

EVALUATION OF PUBLIC ENGAGEMENT IN THE YOLO COUNTY BUDGET PROCESS

A Thesis

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by

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Abstract
of
EVALUATION OF PUBLIC ENGAGEMENT IN THE YOLO COUNTY BUDGET PROCESS
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The County Administrator's Office of Yolo County continues to seek new opportunities to improve processes for operational improvement. In recent years, many local governments have begun to further engage the public in the budget process. Given Yolo County's interest in improving operational processes, leadership is interested in determining whether increased public engagement in budgeting would be beneficial to pursue, and if so what approach it should use to carry out this process.

In this thesis I evaluate and review the literature to determine under what circumstances local governments typically choose to further engage the public in the budget process. I also review the literature to identify what engagement approaches are available for Yolo County's consideration, nine engagement approaches were identified. I then analyze the current conditions in Yolo County, evaluate the findings from the Government Finance Officers Association (GFOA) Financial Management Assessment conducted for Yolo County in 2012, and briefly assess projected costs and benefits that the County might anticipate under each of the nine engagement approaches.

My results indicate that at this time Yolo County may meet one of the conditions that local governments typically face when they chose to pursue an approach to increase

public engagement relative to its efforts to prioritize Tactical Plan goals. Results from the GFOA Financial Management Assessment (2012) indicated that the County was not meeting best practices in public engagement in budgeting, but the Assessment also found the County has several internal processes that could be enhanced and would likely help improve operational processes in the County. These internal processes are likely a more appropriate starting point for the County to focus its efforts to better meet best financial practices identified by GFOA, and should be pursued prior to focusing efforts externally. The final chapter provides further recommendations for Yolo County and outlines recommended next steps.

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Chapter 1

INTRODUCTION

The County Administrator's Office and Board of Supervisors in Yolo County have been actively pursuing innovative processes for operational improvement as part of their strategy for recovering from the economic recession of the past decade. As part of this interest, the County is considering the use of increased public engagement in budgeting and requested assistance to determine whether this is a worthwhile strategy for Yolo County to pursue.

The annual budget is one of the most powerful ways for local government to communicate its priorities to the public (Institute for Local Government, 2013). Increased public engagement in those budgeting processes has gained attention lately. Although increased public engagement in budgeting has begun to take hold, Yolo County was interested in learning whether evidence about its benefits actually exists. The purpose of this thesis is to review the literature on the different models for increasing public engagement in budgeting, to explore how successful they are and finally provide a set of recommendations for Yolo County as to whether or not they should invest the time and resources to further engage the public in the budget process.

For the purposes of this thesis, *public engagement* is defined as a specific strategy or set of strategies, implemented by government to increase active participation of residents and community stakeholders in influencing political, policy and budgetary choices in their community. When successfully implemented, these strategies provide residents with the skills and information needed to actively participate in the dialogue for

their community and to do so in an effective, productive way (Public Agenda, 2008).

Public engagement is a strategy that can be implemented across a wide spectrum of governmental processes however, in this thesis I focus on increased public engagement in budgeting.

In the Government Finance Officers Association (GFOA) assessment conducted for Yolo County in 2012, the implementation of public engagement in the budget process was identified as one of several areas that the County might consider as a means to improve its financial practices overall. These findings helped spark an interest on the part of Yolo County to assess the value of further engaging the public in the budget process.

The Move Towards Public Engagement in Budgeting

Public engagement strategies in the budget process are relatively new practices in the United States. Unstable financial circumstances caused by the 2008 recession and high levels of state debt, have caused most California cities and counties to operate under constrained budgets for over five years. During this time frame the cities of Stockton, Desert Hot Springs, San Bernardino, Mammoth Lake and Vallejo have filed for bankruptcy. These changing financial circumstances in California provide local governments with an opportunity to explore and potentially implement new practices that might make government more effective; improving public engagement is considered to be one of the potential new practices. As an example, after filing for bankruptcy, Vallejo sought to increase public engagement by implementing participatory budgeting not only to improve its budget process but in an attempt to rebuild citizen trust (Brown, 2012).

If successful, increased public engagement in budgeting is supposed to produce benefits for both government and community residents. It is suggested that it might also help the public better understand the budget trade-offs and other important issues that face the community. Better public understanding might increase public support for budget decisions, and provide policymakers with new ideas about what services and programs the public values most (Institute for Local Government, 2013). An increasingly common belief is that further engaging the public in budgeting might help communities more effectively establish priorities and then create a strategic approach to address them. As I will detail later, while this is a widely held belief, the research literature to support this belief remains thin.

In this thesis I begin by reviewing the brief background information and issues posed by Yolo County when this thesis effort was requested. What follows in the next chapter is a review of the literature on the potential value of increased engagement of the public in the budget process and an overview of different approaches other local governments have used to increase engagement. Next I provide the methodology for conducting the analysis, which is followed by the actual analysis. I conclude with recommendations for Yolo County.

Chapter 2

LITERATURE REVIEW

This chapter provides a summary of the research that is available about the circumstances under which local governments typically choose to increase public engagement in budgeting, what the projected costs and benefits of engagement are and a general overview of the different approaches that some communities throughout California and the United States have used to engage the public.

Strategies to increase public engagement in the budgeting process are relatively new; because of this, there is very limited research literature about the different approaches to increase engagement or the impacts of those efforts. A substantial amount of the information for this literature review draws from materials that the Institute for Local Government (ILG), a proponent of increasing public engagement in budgeting, has pulled together through case studies from cities and counties throughout California. With the exception of public engagement in the budgetary voting process (participatory budgeting), which has been more adequately researched, substantial information on the actual costs and outcomes does not yet exist. Future research is necessary to establish a more in-depth understanding of many of the engagement practices outlined in this literature review.

An important question is exactly what is meant by increasing public engagement. Different researchers have different language for the term and no consensus exists as to the precise meaning. I will evaluate increased public engagement as a strategy implemented by government to increase active participation of residents and community

stakeholders in effecting government operational processes. According to Public Agenda (2008), if successfully implemented, it might provide residents with the skills and information needed to actively participate in the dialogue for their community and to do so in an effective, productive way.

When to Engage the Public

Of the 39 cities and counties covered in this literature review there were four general trends for conditions under which communities chose to further engage the public in the budget process. Communities that have pursued a more substantial approach to engage the public typically did so for one or more of the following purposes: as a response to a reduction in revenue, which requires the community to make budget cuts and reduce services; to improve the link between community priorities and the actual resources available in the city or county; when faced with a long-term operating deficit that is expected to continue; and as a means to reengage the public in conversations surrounding redevelopment, a community project or the implementation of a new program (Institute for Local Government, 2010). These conditions are highlighted in the case study examples throughout this literature review as the different engagement approach categories are discussed.

