


**Citizen Engagement
Through the Budget**


Budgeting in Local Government

Whitney Afonso, PhD



FIRST THINGS FIRST


- o Do we want citizens engaged?
 - What does that even mean?
- o What possible advantages might there be?
- o What difficulties may be associated with citizens having a more active role?



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QUESTIONS & PREVIOUS RESEARCH

- o What does citizen engagement mean?
- o What effect does it have?
- o What are some of the ways we can engage our citizens?



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CITIZEN ENGAGEMENT

- o Educate and inform
 - Policies
 - Spending
 - Costs
 - Services provided
 - Laws and limits



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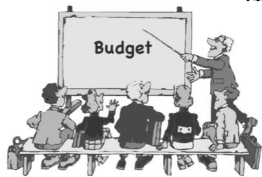
CITIZEN ENGAGEMENT

- o Incorporate their input
 - Integrate them into the process
 - Receive feedback early and shape policies and priorities
 - Allow them to more directly change what the proposed budget will look like

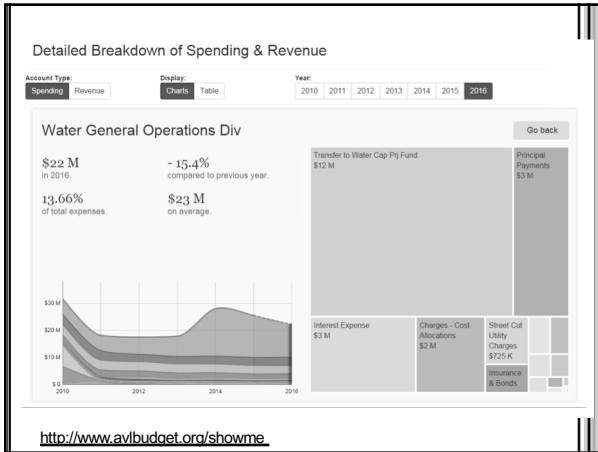


PHASES OF ENGAGEMENT

- o Phase 1: Information
 - One way relationship in which government delivers information to citizens
 - o Government → Citizen



Taken from QGEA- ICT Policy and Coordination Office (2010)



PHASES OF ENGAGEMENT

- o Phase 2: Consultation
 - A two way relationship in which citizens provide feedback on issues defined by government
 - o Government Citizen

Taken from OGEA- ICT Policy and Coordination Office (2010)

LOOKING TO ENGAGE BEYOND INFORMING?

- o Fairfax County, VA
 - Can you create a better budget?

John C. Cook
Braddock District Supervisor

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www.fairfaxcounty.gov/braddock

March 20, 2013

Thanks for trying our budget simulation. It is set up to put you in the chair of a member of the Board of Supervisors, and lets you create your proposed budget.

Before you is the FY 2014 budget proposed by the County Executive. Your job is to amend the budget as you see fit. Are you satisfied with County services? Are you satisfied with the proposed tax rate? If not, here's your chance to show us what you'd change.

You may find the rules constraining. That's because in real life they are as well. For example, larger changes in the budget would require more lead time (major restructuring, elimination or addition of large programs, etc.) so those items are not included. The details of the school budget cannot be changed, because the Board of Supervisors only appropriates school funds and the School Board determines spending. We hope this exercise will help you understand the budget process better, and provide the Board with some ideas on how we should approach this effort in real life.

Please keep in mind that to make this exercise a little more understandable, we made a few assumptions and estimations that wouldn't work in real life. However, the changes are small and do not seriously alter the budget math.

Thank you for participating and good luck!

Sincerely,

STEP TWO: CUSTOMIZE YOUR BUDGET

Here is your chance to add to or subtract from the County Executive's budget. We've pulled out segments from the pie chart that comprise the vast majority of County spending. Just type your proposed cut (a negative number) or your proposed spending increase into the necessary fields below.

