Public Participation in Budgeting

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Learner Outcomes

1. Identify traditional and emerging ways of involving the public in budget development and approval.

2. Assist practitioners with evaluating which public participation strategies may best serve their communities.

3. Outline key benefits and challenges involved with involving and empowering the public in budget processes.
### Public Participation and Budget Development

<table>
<thead>
<tr>
<th>Goal*</th>
<th>Strategies**</th>
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<tbody>
<tr>
<td>Inform</td>
<td>Fiscal Transparency Efforts</td>
</tr>
<tr>
<td>Consult</td>
<td>Public Hearings Community Surveys <em>Interactive</em> Budget Tools</td>
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<tr>
<td>Involve</td>
<td>Priority Based Budgeting</td>
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<tr>
<td>Collaborate</td>
<td>Citizen Fiscal Oversight Committees</td>
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<tr>
<td>Empower</td>
<td>Ballot Measures Participatory Budgeting</td>
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** Godwin, 2016
2017-18 BUDGET DOLLAR

Where the Money Comes From

- 21.9¢  Property Taxes (includes Bond Redemption and Interest)
- 6.5¢  Allocations from Other Governmental Agencies (Subvention and Grants)
- 7.1¢  Utility Users’ Tax
- 8.6¢  Business and Transient Occupancy Taxes
- 10.1¢  Licenses, Permits, and Fees (except proprietary transfers)
- 14.4¢  Other Fees, Fines and Taxes
  - Parking Fines 1.6¢
  - Documentary Tax 2.4¢
  - Other 10.4¢
- 5.7¢  Sales Tax
- 5.3¢  Proprietary Departments
  - Water & Power Transfers 3.0¢
  - Airport & Harbor Retirement Transfers 1.1¢
  - Airport & Harbor Transfers 1.2¢
- 10.8¢  Sewer Revenue
- 9.6¢  Miscellaneous
  - Reserve Fund Transfer 0.1¢
  - Special Fund Available Balances 7.5¢
  - Other 2.0¢
## UNRESTRICTED REVENUES COMPARISON
($ MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. TOTAL GENERAL CITY BUDGET</strong></td>
<td>$8,582.6</td>
<td>$8,777.0</td>
<td>$9,292.1</td>
</tr>
<tr>
<td><strong>II. RESTRICTED REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Special Funds</td>
<td>3,172.2</td>
<td>3,200.5</td>
<td>3,465.7</td>
</tr>
<tr>
<td>General Fund Revenues from grants, fees for services, and reimbursements</td>
<td>875.5</td>
<td>949.4</td>
<td>931.1</td>
</tr>
<tr>
<td><strong>TOTAL RESTRICTED REVENUES</strong></td>
<td>4,047.7</td>
<td>4,149.9</td>
<td>4,396.8</td>
</tr>
<tr>
<td><strong>III. UNRESTRICTED REVENUES</strong></td>
<td>$4,534.9</td>
<td>$4,627.1</td>
<td>$4,895.3</td>
</tr>
<tr>
<td><strong>IV. CHANGE IN UNRESTRICTED REVENUES FROM PRIOR YEAR</strong></td>
<td>$92.2</td>
<td>$268.2</td>
<td></td>
</tr>
</tbody>
</table>

Unrestricted Revenues are 52.7% of the City Budget. Restricted Revenues (47.3%) include those from grants fee supported and reimbursed programs, and special funds.

**UNRESTRICTED REVENUES**
$4.9 Billion

- Police 53.1%
- Fire 17.1%
- Library 4.6%
- Recreation & Parks 5.7%
- City Attorney 3.0%
- Other 7.6%
- Public Works
  - Sanitation
  - Street Services
  - Transportation Engineering Board
- Contract Admin.
- Capital Improvements
- Building & Safety Planning 8.9%
The Expense Budget covers the costs of running our city. It pays for the sanitation worker who picks up your garbage, powers the lights at your local library, provides social services. Funds are set aside to operate each city agency. This also includes the Debt Service, the City’s annual loan payment for long-term Capital Projects for which the City borrows State & Federal money.