Why Communities Choose to Increase Public Engagement in Budgeting

According to the Institute for Local Government (2010), increasing public engagement in the budget process might offer several opportunities for local government. A major goal of increased public engagement in budgeting is to improve overall knowledge about the budget and fiscal situation in a community, with the hope that this

creates a more informed public but also a more informed and responsive local budget. For this process to be successful, the Institute for Local Government (2010) suggests that the public needs to be provided sufficient information in order to ensure they have a better understanding of the budget process, available revenue and community issues. It might also provide decision makers with information and feedback from the public about the type of community the public wishes to live in. Feedback and information might also potentially help generate new budget ideas that may not have occurred if the public had not participated (Institute for Local Government, 2010). While all these opportunities may be valuable, one of the more significant opportunities this process might generate, is garnering increased support and understanding for budget decisions, which might help improve communication between local government and its residents (Institute for Local Government, 2010).

A 2012 report conducted by Public Agenda, in partnership with the Institute of Local Government and the Davenport Institute for Public Engagement and Civic Leadership at Pepperdine University, collected data through a survey completed by civic leaders to gather information about innovative practices leaders are using to engage the public. Findings from this survey indicate that the relationship between the public and local government is currently strained. While many leaders feel that the public does not have the time or energy to become informed on issues in the community, they also indicate that this current view leaders have of public engagement will not be helpful in bridging the gap (DiStasi, Hagelskamp, Hess, & Immerwahr, 2013). Leaders also indicated that traditional approaches to further engage the public, such as public hearings,

are not an effective way to address the public. Leaders feel that new approaches that are more deliberative in nature are a more effective tool and allow for a more diverse group of residents to engage in dialogue and deliberation on community issues. Even still, leaders recognized that deliberative forums require increased efforts from local government staff and leadership in order to be successful (DiStasi, Hagelskamp, Hess, & Immerwahr, 2013).

Governing officials may feel hesitant to increase participation through public engagement, especially in processes such as budgeting, where citizens traditionally are less involved. Tanaka (2007) points out the concern for negative repercussions that engaging an uninformed electorate may create – few voters truly have the time or the desire to fully immerse themselves and become sufficiently educated about fiscal, social and political issues surrounding a budget. While some communities have suggested that increased public engagement in their budget process was beneficial, findings from a 2013 survey conducted by the Center for California Studies at California State University, Sacramento found that involving an uninformed or misinformed public in the budget process can actually impact community policies and budgetary decisions negatively because uninformed citizens may encourage and demand decisions that cause fiscal irresponsibility (Barker, Lascher, Bianchi, et. al, 2013). These findings raise valid concerns for how some of the more traditional public engagement approaches are implemented without a strategy for formal public engagement. If efforts for increased public engagement attempt to educate the public about fiscal, social and political issues,

citizens may be better informed and perhaps better able to more effectively influence the decision making process.

Approaches for Broad Public Engagement

Outreach and Education

Educational outreach efforts about the local budget process and key issues in the community are an important step when further engaging the public in budgeting. Education efforts designed to help residents understand the complexity of issues facing the community are important. If properly designed, they may help residents better understand varying frames of reference, not just their own (Institute for Local Government, 2010). Detailed information provided through outreach is likely to help insure that the public can be more effectively engaged (Institute for Local Government, 2010).

To conduct outreach efforts in the community, the city of Brentwood, California creates a two-page budget brief document to provide to the public. It is a condensed, simple to understand version of key budget information, such as city revenue and expenditures. This document is then handed out at major city events and is also made available to the public at government offices in order to provide current and potential residents with the resources they need to be informed of the City's fiscal circumstances (Institute for Local Government, 2010). The California cities of Palo Alto and Richmond also produce a similar one-page budget brief handout. Although outreach and education efforts can be used alone as a means to create a better informed public, all 39

communities reviewed for potential inclusion in this literature review conducted outreach efforts to some degree as part of their larger public engagement strategy.

Budget Surveys

Budget surveys have been used to gain a snapshot of public opinions at a given point in time (Institute for Local Government, 2013). This approach can allow a substantial and diverse demographic group to further engage in the budget process (Institute for Local Government, 2010). Leadership in the cities and counties using budget surveys then incorporate the feedback gathered to help inform budget decisions. The most common ways to administer a budget survey are: online, mail-out, door-to-door polling and telephone (Institute for Local Government, 2010). Online surveys are easier to distribute and are more cost effective (Institute for Local Government, 2010). Although survey methods provide the public an opportunity to engage, they cannot guarantee how informed or well-engaged residents who actually choose to participate really are.

The California cities of Los Angeles, Menlo Park, San Jose, San Luis Obispo, Santa Monica and Santa Cruz have used budget surveys and found that the information they collected was helpful for immediate budgetary decisions but was not as valuable for long-term planning because the information reflected specific community priorities only during a distinct period of time (Institute for Local Government, 2010). Santa Cruz created an online feedback portal in response to budget cuts. This portal provided information about the current fiscal situation and how revenue was spent. It asked residents to provide suggestions as to how to address budget cutbacks; residents were

also asked to respond to suggestions made by other residents. As an additional component, when residents signed up to participate in the portal they, were encouraged to join town-hall meetings and focus groups to further engage in discussions about these issues (Institute for Local Government, 2010).

Online Budget Forums

Online budget forums provide an easily accessible opportunity for many residents to further engage in discussions, provide feedback and influence budget decisions in their community (Institute for Local Government, 2013). Online forums are a fairly simple and inexpensive way to gather input and opinions from the public to help influence choices made for a city or county budget (Institute for Local Government, 2013). Feedback and posts collected through these forums can help governments gauge community perspectives and influence budget decisions from the most significant and prominent concerns residents identify (Institute for Local Government, 2013).

The use of online budget forums is the newest tool for increasing public engagement in budgeting. The city of Minneapolis, Minnesota created an “online issues forum” back in 1998, in which they had 100 participants; in 2010, the forum had successfully grown to 1,350 participants. This online forum provided an easily accessible opportunity for residents to engage with elected officials and community leaders to discuss key issues in Minneapolis, including the budget (Mann & Rozsa, 2010).

Approaches for Targeted Public Engagement

Budget Advisory Committees

Budget advisory committees are an approach that serves to further engage a more limited but informed subset of a community's population. Because advisory committees engage only a small portion of the population, priorities and needs of certain populations may not be as effectively addressed relative to other approaches (Institute for Local Government, 2010). Committees typically meet regularly and ultimately provide feedback for decision makers to consider when creating the annual budget (Institute for Local Government, 2010).