Tip 1 Remember, try to be as specific as possible when making cuts or spending increases. We've included two documents detailing spending cuts and potential spending restrictions. Your cuts or increases should be from specific line items in the documents mentioned in Rule 2.

Tip 2 It is also important not to forget to convert your figures using the scale below. All figures are done in a scale of 1 = \$1,000,000.

Tip 3 At the bottom of each box is a list of the page numbers on the attached documents where you can find potential cuts or spending restrictions. This should help you quickly find the information you need.

1. Schools
FY19 FUND SPENDING (FY 19 400) (FY 13 180)

The Advertised Budget includes \$117 in proposed spending for Schools. This is \$11.4 less than requested by the School Board, but an increase of \$3.7 over FY 2013.

Reductions are listed: Pages 4, 5, 11, 16, 18, 19. Reductions are on 4, 5, 11, 16, 19.

2. Public Safety
FY19 FUND SPENDING (FY 19 440) (FY 13 440)
FY19 FUND SPENDING (FY 19 440) (FY 13 440)

The Advertised Budget includes \$41 in proposed spending for Public Safety. The County Executive included 13 cuts totaling \$4.13, but would be retained. There are 27 additional cuts, totaling \$17.11 that have been identified, but not taken. Cutting 37% of cuts would save \$2.8.

Reductions are listed: Pages 4, 5, 11, 16, 18, 19. Reductions are on 4, 5, 11, 16, 19.

3. Health and Welfare*
FY19 FUND SPENDING (FY 19 60) (FY 13 60)

The Advertised Budget includes \$35 in proposed spending for Health and Welfare. The County Executive included 19 cuts totaling \$1.4 that could be retained. There are 32 more cuts, totaling \$1.3 that have been identified, but not taken. Prioritize budget for Community Service Funds.

Reductions are listed: Pages 4, 5, 11, 16, 18, 19. Reductions are on 4, 5, 11, 16, 19.

STEP THREE: WHAT'S YOUR NUMBER?

BUDGET NUMBER Comments

0

STEP FOUR: FIND YOUR TAX RATE

Circle the Budget Number in the chart below which most closely matches your own. That row will show you the Real Estate Tax Rate necessary to support your spending.

Budget Number	Necessary Tax Rate	Change from FY '13	
20	1.105 cents/\$100	+3 cents	<small>Each Point of new taxes adds \$1.05 of taxes to your bill. We would add 1.05¢ to your bill. The difference would be the same as:</small>
0	1.095 cents/\$100	+2 cent	
-20	1.085 cents/\$100	+1 cent	<small>FY 14 Proposed Rate</small>
-40	1.075 cents/\$100	0 cents	<small>Current FY 13 Rate</small>
-60	1.065 cents/\$100	-1 cent	
-80	1.055 cents/\$100	-2 cents	

STEP FIVE: HOW MUCH WILL YOU PAY?

X

\$4,657.00

=

\$0.00

Enter your Selected Real Estate Tax Rate. Average assessed income value in Fairfax County (divided by \$100). Average Real Estate Tax under your proposed spending plan.

(Under the County Executive's plan, the average homeowner in 2013 pay \$5,098 in FY '14. That's a \$322 increase over FY 13. The average tax payment in FY 13 is \$4,872.)

BETTER BUDGET?


- Not just getting information out
 - Though it is
- They are soliciting feedback about how “you” would spend the money

STEP SIX: SHARE YOUR RESULTS

Don't like your results? Go back to Step Two and try again. If you're happy, then share your results with us by April 8.