* Non-agency funds support multiple agencies, not any one specific agency.
How Will You Balance California's Budget?

The budget crisis that plagued California for a decade has passed, however important decisions remain that will impact our shared future. What should California do to plan for long-term pension and retiree health care costs? How much should be invested in programs that were cut during the recession? What can the state do to make revenues more stable?

Take the Challenge!

What is The Challenge?

A nonpartisan budget simulation of some of the tough choices lawmakers are faced with and an introduction to the California state budget process.

Next 10's California Budget Challenge

The Current Situation

On January 10, 2018 the Governor submitted his proposed budget for 2018-19. The budget must be agreed upon by June 15, 2018 before the fiscal year starts on July 1, 2018.

Current Situation

Did You Know?

About 62 percent of K-12 education funding is spent on direct classroom instruction.

Budget Quick Facts
TRANSPARENT CALIFORNIA
California's largest public pay and pension database

Stay updated by joining our mailing list!

Salaries  Basic  Advanced
Search California public employee salaries:
Name or job title  Search

View salary records by agency type:
- View all salary records
- Cities
- Counties
- University System
- Community Colleges
- K-12 Schools
- Charter Schools
- Special Districts
- State of California

Pensions  Basic  Advanced
Search California public employee pensions:
Name or job title  Search

View pension records:
- View all pension records
- View individual pension plans
- View pension data by last employer
## Summary for Los Angeles (2016)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>3,918,872</td>
</tr>
<tr>
<td>Total number of city employees</td>
<td>49,485</td>
</tr>
<tr>
<td>Total number of full-time, year-round city employees</td>
<td>33,380</td>
</tr>
<tr>
<td>Median pay for full-time, year-round city employees</td>
<td>$101,907</td>
</tr>
<tr>
<td>Median pay and benefits for full-time, year-round city employees</td>
<td>$114,619</td>
</tr>
<tr>
<td>Total city employee compensation</td>
<td>$4,332,762,310</td>
</tr>
<tr>
<td>Total city employee compensation cost per resident</td>
<td>$1,105</td>
</tr>
<tr>
<td>Median earnings for full-time, year-round private workers</td>
<td>$37,672</td>
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</tbody>
</table>
Priority Based Budgeting Basics

1. Examine fiscal health, budgeting, and fiscal management
2. Update practices and have program budgets
3. Set community priorities ("results"), usually about 4
4. Provide a score to each budget program
5. Prioritize budgeting around the community "results" that are desired

See Expresso Blasts for short videos, www.pbbcenter.org
Resource Alignment Diagnostic

iRAD 2.0

Choose:
- Select Program Type
  - All Program Types
- Select Fund
  - All Funds
- Select Department
  - All Departments
- Select Budgeting Perspective
  - Total Estimated Budget

Budget allocations by quarter:
- Q1: 50,285,471
- Q2: 8,943,620
- Q3: 10,355,518
- Q4: 1,127,231
Participatory Budgeting Basics

Mostly discretionary funds, capital projects or one-time start up costs

1. Steering committee writes “rules” for process

2. Brainstorm ideas at community gatherings (often with facilitators)  
   **Idea Collection Phase**

3. Volunteer delegates to turn ideas into proposals and establish costs. Lengthy process.  
   **Budget Delegate Phase**

4. Project Expo

5. Voting (sometimes with expo, sometimes online, sometimes completely separate)  
   **Voting Phase**

6. Governing body confirms and approves budgets for winning projects  
   (in order until funds run out)

7. **Implementation Phase**
Practitioner Points

• Choose participation tools that best meet community needs rather than viewing participation as a ladder.

• Consider in-person settings, direct interactions, and other avenues for active participation

• Go beyond the “usual suspects”

• Evaluate vendors and products
  • Government and interest group sites
  • Commercial, nonprofit, philanthropic
  • Whistles and bells versus useful, interactive tools