California cities that have implemented budget advisory committees include the cities of: El Cerrito, Redding and Ventura (Institute for Local government, 2010). In Redding the city manager sought to bring in outside expertise to help with the budget process and thus selected two or three community members to partake in several department staff meetings to provide feedback and recommendations. These residents became deeply immersed in the information surrounding the budget, participating in individual meetings with each department, so that they had a well-rounded view of all the programs and services the City offered (Institute for Local Government, 2010). The city of Ventura took a slightly different approach; it created a 15 member citizen working group called the Blue Ribbon Budget Committee. This committee dialogued with the community regarding a sales tax ballot measure in 2009 by holding four community meetings where discussions took place on whether the measure should actually be

pursued and, if so, how the additional revenue should be spent (Institute for Local Government, 2010).

Budget Workshops

Budget workshops provide an opportunity for a subset of the public to better understand the budget process, ask questions, comment on, and help develop budget goals in their community. (Institute for Local Government, 2010). Workshops provide an opportunity for discussions that result in key recommendations that leaders can use to shape the budget. Results and feedback from these workshops have been used by decisions-makers to help make budget and policy decisions (Institute for Local Government, 2010).

California communities that have conducted budget workshops include the cities of Brea, Carlsbad, Claremont, and Cupertino; Fresno County has also used this approach. All communities began their budget workshops with a brief presentation by the city/county administrator about general budgetary information with the objective of helping participants better understand basics about the current fiscal situation, as well as critical issues in the community (Institute for Local Government, 2010). Fresno County conducted a series of workshops for the public in churches around the County to discuss implications of potential social service cuts. Many residents were unaware of the cuts prior to the workshops. These efforts helped inform residents about the fiscal circumstances and cutbacks the County was facing and provided an opportunity for residents to ask questions and provide feedback. The County Supervisor indicated that this effort helped create a more balanced portrayal of the fiscal issues in the media and

informed many residents of the cuts who would otherwise have been unaware (Institute for Local Government, 2010).

Deliberative Budget Forums

Deliberative budget forums have been found to provide a much more in-depth opportunity to further engage the public in discussions and provide feedback about the budget and about community issues and needs relative to budget workshops and advisory committees (Institute for Local Government, 2010). Deliberative budget forums take place over a more prolonged time-period compared to budget workshops and therefore provide more opportunities for residents to actually participate (Institute for Local Government, 2010). These forums provide community members with an opportunity to further engage, question, comment and shape decisions made about their local government's budget (Institute for Local Government, 2010).

California cities that have implemented deliberative forums include the cities of San Luis Obispo, Menlo Park, Daly City, Redwood City, San Francisco, and Morgan Hill; San Mateo County has also implemented them (Institute for Local Government, 2010). These communities found that it was important that elected officials and senior staff have a full understanding of the process and be in support of these forums in order for them to be effective (Institute for Local Government, 2010). The city of Morgan Hill set up a series of 26 community conversations that engaged over 300 residents in discussions that helped set the City's priorities. The city manager wished to engage community members in conversations prior to making decisions on necessary cutbacks to reduce the City's operating deficit (Institute for Local Government, 2010). To conduct

these conversations, the City hired a consulting firm to help it design the process, create materials, and train staff and community volunteers to effectively facilitate these conversations (Institute for Local Government, 2010).

San Mateo County successfully implemented a deliberative forum in 1999 to help establish a shared community vision that they could use as a guide when making budget decisions. The County's success came largely from the implementation of a community steering committee that helped facilitate the forums. The County held numerous meetings in various locations all over the County during the process. The approach also included Spanish language forums and informational materials. From these forums, the County created a set of five goals, which then drove decisions for the County budget that year (Institute for Local Government, 2010). This process helped San Mateo County identify its priorities and then make choices that accurately reflected them. This example is a useful model for the implementation of a deliberative forum at the county level (Institute for Local Government, 2010).

Priority-Based Budgeting

Priority-Based budgeting is an approach in which governments identify and prioritize the most critical goals and then budget accordingly. Some governments choose to do this by incorporating community members and stakeholders in discussions to help set priorities, while other governments identify priorities by reviewing their strategic or tactical plan, which may or may not involve public dialogue (Fabian, Johnson, & Kavanagh, 2011). If government chooses to incorporate community members in the goal setting process, then the act of Priority-Based budgeting might help foster increased

public engagement simply in that it helps to better align community priorities to what the public truly values. Priority-Based budgeting requires local governments to evaluate the services and programs each department offers in the context of desired priorities and outcomes established during the priority setting process (Fabian, Johnson, & Kavanagh, 2011).

Cities using Priority-Based budgeting include: Walnut Creek, California; Cincinnati, Ohio; Savannah, Georgia; San Jose, California; and Lakeland, Florida. The counties of: Mesa, Colorado; Polk, Florida; and Snohomish, Washington have also implemented Priority-Based budgeting (Fabian, Johnson, & Kavanagh, 2011). Cincinnati Vice Mayor, Roxanne Qualis feels that Priority-Based budgeting has allowed the City to align the overall goals in the community with the resources it actually has available, which she says has increased quality and efficiency of service delivery overall (Center for Priority Based Budgeting, 2014). While some resources and staff time were required to implement this process, it is suggested that the long-term investment helps better align community needs, while service delivery becomes more efficient. Elected officials from San Jose, CA; Boulder, CO; and Walnut Creek, CA expressed similar views on the outcomes and benefits of Priority-Based budgeting for their communities (Center for Priority Based Budgeting, 2014).

Relationship with Local Councils and Committees

Relationships with local councils and committees provide a fairly simple and accessible opportunity to collect additional public input and feedback on the budget and other issues facing the community. Local governments that have utilized community

councils and committees found this approach to be most effective when they provided adequate educational materials to inform members of these councils and committees about the budget process early on (Institute for Local Government, 2010).

Developing an effective working relationship with these entities can be a useful resource for local government as a way to further engage the public and to get valuable feedback regarding the budget. In addition, it requires minimal resources (Institute for Local Government, 2010). By further developing relationships with local councils and committees, governments can collect input about specific community needs and policy issues early in the budgeting process that can help shape the annual budget (Institute for Local Government, 2010).

The cities of Los Angeles and San Jose, California have engaged their local councils and committees in their budget processes. Los Angeles engaged local neighborhood councils, whose members then distributed budget surveys and collected input from a broad spectrum of neighborhoods. These councils receive an overview of the City's fiscal circumstances; council members then participate in several community meetings and discussions to help establish regional priorities. In Los Angeles these entities have also helped to analyze the results from the survey to present to the mayor and to departmental staff before the budget is finalized (Institute for Local Government, 2010).