PHASES OF ENGAGEMENT

- o Phase 3: Active participation
 - A collaboration in which citizens actively shape policy options, but where government retains the responsibility for final decisions
 - o Government \longleftrightarrow Citizen



Taken from QGEA- ICT Policy and Coordination Office (2010)

EAST LANSING, MICHIGAN

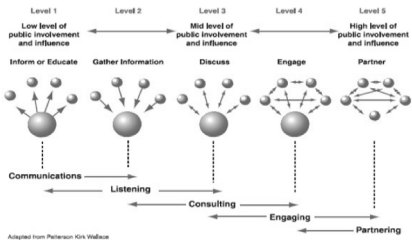
- o “Had” to close a community center
 - What to do with the building?
- o Chose to solicit feedback and ideas from the community
 - Received numerous proposals
 - Got feedback from citizens that were engaging for the first time (50%)
 - Ranked ideas and had round-tables
 - Received high levels of support for the project

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<http://irma.org/en/Article/106183/Case-Study-How-East-Lansing-Increased-Public-Trust-by-Using-Online-Input-to-Save-an-Old-Building-New>

FORMAL MODEL

- o Another way to think about the “levels” of citizen participation



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Adapted from Peterson Kirk Wallace

NEW MODEL?

- o Phase 3 is the one receiving the most attention lately...
- o New proposed model:
 - Move away from "Gripe, Grumble, Groan and Fix"
 - o Government is seen as solely responsible for solutions and results
 - Move towards partnerships with citizens
 - o Residents as citizens NOT customers
 - o Respect them
 - o Accept that government may not have all the answers

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<http://www.pew.org/Article/106182/Our-Local-Government-Model-Its-Broken-So-Lets-Fix-It>

TRADITIONAL WAYS TO RELAY BUDGET INFO

- o Traditional budget
 - Hard to navigate
 - Build a roadmap
- o Fact sheets
 - Hard to decide what to present
 - Keep it in lay language with graphics
- o Videos
 - Public access



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Taken from Stephens (2011)

TWO NEW TECHNIQUES

- o Taxpayer receipts
 - Examples
 - Suggestions
- o Participatory Budgeting
 - What it is
 - Why *some* do it



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TAXPAYER RECEIPTS

- o 2011 interview:
 - Who knows how much of our tax dollar went to develop clean energy or reduce our dependence on foreign oil? You know, that's just one of the reasons we feel disconnected from our government, and we think a tax receipt would help give people an idea where their tax dollars go.- David Kendall from Third Way
- o White House Responds
 - April 2011: Taxpayer Receipt is launched



WASHINGTON, DC APRIL 2011

YOUR FEDERAL TAXPAYER RECEIPT
UNDERSTAND HOW AND WHERE YOUR TAX DOLLARS ARE BEING SPENT

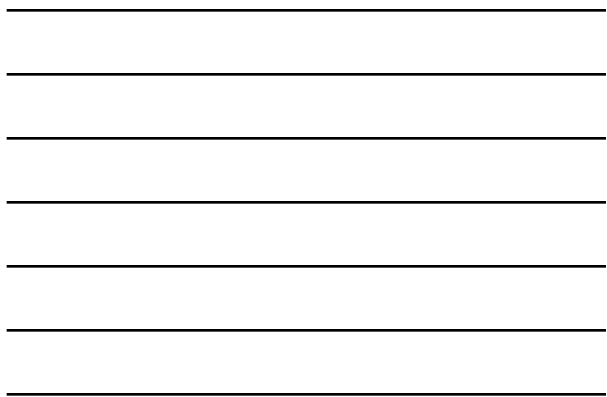
Enter your 2012 payments below or select an estimate from the drop-down menu.

