford the best opportunities for citizen input. They can tell people about the demands and the opportunities facing the city or the county in both the short term and the long term. They also allow officials to hear from citizens about preferences for services, taxes, and fees. The exchange is two-way. When this exchange begins early in the budget process, there is a greater likelihood that the information exchanged will be used and that both citizens and officials will be better informed about the other's position and more committed to the result.

Notes

1. Carol Ebdon, *The Relationship between Citizen Involvement in the Budget Process and City Structure and Culture*, 23 *PUBLIC PRODUCTIVITY AND MANAGEMENT REVIEW* 383, 383 (Mar. 2000). In 1998 the Government Finance Officers' Association published

RECOMMENDED BUDGET PRACTICES: A FRAMEWORK FOR IMPROVED STATE AND LOCAL GOVERNMENT BUDGETING, the recommendations of the National Advisory Council on State and Local Budgeting. One of the recommendations called for improving stakeholders' access to the budgeting process, specifically suggesting that local governments develop mechanisms to identify stakeholders' concerns, needs, and priorities. Key stakeholders are citizens. Citizen participation has received wide attention in the public administration literature, particularly in journals targeting large audiences. For example, citizen participation and community governance was the focus of special issues of *PUBLIC MANAGEMENT* and *PA [PUBLIC ADMINISTRATION] TIMES* in early 1999.

2. WILLIAM SIMONSEN & MARK ROBBINS, *CITIZEN PARTICIPATION IN RESOURCE ALLOCATION* at xiii (Boulder, Col.: Westview Press, 2000).

3. No funding was received from the North Carolina Local Government Budget Association. The author gratefully acknowledges the support of the UNC-CH Master of Public Administration (MPA) Program through the research assistance of MPA students Mary Blake, Caryn Ernst, Francesca O'Reilly, and Sonya Smith, and of the Institute of Government's Summer Law Clerk Program through the legal research assistance of Betsy Kane and Thomas Spiggle.

4. G.S. 159-12.

5. The exceptions are Arkansas, California, and Massachusetts. Maureen Berner & Sonya Smith, *The State of the States: A Review of State Requirements for Citizen Participation in the Local Government Budget Process, 2001* (unpublished manuscript, Inst. of Gov't, The Univ. of N.C. at Chapel Hill, on file with first author).

6. A. John Vogt, *Budget Preparation and Enforcement*, in *MUNICIPAL GOVERNMENT IN NORTH CAROLINA* 287, 339 (David M. Lawrence & Warren Jake Wicker eds., 2d ed., Chapel Hill: Inst. of Gov't, The Univ. of N.C. at Chapel Hill, 1995).

7. However, ten days must pass between presentation of the budget to the board and adoption. G.S. 159-13.

8. In both this survey and one conducted in the early 1990s by Charles Coe and A. John Vogt, all local government respondents indicated that they held at least one public hearing. Charles Coe & A. John Vogt, *A Close Look at North Carolina City and County Budget Practices*, *POPULAR GOVERNMENT*, Summer 1993, at 16.

9. The source of six survey forms from municipalities could not be identified, but because the questions involved did not depend on geographic location, the results for those surveys have been included where possible in the analysis.