Engaging the Public in a Voting Process – Participatory Budgeting

Participatory budgeting is a democratic process that further engages community residents using surveys, workshops, discussions and/or forums, ultimately providing

citizens with the opportunity to vote on budget allocations for community projects. As such, residents then have the opportunity to vote directly on how to spend part of a public budget (Participatory Budgeting Project, 2014). The implementation of participatory budgeting begins with public discussions about community needs and the identification of current problems the community faces. Working together with city or county staff, a budget committee identifies projects to address the community's most pressing priorities. Residents then vote to decide which projects to fund; the projects that receive the highest number of community votes are then reviewed by city or county leadership to determine final budget allocations (Baiocchi & Lerner, 2007).

While participatory budgeting is currently not a *common* practice in the United States, 1,500 cities worldwide have successfully implemented this process, ranging from those in Latin American countries including Brazil, Peru, and Argentina to several cities in Africa, Europe, Asia and North America (Participatory Budgeting Project, 2014). In North America participatory budgeting has been implemented in the Canadian cities of Toronto, Montreal and Guelph, and in New York City, Chicago and Vallejo in the United States (Participatory Budgeting Project, 2014).

Porto Alegre, Brazil, was one of the first places to conduct participatory budgeting in 1990. It was first introduced in Porto Alegre as an experiment, but generated significant improvements in overall development and service delivery. The process achieved almost 100% of basic sewage coverage citywide during the first ten years of participatory budgeting, which improved the overall quality of life for citizens (Baiocchi & Lerner, 2007). Prior to the introduction of participatory budgeting, residents

participated in protests or signed petitions in an effort to make changes in Porto Alegre. This budgeting process also helped mobilize residents, who now engage in various organizations, such as neighborhood associations to bring about change in the community (Baiocchi & Lerner, 2007). A comprehensive study of the demographics of citizens who engaged in the participatory budgeting process in Porto Alegre found that participants from low-income groups were well represented in this process (Marquetti et. al, 2012). These findings indicate that in Porto Alegre, participatory budgeting was effective at not only engaging populations typically underrepresented, but that it successfully did so at percentages higher than the ratio of this sub-group in the general population (Marquetti et. al, 2012).

A few cities in the United States have successfully started using participatory budgeting in their communities to further engage the public. In 2012, Vallejo, California became one of the first U.S. cities to fully implement participatory budgeting. Not only did Vallejo seek to improve its budget process, but the City also hoped that participatory budgeting would help restore trust and confidence in city government after the City had filed for bankruptcy in 2008. Vallejo residents passed Measure B in 2011, which is a one percent sales tax hike; thirty percent of the revenue generated from this tax (\$3.2 million) is designated for discretionary spending projects that residents prioritize by voting (Brown, 2012; Getuiza, 2013). Please see Appendix A for further information and detail on participatory budgeting.

Summary of Potential Benefits

As discussed at the start of this literature review there is very little empirical research about the outcomes and benefits of increased public engagement in budgeting. Information that is available on the topic is primarily generated from case studies of individual cities and counties that have implemented an approach to further engage the public. These case studies provide an overview of the processes these communities used to conduct, but do not provide empirical evidence on the outcomes or benefits. Below is a summary of potential benefits based on limited information about what communities indicated experiencing as a result of increased public engagement. These outcomes were often specific to one or two case studies only; further research will be needed to confirm actual benefits:

- Use of information collected from an engagement approach by government to further guide discussions and make budget or policy decisions for the community.
- Improvement to overall service delivery for the community; this is a specific finding from the Porto Alegre, Brazil participatory budgeting process. Further research is needed to determine if this translates to other communities.
- Better alignment of government priorities with community needs.
- Some improvement in understanding about cutbacks and/or elimination of services when government is faced with a revenue reduction.
- Increased communication between government and residents on issues facing the community.

Conclusion

While there is limited academic research available about increasing public engagement in the budgeting process, the existing literature revealed three important concepts. First, there are four primary conditions under which local governments generally decide to further engage the public in the budget process: as a reaction to decreased revenue; to more effectively link community priorities to available revenue; to

manage a long-term operating deficit; and to re-engage the public in re-development or community projects. Second, the main projected benefits of increased public engagement in the budget process are improved overall public understanding, support and buy in for decisions that government makes.

These benefits are what research indicates might be likely to occur if this process is effectively implemented. However, there is currently limited empirical evidence on the actual beneficial outcomes of increased public engagement in budgeting. Research on the potential negative outcomes of engaging an uninformed or misinformed public indicates that if engaging the public in the budget process is not conducted with a simultaneous effort to educate and inform the public, then input and feedback from the community might actually demand and encourage fiscally irresponsible decisions.

Lastly, there are three general categories for increasing public engagement in the budget process including approaches to increase a broad population of the community, approaches that focus on engaging a specific target group in the population or the implementation of participatory budgeting, which engages the public in a voting process about specific budgetary decisions for the community.

The following chapter outlines the research approach used to evaluate increasing public engagement in the budget process for Yolo County.

Chapter 3

METHODOLOGY

Using the currently available literature, I have identified four conditions under which cities and counties typically pursue an approach to further engage the public in budgeting. I will use these four conditions to assess whether or not Yolo County currently meets any of these circumstances. These four conditions are outlined in Chapter 2 and were identified by reviewing available literature, primarily case studies from California cities and counties. The conditions for implementation include: implementation as a response to a reduction in revenue from property taxes requiring the community to make budget cuts and service reductions; implementation to improve the link between community priorities and the actual resources available in the city or county; implementation when a community faces a long-term operating deficit that is projected to be continuous; and implementation as a means to reengage the public in conversations surrounding redevelopment, a community project or the development of a new program. These are the four conditions identified from the literature; for Yolo County there is a fifth condition, which is the GFOA Financial Management Assessment results from 2012, which suggested that engaging the public stakeholders in the budget process might be worth considering.

To evaluate whether Yolo County currently meets any of the four conditions identified in the literature review, I examined and evaluated information available on the County's website, primarily the recommended 2013-14 and 2014-15 budget documents, to look for language indicating the County currently faces any of the above conditions.

After the four conditions are evaluated for Yolo County, I analyze the findings from the 2012 GFOA Assessment of Yolo County Financial Practices to assess the fifth condition. This evaluation of the GFOA assessment results helps define other areas upon which Yolo County may want to consider focusing its resources prior to further engaging the public in its budget process.

To conduct this analysis I utilized information from both documents provided to Yolo County from the Government Finance Officers Association (GFOA): the *Yolo County – Financial Management Assessment* conducted for the County in 2012 and the *Financial Management Improvement Plan* (2012), which outlines a plan for Yolo County to better meet GFOA identified best practices based on the results from the 2012 assessment. In addition to these documents, information available on Yolo County’s website was used: the 2013-14 recommended budget and budget briefing presentation; the County’s Tactical Plan, which is Yolo’s three-year plan of the Board of Supervisors identified strategic plan goals; findings from Kristen Bennett’s thesis project from 2013, *Telling Your Story Using Performance Measurement: Presenting an Approach to Performance Measure Development*; and information from Public Policy and Administration 240B group projects presented to the County in May 2014. All four helped inform this analysis.