Social Security Tax: \$21,100.00
 Medicare Tax: \$275.00
 Income Tax: \$1,889.00

PROGRAMS & SERVICES

PROGRAMS & SERVICES	YOUR TAX PAYMENT
Social Security Tax	\$21,100.00
Social Security Retirement, Survivors, and Disability Insurance	\$21,100.00
Medicare Tax	\$275.00
Medicare Hospital Insurance	\$275.00
Income Tax	\$1,889.00
Expend All Sub-Categories	% of Total Income Tax Payment
<input type="radio"/> National Defense	24.8%
<input type="radio"/> Health Care	22.6%
<input type="radio"/> Job and Family Security	11.2%
<input type="radio"/> Education and Job Training	3.3%
<input type="radio"/> Veterans Benefits	4.5%
<input type="radio"/> Consumer Resources, Energy, and Environment	2.8%
<input type="radio"/> International Affairs	1.7%
<input type="radio"/> Science, Space, and Technology Programs	1.6%

o <https://www.whitehouse.gov/2014-taxreceipt>



PROGRAMS	A MONTH'S TAXES	EQUIVALENT
Environmental Protection	\$0.33	A banana
Economic & Community Development	\$0.25	A ballpoint pen
Prisons & Parole	\$2.89	A box of crayons
Foreign Youth & Child Welfare	\$3.66	A small latte at Starbucks
Schools (K-12 & Early Education)	\$11.63	1 month of the Hartford Courant
Colleges & Universities	\$2.99	A loaf of bread
Teachers' Benefits	\$3.29	1 gallon of milk
Legislative Branch Government	\$0.34	A postage stamp in 1999
Executive Branch Government	\$3.02	A pair of socks
Healthcare for the Elderly, Disabled, & Families	\$21.78	2 movie tickets
Welfare & Food Stamps	\$0.93	An iPhone app
Aid to the Blind, Disabled, & Elderly	\$0.52	15 min. of parking in downtown New Haven
Supportive Housing	\$0.24	A gumball
Public Health	\$0.38	A cup of miso
Mental Healthcare	\$3.08	A bagel & cream cheese
Aid to the Developmentally Disabled	\$4.55	The Sunday New York Times
Public Defenders	\$0.27	2 medium eggs
Juvenile Justice & Alternative Incarceration	\$2.00	A medium coffee from Dunkin' Donuts
Debt Service	\$9.50	A small pizza with one topping
State Employee Benefits	\$0.67	2 pounds of ground beef
Public Safety	\$0.72	A roll of paper towel
Consumer Protection	\$0.07	1 kilowatt hour of electricity
Job Training & Work Support	\$0.27	A carpool
Other	\$3.50	1-way train ticket from Bridgeport to Darien
Total	\$84.67	A monthly smartphone bill

o <https://www.whitehouse.gov/2014-taxreceipt>



DIFFERENCES

- o What are the primary differences between the Federal example and the Connecticut example?
 - Advantages?
 - Disadvantages?

- o Which is more feasible for your local government?

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<http://sogpubs.unc.edu/electronicversions/pdfs/pmb08.pdf>

MANY WAYS TO RELAY THIS INFORMATION

- o Myrtle Beach has done something similar to the receipt presented here
 - Within their budget document, 13 pages of explanation
 - Services, powers, structure, revenue sources, etc

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Budget Overview

What Can You Buy for \$66.79 per Month of Taxes and Fees?

- ✓ 24-hour police protection
- ✓ Criminal Investigation
- ✓ Traffic Enforcement
- ✓ Crime Prevention Programs
- ✓ School Resource Officer's Program
- ✓ 24-hour fire protection
- ✓ Fire Prevention Services
- ✓ 24-hour Emergency Medical Response
- ✓ Hazardous Materials Response
- ✓ Street Construction and Maintenance
- ✓ Traffic Signals and Street Lighting
- ✓ Street Cleaning
- ✓ Drainage System Maintenance
- ✓ Drainage Improvements
- ✓ Parks and Recreation Facilities and Programs
- ✓ Street Tree Planting and Maintenance
- ✓ Community Planning, Zoning, Development Review
- ✓ Construction Services
- ✓ Municipal Court
- ✓ Various Economic Development Services
- ✓ All Municipal Legislative, Management and Support Services

COMPARE WITH:

- Total Cost of City services: \$66.79 per month

- One month's subscription to Basic Cable TV w/ High Speed Internet Access: \$94.95

- One evening out with dinner for two and a movie: \$65.33
based upon entrée price of \$19.95, including two drinks, non-City taxes and tips.