For this evaluation I reviewed the information in the assessment for the areas that the County scored below a 2.0, which was the GFOA identified score indicating that a city or county did not meet best financial practices. The 2.0 and below scores were compared to information highlighted in other county documents and projects conducted

on behalf of Yolo County. These other county documents and projects, include: Sacramento State group projects from Spring 2014 PPA courses and thesis projects completed by Sacramento State students in previous years.

Evaluation of Engagement Approaches

The final section of the analysis provides an evaluation of the expected costs and projected benefits to consider when implementing targeted engagement approaches, broad engagement approaches, or public engagement in the voting process – participatory budgeting. At this time there is limited research available on the specific costs and even less research available on the potential benefits for all public engagement approaches, with the exception of participatory budgeting. As such, the evaluation of these approaches for Yolo County represents informed projections based on the types of costs and benefits identified in the literature. Should Yolo County decide to move forward with further engagement of the public in its budget process, the factors identified in this section will serve as a valuable starting point to help determine which approach might be most valuable to the County.

Costs

While the literature did not discuss specific resource requirements in terms of actual costs needed for any of the approaches, case studies helped identify the typical resource and budget requirements that other communities experienced when implementing one or more of these approaches. To conduct this analysis I provide an informed discussion about what resources and costs Yolo County might anticipate needing for any of the engagement approach categories based on the following resource

requirements identified in the literature: staff time to implement the process internally; time and resources to develop educational materials for the public; costs and time to print and distribute these materials; costs and time for advertising; IT time and resources to develop online resources and platforms for engagement; use of venues for meetings and forums; time and materials needed to conduct a budget election; funding to hire an outside consulting firm or facilitator; and/or staff time to review and incorporate public feedback in budget decisions, as appropriate for the particular type of engagement.

To evaluate these costs, information and informed projections from case studies highlighted in the literature review were used to help provide a general overview of the costs Yolo County might expect under each of the public engagement approach categories.

Benefits

Expected benefits under any of these approaches are also projections, since there has yet to be substantial research on outcomes and results experienced in communities that have attempted to increase public engagement in budgeting. These potential benefits include a better-informed public, increased support for decisions that government makes, and the opportunity for government to collect valuable input and feedback from residents to help inform new ideas to incorporate in the budget process.

Projections of potential benefits are based on those that were highlighted in case studies covered in the literature review.

A summary of these costs and benefits is below in *Table 1: Costs and Benefits of Public Engagement in the Budget Process*.

Table 1: Costs and Benefits of Public Engagement in the Budget Process	
Costs	Benefits
Staff time (meetings, writing, phone calls)	Informed Public
Outside Consultants (facilitator, website vendor, etc.)	Increased support for government decisions
Supporting Materials (promotional handouts, presentations, advertisement)	New ideas to incorporate in the budget process

The next chapter is an analysis for Yolo County, providing the current conditions in Yolo County and an evaluation of the GFOA assessment conducted for the County in 2012. Following this analysis is an evaluation of each engagement approach category relative to the projected costs and benefits it is likely to generate for Yolo County.

Chapter 4

ANALYSIS

Evaluation - Current Fiscal Conditions in Yolo County

As highlighted in the literature review, local governments typically choose to increase public engagement in the budget process for one of the following reasons: as a response to a reduction in revenue, which requires the community to make budget cuts and reduce services; to improve the link between community priorities and the actual resources available in the city or county; when faced with a long-term operating deficit that is expected to continue; and as a means to reengage the public in conversations surrounding redevelopment, a community project or the implementation of a new program. These four conditions were evaluated relative to current conditions in Yolo County to determine if presently it meets any of these circumstances. In addition, results for the 2012 Yolo County GFOA Financial Management Assessment serves as a fifth condition because it identified increased public engagement of stakeholders in the budget process as being worthy for consideration.

Reduced County Revenue

When the recession began in 2008, Yolo County experienced a steep decline in revenue and expenditures that have slowly begun to rise but have not yet returned to the levels that existed prior to the recession (County of Yolo Recommended Budget 2013-14). Between 2008-09 and 2010-11 fiscal year, the County's budget was reduced by \$42,000,000, representing a 12% reduction in overall county revenue. Presently, the 2013-14 budget is at a \$34,218,832 or a 9% reduction, relative to its high 2008-09 level.

After the early years of declining budget, the County has adjusted to a new normal/lower budget. As such, they no longer face annual budget cuts. In fact recently, the budget has been gradually increasing. Given this relatively more stable revenue stream, the budget allocation and levels of service have also been more stable. Since Yolo County is not faced with an extreme reduction in revenue relative to those of many cities and counties of California that sought to further engage the public in the budget process, there is no immediate need for increased engagement to make some of the difficult choices for budget cuts and service reductions.

Need to Improve the Link Between Community Priorities and Available Resources

The Yolo County Administrator's Office has expressed an interest in better aligning the priorities with the goals outlined in the County's Tactical Plan. Given that the Tactical Plan is a significant driving force for Yolo County's budget allocations, the County might find value in further engaging the public to help in the process of prioritizing the current Tactical Plan goals. Once the Tactical Plan goals have been prioritized, they can serve as a tool to drive budget decisions.

Long-Term Operating Deficit in the County

After the economic recession that occurred in 2008, Yolo County has effectively adjusted to operating under a reduced budget relative to what was available prior to this time. While Yolo County made difficult cuts and service reductions during the first several years of the recession, they have now leveled out. The County appears to be in a more stable position for now, and is unlikely to face additional cuts at this time. Because the County navigated this budget reduction effectively, and is presently not faced with

substantial issues associated with managing a long-term operating deficit, further engaging the public in budgeting to help decide budget cuts and service reductions is not currently necessary.

Desire to Reengage the Public in Conversations about Redevelopment or Community Projects

Currently, Yolo County does not have any large-scale projects underway and has been focusing on internal processes and procedures that likely do not require public involvement to ensure success. Some of the important internal projects include the establishment and implementation of a new performance measurement system, prioritizing Tactical Plan goals, and the creation of a community dashboard website. At this time, Yolo County does not need to implement a public engagement approach in its budget process to help ensure the success of a community project or for a redevelopment project since none are slated for completion at this time.

GFOA Assessment Results and Current Priorities in Yolo County

Although not one of the four main conditions identified from the literature are an issue for the County, findings from the Government Finance Officers Association (GFOA) 2012 Financial Management Assessment for Yolo County outlined numerous areas where Yolo County was not meeting best financial practices, including public engagement. The GFOA Assessment was completed by 41 participants comprised of department staff, core finance staff, finance officers, department heads and the board of supervisors. These participants were asked to score a list of 52 best practices on a scale of zero to four based on how well the County's practices matched these best practices.

GFOA identifies two broad categories that result in 12 smaller categories of best practices, the two large categories are: financial management practices and management dimensions. The financial management practice categories include: securing stewardship, supporting performance and enabling transformation. These were assessed across the following management dimensions: leadership, people, process and stakeholders. These categories were identified by GFOA based on research they conduct to identify policies and procedures that contribute to the improvement of government management, with the goal of creating positive changes to financial management processes (GFOA, 2014). In its studies of city and county financial management practices the GFOA has set 2.0 or below to indicate that a community does not meet best financial practices on a scale ranging from 0 to 4.0.

Assessment results for Yolo County are summarized below in *Table 2: GFOA County Financial Management Assessment Results, 2012*.

Table 2: GFOA Yolo County Financial Management Assessment Results, 2012				
Leadership Style	Management Dimension			
	Leadership	People	Process	Stakeholders
Securing Stewardship	2.3	2.1	2.3	2.4
Supporting Performance	1.9	1.8	1.9	1.6
Enabling Transformation	2.1	1.7	1.8	1.6
* Scores below 2.0 indicate a practice does not measure up to GFOA best practices. Scores highlighted in green reflect areas Yolo County could improve upon to better meet GFOA identified best practices.				

Public engagement for both the stakeholder support of performance category and the stakeholder enabling transformation category received the lowest scores at 1.6. There were five other categories that were more internally focused, on which Yolo County received a score of 2.0 or below that the County may also want to consider to achieve

improvements to meet GFOA best financial practices. These include: supporting performance across the other three management dimensions (leadership, people, and process); and enabling transformation across two of the three remaining dimensions (people and process). Following the results of the GFOA study, the County created a Financial Management Improvement Plan. This plan identified eight areas that the County might pursue to help better meet financial best practices. One of these areas was increased public engagement in budgeting. The eight areas for improvement include:

1. Define Public Value and integrate this into the County's strategic plan (the Tactical Plan)
2. Clarify how the various County planning efforts support each other, and in particular how they are implemented.
3. Institute performance based management and hold managers accountable for specific performance targets.
4. Explore ways to engage finance staff in support of operational decision-making
5. Instill a culture of pro-active risk assessment and response
6. Develop multi-year capital improvement and asset maintenance plan with clear assignment of responsibilities and regular monitoring system.
7. Complete long-term financial planning with long-range forecasts, financial environment analysis, and financial strategies.
8. Adopt standards for financial services and monitor customer satisfaction.

Increased public engagement in budgeting was a component under the first category identified in the County's improvement plan. This category recommended the need to define public value and incorporate this in the County's Tactical Plan. Again, as the finding under the *Need to Improve the Link Between Community Priorities and Available Resources* in part one of this analysis indicated, the County may instead wish to involve the public in the process to prioritize the Tactical Plan goals, as these goals will help inform budget decisions moving forward.

Increased public engagement in budgeting was identified as a potential opportunity to improve Yolo County operations and better achieve GFOA identified best practices given the low scores in the stakeholder category (supporting performance and enabling transformation), results from this study also reflect other internal areas that Yolo County should likely consider addressing prior to implementing a procedure to further engage the public in budgeting. Particularly given how little is known about the actual benefits of this process. Further, the GFOA identified Best Practice, “Public Participation in Planning, Budgeting, and Performance Measurement” that helped identify increased public engagement to be an area of focus for local governments that receive a score of 2.0 or below, is based on three research papers that do not draw on empirical evidence to determine specific outcomes. The research papers simply discuss anticipated benefits of increased public engagement in establishing increased accountability, to better meet citizen needs and to improve performance (GFOA, 2009). This further highlights that very little is known about the actual outcomes and benefits of increased public engagement. Since very little empirical evidence exists, additional academic research is needed on this topic.

Additionally, the two public engagement categories reflect only two of the seven areas for improvement identified by the GFOA assessment. Under both the supporting performance and enabling transformation categories for all management dimensions, Yolo scored below a 2.0, with the exception of leadership, which scored 2.1 under the enabling transformation category. These results indicate that outside of important stakeholder groups in the community, there are some procedures and processes internally,

which are causing Yolo County to fall short of GFOA best financial practices across all measurement categories.

Given that Yolo County has numerous efforts underway and that it might benefit from changing some of its internal processes and procedures, the order Yolo chooses to implement improvements is likely to have an impact on the overall success of all these moving pieces. Prioritizing the Tactical Plan goals might help to inform budget decisions moving forward; this step would be most beneficial to complete first. This might present an opportunity for the County to pursue increased public engagement to gain additional feedback and new ideas as it prioritizes its goals. Once the County has established its priorities, they will then be better able to implement an effective performance measurement system that aligns with Tactical Plan goals and helps to measure how well each department is meeting them. The last step may be the actual presentation of overall information and the status as a whole to the public, which might be accomplished by creating and launching the online community dashboard, a project that Yolo County is currently pursuing.

Important Considerations when Increasing Public Engagement

Should Yolo County choose to further engage the public in the Tactical Plan prioritization process, or, at a later date, in its budget process, there are some important considerations in terms of both costs and benefits. The literature reviewed for this study was more specific to increased public engagement in budgeting and the language used for this analysis is focused on engagement in the budget process. However, most of the

public engagement approaches would be applicable to use under other public policy areas for increased engagement, including prioritizing the County Tactical Plan goals.

Costs under any of the three approach categories identified in Chapter 2, The Literature Review, are likely to include some combination of the following: staff time to implement the process internally; time and resources to develop educational materials for the public; costs and time to print and distribute these materials; costs and time for advertising; IT time and resources to develop online resources and platforms for engagement; use of venues for meetings and forums; time and materials needed to conduct a budget election; funding to hire an outside consulting firm or facilitator; and/or staff time to review and incorporate public feedback in budget decisions, as appropriate for the particular type of engagement.

Academic research on the actual experienced benefits from increased public engagement is very limited. While there were case studies discussed in the Literature Review that identify some potentially positive outcomes that individual communities might experience through the implementation of an approach for increased public engagement, very little research is available about actual outcomes. Moreover, academic research will be needed to broaden understanding of increased public engagement in budgeting and to further evaluate actual outcomes and benefits this process generates.