- One tank of gasoline to fill your family's SUV: \$57.60
based upon 22.5 gallon fuel capacity at \$2.56 per gallon (priced as of 3/31/07)

2007-08 Proposed Budget "Infinite Service"

What is the Buying Power of a Typical Household's Taxes and Fees?

Based upon a house valued at \$191,500 and two cars valued at a total of \$28,000, a typical Myrtle Beach household will pay the City's General Government a total of \$801.48 this year. This includes City taxes of \$573.48, storm water fees of \$42.00 and solid waste fees of \$186.00 in support of City services.


Your \$801.48 will buy any one of these things:

- Five and uniforms for 10 youth baseball teams, with 15 players each
- Five palm trees or two oak trees planted on city streets and in parks
- One Continuing Disclosure Report required by the SEC
- About one weeks salary and benefits for an entry-level police officer or firefighter
- 80 childrens books or 16 reference books for the Chaplin Library
- 145 yards new paving, 5 streets signs or 40 feet of sidewalk
- One firearm or 32 sets of handcuffs for police officers

2007-08 Proposed Budget 28

OTHER END OF THE SPECTRUM


- o Participatory Budgeting
 - Who has heard of this?
 - What have you heard?



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PARTICIPATORY BUDGETING

- o Participatory budgeting (PB) is seen as direct democracy
 - Citizens create proposals and vote on them
- o Taxpayer receipts are phase 1 (information/education)
- o PB is a phase 3 (partnership/consultation)



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PB IN OTHER CITIES

- o More popular abroad
- o US cities such as NYC and Chicago
 - Not citywide
 - “Pork” budgets of commissioners
- o Greensboro did a trial run

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WHY IS IT BEING ADOPTED?

- o What advantages would bringing citizens at this level have?
- o What possible problems?
- o Take 5 minutes and discuss with people around you.

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ADVOCATES OF PB...

- o Educate citizens about government
- o Increase trust
- o Reach marginalized populations
- o Direct democracy



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CONCERNS ABOUT PB...

- o Won't reach people
 - Low participation
- o Projects citizens propose are not feasible/legal
- o Already tight budgets
 - Community gardens?



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GREENSBORO

- o Advocates fought for years
- o \$500,000 earmarked for PB
- o Very inclusive
 - As young as 11 can vote and make proposals
- o Have completed first year
 - Projects include:
 - o Murals
 - o Bus shelters
 - o Crosswalks
 - o Emergency call box
 - o Game tables in parks

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ENGAGEMENT IN THE CLASSROOM

- o Go into the schools
- o I did a trial run of this myself
 - Lots of lessons learned




- o Activities are you friend
- o Keep it very applied and think about examples they understand


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Activity: What does government do?

- Let's brainstorm!
- Create a list of what government does




Ideas For Government



- Let's take a few minutes to think of things that you would like government to do (provide)!
- Step 1: Break into pairs
- Step 2: Think about some things that you think are harder (or impossible) than they should be
- Step 3: Discuss whether government should help with those activities (or not)
 - How could government help?

Metro Transit Authority

- Last year Metro Transit Authority (MTA) received an increase of \$2,000,000 (\$2 million)
 - MTA had a total budget of \$76,666,100 last year
 - \$42,013,600 came from the city. The rest was revenue they generated.
- This year Nashville is proposing to increase MTA's budget by \$7,000,000
 - So \$49,013,600 coming from the city and an overall budget of \$81,888,600
- If passed this would be \$120 per person for everyone living in Nashville!
- This is only for the operating budget, does not include the \$36,500.00 million the city is planning on spending on capital!!!



You vote!

- What do you think?
- Should Nashville adopt this budget and increase spending on the bus system?
- Stand under "yes" or "no"?