At this time, increased public engagement might just be an opportunity for local government to pursue because further engagement of the public is the right thing to do, but not because there is a guarantee of the potential benefits often discussed. Potential benefits might include: a better-informed public, increased support for decisions that

government makes, or the opportunity to collect valuable input and feedback from residents to help inform new ideas for the budget process.

Approaches for Broad Public Engagement

Costs

Broad Public Engagement approaches include: outreach and education, budget surveys, and online budget forums. If Yolo County were to move forward with any of the approaches to more broadly engage the public in the budgeting process, the County Administrator's Office should anticipate designating resources towards the implementation of any of the broad engagement approaches. One of the larger costs likely to be required is staff time to help design and then facilitate the public engagement process. Staff time would also be needed to help analyze and package the results from a budget survey or an online budget forum to provide to management to inform its decisions as they create the annual county budget. County funding and staff time would also likely be needed to help create informational materials and then distribute these materials to the public to help inform those engaging in the budget process. As these approaches are geared to reach a larger demographic within the County, the costs would likely be higher relative to the approaches under targeted engagement. Advertising will likely help the County reach a broader and more inclusive portion of the population but would require additional funding and staff time. The use of technology (online surveys and forums) and social media platforms will also be beneficial but would require additional revenue to create and maintain, given that staff time and a potential IT consultant would likely be needed.

Benefits

The main benefit that Yolo County may experience from a broader engagement approach is that residents would gain greater understanding and might be more likely to support the decisions the County government makes. This would be more likely if Yolo were to roll out an outreach effort to educate the public and inform them about the budget process, county issues and the realities of the current budget allocation from the State. However, outreach and education efforts may not generate new ideas for the County to incorporate into its budget process. In addition, the research that is currently available speculates that broad engagement approaches might be likely to help create a more informed population, which may help to increase overall public participation over time. By implementing either a budget survey or an online budget forum, county staff could potentially make use of valuable feedback and input from the public that might provide a new perspective on some of the challenging budget decisions being faced. Residents could provide insight on important community priorities that might not have been known otherwise.

Please see Tables 3 and 4 for a summary of the costs and benefits.

Approaches for Targeted Public Engagement

Costs

Targeted approaches include: budget advisory committees, budget workshops, deliberative budget forums, Priority-Based budgeting, or relationships with local councils and committees. Should Yolo County choose to pursue an approach that is more targeted to engage a particular portion of the County's population, it is likely to experience fewer

costs than they would under the broader approaches. However, they would still need to allocate funding, resources and staff time to implement one of these processes. Costs to consider would be staff time to create and implement any process, to develop materials to distribute to the public to help more effectively facilitate the approach and staff time to transcribe and analyze the results of forums for county management as they make decisions for the annual budget. Budget workshops and deliberative forums will require a facilitator. This facilitator can either be an internal staff member or an external consultant, as many cities and counties choose to utilize. They do this to eliminate bias or conflict of interest issues that might arise when using an internal staff member. Additionally, while these approaches work to target more specific portions of the population, advertising and recruitment efforts will still be required to secure participants in order to engage a more representative sample of the population.

Benefits

The benefits that Yolo County might experience from any of the targeted approaches to public engagement would vary by the specific approach that the County decides to implement, as some approaches are more thorough and engaging than others. Targeted approaches may help increase support for decisions about service and program delivery, as well as decisions surrounding the annual budget (or Tactical Plan goals). A targeted approach may also increase public understanding for some of the budget decisions Yolo County makes. There might be some opportunities for county management to collect and make use of public feedback to help influence and inform decisions on the annual budget. However, this benefit of engagement is likely to vary

substantially by the approach used, and may only represent a specific portion of the population.

Deliberative forums are the most thorough approach under targeted engagement and provide the most opportunities for more of the public to participate in discussions and become engaged, and thus may be more likely to generate substantial feedback and input for use by county management. Relationships with local councils and committees are also likely to create a valuable opportunity to collect feedback and input from a balanced and more representative portion of the population, as these entities exist throughout the County in varying and unique communities and neighborhoods. Because of this, there is likely to be a more representative group that engages and is a fairly accessible resource to tap into to collect this information.

Please see Tables 3 and 4 for a summary of the costs and benefits.

Engaging the Public in a Voting Process – Participatory Budgeting

Costs

As suggested in the Literature Review, engaging the public in the voting process is the most resource intensive option for public engagement in budgeting but is likely to generate the most in-depth feedback from the public. This process typically involves broad approaches to engagement as well as targeted approaches to engagement but then includes a final step where the public is asked to participate in a budget election and cast their vote on which community projects they prefer to allocate public funding. The most significant cost would be county staff time to create, implement and then facilitate the various steps of this process. This includes time for staff to develop informational

materials, attend local council or committee meetings, facilitate workshops/forums or conduct and analyze a budget survey, facilitate a budget election and time to summarize and evaluate results for county management to make use of as they finalize the budget. Other costs will include advertising, the potential need to hire an external third-party facilitator to help design the process and oversee advisory committees, workshops/forums and/or a budget survey. A designated landing page of the County website should also be created; IT services will be needed for this.

Benefits

As covered in the Literature Review, studies from Porto Alegre, Brazil and from Vallejo, California suggested that, at least for these two communities, implementing participatory budgeting by asking residents to actually participate in a budget election generated valuable benefits for public service delivery and community projects. These findings suggest that increased public engagement in budgeting through this process was one of the most comprehensive and interactive methods of engagement, at least in these two communities. Additionally, because participatory budgeting incorporates an interactive voting process, Yolo may also have the opportunity to gain more informed feedback and input from the public to help influence budget decisions and gain a greater understanding of community priorities about which residents feel strongly.

However, with high benefits come the highest costs, so while participatory budgeting may add the most value and increase in public engagement overall, it is costly to do. Although this approach may hold promise for the budget process, it may not have applicability to prioritizing Tactical Plan goals.

Table 4: Summary of Benefits by Public Engagement Approach									
	Broad Engagement Approaches			Targeted Engagement Approaches					Engaging the Public in a Voting Process
	Outreach and Education	Budget Surveys	Online Budget Forums	Budget Advisory Committees	Budget Workshops	Deliberative Budget Forums	Priority-Based Budgeting	Relationships with Local Councils and Committees	Participatory Budgeting
Informed Public	✓					✓			✓
Increased Support for Government Decisions	✓		✓		✓	✓	✓	✓	✓
New Ideas to Incorporate in the Budget Process		✓	✓	✓	✓	✓	✓	✓	✓

Summary of All Findings

At this time, it appears that Yolo County might face the *Need to Improve the Link Between Community Priorities and Available Resources* condition as it pursues efforts to prioritize Tactical Plan goals. This endeavor might benefit from increased public engagement as it could help the County collect new ideas and feedback about what matters to citizens.

The fifth condition reflected by the GFOA assessment results, did highlight public engagement in budgeting to be an area the County could consider to help better meet GFOA outlined best practices, especially given the lower scores under the stakeholder engagement in the financial practices category. An in-depth review of the results from the GFOA assessment suggests that stakeholder engagement is not the only area that Yolo County received low scores. Given this, the County may find more value by focusing on internal processes and procedures to help better meet GFOA best practices prior to engaging an external third party (the public) in the budget process specifically. In

particular, the County might experience value in focusing on prioritizing Tactical Plan goals.

Lastly, a review of costs and benefits for the three categories of public engagement highlight that no matter which approach Yolo chooses to implement, should they move forward with increased public engagement in budgeting, the County should anticipate dedicating adequate resources to ensure effective implementation. While the County may potentially experience some benefits, such as increased understanding and support for budget decisions, these benefits are not a guarantee, given the lack of research and analysis regarding its effectiveness at this point in time.

The County does not need to try to accomplish all of the GFOA identified best financial practices simply because the Financial Management Assessment identified areas where the County might seek improvements. As discussed in this analysis, there are specific areas that Yolo County might look to focus efforts to address concerns identified from this assessment.

Specifically, this analysis suggests that the County may likely experience the most benefit by focusing efforts towards prioritizing Tactical Plan goals and may likely wish to engage the public in this process. By doing so, they may also accomplish some of the other best practices identified by GFOA from the Financial Management Assessment.

In the final chapter I provide recommendations for Yolo County regarding whether to move forward with the implementation of an approach to increase public engagement in the budget process at this time.

Chapter 5

RECOMMENDATION FOR YOLO COUNTY

In this thesis I evaluated three important categories for Yolo County's consideration as it assesses whether to increase public engagement in the budget process. These three categories were: an evaluation of whether Yolo County currently meets any of the four conditions which typically prompt local governments to pursue increased public engagement in budgeting; an evaluation of a fifth condition specific to Yolo County, the GFOA Financial Management Assessment results from 2012 to determine how the findings might be best applied to the County's current context; and lastly, an assessment of projected costs and benefits Yolo County may experience if it chooses to implement a broad approach to public engagement, a targeted approach to public engagement or engagement of the public through a voting process, known as participatory budgeting. Based on this analysis, I provide a recommendation for Yolo County as to whether or not it should move forward with implementing an approach to increase public engagement in budgeting and recommendations based on additional findings from the analysis.

Findings from the Assessment of Current Conditions in Yolo County

In my review of the literature and county documents, I found that Yolo County does currently meet one of the conditions that many communities face when seeking to further engage the public. Based on Yolo's efforts to prioritize the Tactical Plan goals, they may currently face the *Need to Improve the Link Between Community Priorities and Available Resources* condition. The County may wish to consider engaging the public in

the process to gather input and new ideas as they prioritize Tactical Plan goals. Given that there are so many goals and objectives in the County's current Tactical Plan, it is challenging to support all of them through an annual budget process. As such, prioritization of these goals/objectives may be a valuable solution to help address where funds should be allocated. Priorities can then be used to inform budget decisions moving forward.

Findings from the Analysis of the 2012 Yolo County GFOA Financial Practices Assessment

The Government Finance Officers Association (GFOA) assessment conducted for Yolo County in 2012 revealed numerous areas in Yolo's financial practices where the County could consider making adjustments to better achieve GFOA identified best financial practices. While the results indicated that the County might consider pursuing opportunities to increase public engagement in budgeting to foster these results, a further review and assessment of the GFOA results indicated that there are internal areas that Yolo County should consider to achieve improvements in financial management practices; these include: supporting performance across the other three management dimensions (leadership, people, and process); and enabling transformation across two of the three remaining dimensions (people and process). Attending to these internal categories might be a more effective way for Yolo to focus its efforts.

Considerations for Public Engagement Approaches in Budgeting for Yolo County

While all three approach categories would require the County to allocate resources should it pursue public engagement in budgeting, at this time it is not recommended that the County pursue any of them. However, should Yolo County focus its efforts on prioritizing Tactical Plan goals and choose to engage the public in the process, it most likely will no longer need to pursue an approach to engage the public in the budget process, because budget allocations can reflect results from the County's Tactical Plan priorities.

Concluding Thoughts on Public Engagement in Budgeting

Increasing public engagement in budgeting is a relatively new practice, and while there is speculation on the projected benefits to implementing this process, there is currently not enough research available to confirm the actual outcomes of these benefits. Additionally, the research that has been conducted on this process does not explicitly identify specific costs and anticipated resources required to implement any of the approaches to increase public engagement in budgeting. Findings from the thesis indicate that further studies are needed to more explicitly confirm specific costs communities should expect when implementing this process, as well as research to confirm actual outcomes from the anticipated benefits of increased public engagement. While more local governments may choose to further engage the public in the budget process moving forward, presently there are still a limited number of communities using this process. Further research and more in-depth analysis of these processes will be beneficial to all governments potentially interested in increasing public engagement in budgeting.

Given this, increased public engagement might be an important opportunity for local governments to pursue, simply because it's the right thing to do. This is the case, not because there is a guarantee for potential benefits projected to accompany it, but rather because finding ways to further engage the public is an important democratic process to strive towards.

Appendix A

Additional Background on Participatory Budgeting

The first budget elections in Vallejo took place in May 2013 and engaged 4,000 Vallejo residents, six out of 33 community improvement projects residents voted on received the highest number of votes. These projects spanned across several different departments, the six projects included: a streetlight project; park improvements; filling potholes; city clean up; funding for public libraries; and Science Technology Engineering Arts and Mathematics (S.T.E.A.M) education (Getuiza, 2013). Vallejo's city council then reviewed these projects in June 2013. Even though ultimately the city council had final say on which of the six projects to implement, participatory budgeting brought to light key priorities that residents felt strongly about and were projects that may not have been otherwise considered. Councilmember Brown commented that this process helped identify the priorities the community feels are most valuable, which may differ from what the city council would have identified on their own (Getuiza, 2013).

Following the successful implementation of participatory budgeting in Vallejo, other California cities and counties have moved forward with implementing this process in their communities. The City of Oakland passed a resolution for their budget process that includes public engagement. The city of Palo Alto created an online interactive budgeting tool for residents. The City of Monrovia created a citywide plan for 2013-2015 that incorporated feedback from stakeholders (Institute of Local Government, 2013). In 2013, San Francisco conducted a pilot participatory budgeting program in District 3; this pilot program uncovered the need for community engagement and feedback in the

budgeting process for all of San Francisco. This finding and the success of the pilot program in District 3 has led San Francisco to implement participatory budgeting citywide (Chan, 2013).

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