MTA EXAMPLE

- We came back to that example everyday
- It was making headlines
- About half the class used public transportation
- We could talk about who pays, equity, trade-offs, how spending in one area affects other areas, mission of the community, etc
- You want to make it relevant for your community!



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LOTS OF WAYS TO "ENGAGE"

- What seems feasible?



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CONCLUSION

- o Engagement can mean lots of different things
- o Need to consider your ultimate goal
 - How you want to use feedback, if you solicit it
 - Be careful what you ask for.

o I am working on a series of blog posts on this topic on Death & Taxes



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RESOURCES

- o Berner, M. M., Amos, J. M., & Morse, R. S. (2011). What constitutes effective citizen participation in local government? Views from city stakeholders. *Public Administration Quarterly*, 35(1), 128-163.
- o Jimenez, B. S. (2013). Raise Taxes, Cut Services, or Lay Off Staff: Citizens in the Fiscal Retrenchment Process. *Journal of Public Administration Research and Theory*.
- o Stephens, John B. 2011. Creating Effective Citizen Participation in Local Government Budgeting: Practical Tips and Examples for Elected Officials and Budget Administrators. *Public Management Bulletin* #06, Chapel Hill, NC: School of Government, University of North Carolina at Chapel Hill. 37 pages.
- o Afonso, Whitney. 2014. "Would You Like a Receipt with That? An Information-Sharing Tool for Enhancing Citizen Engagement." *Public Management Bulletin*: 8, Chapel Hill, NC: School of Government, University of North Carolina at Chapel Hill. <https://sornpubs.unc.edu/electronicversions/ndfs/pmh08.pdf>.

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QUESTIONS?

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WILL THIS WORK FOR YOU?

- o Discuss at your table how/if one of these options will work for you and your local government
- o Why or why not?

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- o Similarly, New York City's Greater Budget Control Act
 - Created by Mayor Michael Bloomberg
 - Created by Stringer



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WHY ENGAGE?

- o Benefits



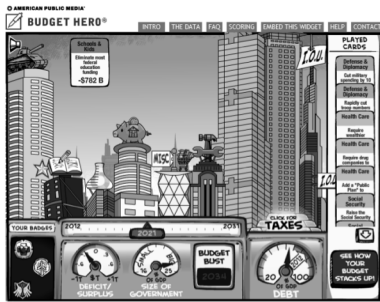
SKYLINE BAR CHARTS

- o Pie vs bar chart
 - Bar Chart is easier to read (Klass 2002)
 - Do not want 3 dimensional graphs

- o Want to engage them, but still present the data in a meaningful way
 - Budget Hero
 - o The greatest game you have never heard of!
 - o <http://www.marketplace.org/topics/economy/budget-hero>

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BUDGET HERO



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LOCAL BUDGET HERO

- o Not feasible for most local governments to have the budget hero experience
- o Can still present data this way though

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CHAPEL HILL SPENDING



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STEPS TO CREATE CT STYLE

- o Assumption:
 - Only property taxes included
- o Step 1: Find either per capita property tax burden or average household property tax burden for your local government
 - Burden will be lower if per capita
 - More people may relate to household total
 - o I will use household

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STEPS TO CREATE CT STYLE

- o Step 2: Look at what property taxes fund in your government and what percentage they make up of that funding
 - This is where property taxes are going!
- o Step 3: Decide on the categories of spending
 - The big ones, but any smaller sub-categories you want to highlight
 - Think about your audience and priorities
 - Want to avoid too much "other"

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STEPS TO CREATE CT STYLE

- o Step 4: For each of the categories of spending see what percentage of spending from property tax revenue they represent
- o Step 5: Multiply the tax burden by the percentages
 - I do this, like CT, on a monthly basis
 - o So a 1/12th of the total tax burden
 - o This will not effect your percentages

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STEPS TO CREATE CT STYLE

- o Step 6: Find other similarly priced items
 - Try to make them relevant to your area
 - o Or at least fairly universal and recognizable



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STEPS TO CREATE CT STYLE

- o Step 7: Format
 - Keep it simple!
 - Keep clusters of spending together
 - Think about how it will be disseminated
 - o Can you include hyperlinks?
 - o Will you be printing it?
 - o Black and white vs color
 - o How long?
 - o You want to explain your methodology and where the #s come from

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STATE & LOCAL EXAMPLES

- o Still new
 - Not common at state or local level yet
- o Georgia
 - Created by State Senator Doug Stoner
 - <http://dougstoner.com/taxpayer2013/>

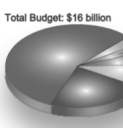


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Georgia Taxpayer Receipt

2012 Georgia State Budget

Total Budget: \$16 billion



Expand All

Expenditure	% of Total	You Paid
1 Education	57%	\$3999.00
2 Health and Human Services	23%	\$1610.00
3 Corrections	8.8%	\$616.00
4 Debt Service	5.5%	\$385.00
5 General Government	1.6%	\$112.00
6 Law Enforcement	1.1%	\$77.00
7 Environmental Protection	0.75%	\$53.00
8 Other	3.4%	\$238.00
Total Taxes Paid		\$7909.00

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ENTER YOUR NEW YORK CITY TAX LIABILITY BELOW TO GENERATE YOUR RECEIPT

NYC PERSONAL INCOME TAX: 1207
 PROPERTY TAX: 12000
 OTHER CITY TAXES & FEES: 150

CALCULATE YOUR RECEIPT **TOTAL: \$13357**

DON'T HAVE YOUR TAX RECORD? CHOOSE AN E-FILED RECEIPT (*)

EXPENSES AND PROGRAMS (BY PERCENTAGE)	PERCENTAGE	YOUR TAX PAYMENT
Education	19.10%	\$2550.92
Department of Education	17.50%	\$2309.22
City University	1.64%	\$191.70
Social Services	15.94%	\$2115.48
Pension Contributions	15.30%	\$2054.87
Police, Fire and Criminal Justice	14.00%	\$1860.35
Miscellaneous	10.97%	\$1454.74
Debt Services	11.41%	\$1523.45
Health, Sanitation and Environment	5.97%	\$784.88
Recreation and Culture	1.38%	\$184.59
Transportation, Housing and Construction	1.31%	\$175.11
General Government	3.18%	\$424.43

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THE CONNECTICUT EXAMPLE

- o It is not dynamic like the federal, GA, or NYC example
- o It is not just a % of spending breakdown

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ORANGE COUNTY'S TAXPAYER RECEIPT

Program	A Household's Taxes	Equivalent
Economic development	\$0.52	pressed penny
Public Transportation	\$1.12	1/2 pound of chicken
Orange Community Housing and Land Trust	\$0.21	Book in a yard sale
Department of Social Services	\$22.79	Family of four eating out at fast food restaurant
Health Department	\$10.06	3 gallons of gas
School Health Nurses	\$0.95	an app for your iPhone
Orange County Rape Crisis Center	\$0.09	run a 100 watt light bulb for 6 hours
Sheriff	\$15.46	6 pack of Hanes crew socks
Emergency Services	\$11.74	Burger and tea at Spanky's
Family Violence Prevention Center of Orange County	\$0.03	3 sheets of 20 lb white paper
Animal Services	\$2.34	A small cup of coffee
County Manager's Office	\$1.14	Two rolls of toilet paper
Board of County Commissioners	\$1.10	Fountain drink at a gas station
Debt service	\$35.33	a dozen cupcakes at Sugarland
Education	\$92.57	Months worth of diapers
KidScope	\$0.10	5 minutes of parking on Franklin St
Library services	\$2.36	a tube of toothpaste
Other	\$51.04	Four tickets to a movie
Total	\$248.90	Family smartphone bill

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