

Appendices

Citizen Participation In The Josephine County Budget Process

Justice System & Public Safety Services Issue

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Hugo Justice System & Public Safety Services Exploratory Committee

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Appendices: Citizen Participation In The Josephine County Budget Process

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- Paper 2. Oregon Administrative Rules: 150-294.175 to 150-294.920 (full text)

**Appendix A1. Citizen Participation In Budgeting Process:
*Going Beyond The Public Meeting and Hearing***

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Outline

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Appendix A1. Citizen Participation In Budgeting Process: *Going Beyond The Public Meeting and Hearing*

EXECUTIVE SUMMARY

Local Government Policies Local policy-making, including financial policy, is complex, demanding the very best of local officials. It is worth the effort. The policy-making process weighs and balances public values. Often there is no “right” choice or correct technical answer to the question at hand. That is why policy-making can be an adversarial process, characterized by the clash of competing and conflicting interests and viewpoints rather than an impartial, disinterested or “objective” search for “correct” solutions for policy problems. If you are a local official, you will be more effective and productive over the long-term if you respect the viewpoints of others – whether you agree with their position or not. Policy-making is often undervalued and misunderstood, yet it is the central role of the city, town, and county governing bodies. The policies created by our local governments affect everyone in the community in some way. Public financial policy determines what services will be provided to the residents and the level of those services, what kinds of development will occur in the community, and that it determines what the community’s future will be. Policies are created to guide decision-making.

The 1960s and 1970s citizen ‘counter cultural revolution’ was a symbol of the unrest and distrust in government that led to citizens exercising their rights to engage in planning and democracy in America. It is during this era that Sherry Arnstein introduced the *Ladder of Citizen Participation* that is still used today. The ladder has eight rungs each of which represent a gradation of citizen involvement from nonparticipation to empowerment. Distrust is not nearly as adverse as during the late 1960s, but the times of significant distrust in government is back.

Many state and local governments are currently struggling with fiscal stress — in some cases, the worst they have experienced in decades. Painful policy decisions are required regarding spending and service reductions, or tax and fee increases. This appears to be an important time for citizens to play a role in helping elected officials determine the best solutions for government and the community. In practice however, citizen participation in budgetary decision-making is typically minimalist and yields few, if any, directly observable results. Are government officials wasting a valuable opportunity to understand and refine the priorities of the community, to educate the public about fiscal priorities and trade-offs, to enhance trust and transparency in government, and to pull together as a community? Or are they acting in a pragmatic fashion, gathering and considering policy preference information using other input mechanisms?

Plenty of policy alternatives to gathering input when the budget is being formulated are available. Instead of taking the time and effort to involve citizens during resource allocation decisions, governments can wait until they experience voter distrust and anger, as in the stringent tax-and-spending constraints on state and local governments during past decades. To win elections, candidates promise that huge budget gaps can be dealt with through greater efficiencies, with no impact on essential services or tax increases; such promises are difficult to keep and inevitably prompt greater citizen disillusionment. Wouldn’t it be better to start the policy discussions earlier — to help citizens understand the realities of the fiscal situation — rather than pretend that miracles can happen in government? Alternatively, do we lack sufficient knowledge about the key elements of citizen participation that lead to “successful” outcomes and, in the absence of good theories, are forced to believe in miracles?

Citizen Participation Issue/Problem What is the issue/problem? Is going beyond the public meeting/hearing part of the solution? The basic citizen participation question on budget issues is precisely what constitutes *effective* participation by citizens? The answer to this question depends on who, exactly, is judging the goals and methods for participation. For example, elected officials tend to define effective public participation by reflection, and a lack of citizen complaints. For staff, this same term means providing information to the public and encouraging them to act as macro-level community advocates, thus making informed citizens a valuable resource to get other members in the community to understand tough, controversial, or pressing decisions made by local officials. Citizens, on the other hand, view effective participation through a different lens. Overall, they believe an effective participation system should include two-way communications, more opportunity to be heard earlier in the process (not in late May at the budget public meeting and/or hearing), and involvement in honest dialogue with staff and elected officials regarding the budget and the citizens’ role in the process.

Generic challenges to citizen participation include 1. the “barriers of everyday life” such as time and attention constraints, the demands of job and family, insecurities and discrimination grounded in class and educational backgrounds, and cultures that lack a sense of personal or group efficacy; 2. administrative and elected officials’ resistance or indifference; and 3. poor process design and mechanism choices that can undermine even well intentioned efforts by budget committees and governing bodies to involve citizens.

A glaring weakness is that there is very little empirical knowledge about the goals and outcomes of participation. The literature shows that it can be pursued for both high-road as well as low-road reasons. Unfortunately, it appears that the purpose of participation is seldom explicitly articulated, leading to varying expectations and little means for determining whether the results are acceptable or even exceed the costs of the activity. These differing goals can color perceptions of the effectiveness of participatory efforts and affect the determination of whether the outcomes are sufficient to justify them.

Typical participatory mechanisms were adopted to improve upon the one-way flow of information in public meetings and/or hearings on proposed financial policies. However, the ‘review and comment’ methodology – decide on the policy, then introduce it to the public in a public hearing – is a poor educational vehicle for complex topics, not to mention grossly inadequate as a persuasion tool, but it is still used extensively.

Most discussions of the value of public participation leave out a large barrier: cost. At high cost, winning the hearts of the citizens by meeting with them regularly and ultimately gaining their trust and friendship may be the only way that regulators can promote new policies in communities where anti-government sentiment runs high.

Much has been written on the topic of public alienation from the local government’s budget process, and it usually assumes that if only the right vehicle for empowerment and engagement is offered, citizens will lose their cynicism toward government and actively support democratic processes. However, it needs to be acknowledged that working out policy decisions and implementation details over a protracted series of meetings is an activity most citizens prefer to avoid.

While citizen participation is important in planning, there are some rather large theoretical and practical barriers to implementation. At the same time that citizen participation in public affairs seems to hold a sacrosanct role in U.S. political culture and sensibilities, the issue of citizen participation in the budget planning process seems to be problematic. Several challenges exist in implementing citizen involvement in planning. Generally the complexity of implementing citizen involvement programs in budget planning processes is rooted in our capitalist society that includes individual property ownership, the un-equal distribution of resources, and in most cases laws and social constructs that sustain the power imbalances in society. Given the existing political and planning systems; financial planners that wish to include all voices in planning and still keep their jobs have a mountain of challenges to overcome. It is understanding that citizen involvement barriers overlap and that other challenges may exist depending on the community and the people involved. The following list indicates some obstacles associated with implementing citizen involvement in planning.

- Funding, Scheduling and Resource Constraints.
- Occupational Mandates.
- Legal Constraints.
- Geography and Clashing Jurisdictions.
- Avoiding Conflict and Resorting to Weak Plans and Policies.
- Technocracy and Value Choices.
- Bureaucracy.
- Agency or Internal Opposition Due to Perception or Previous Experience.
- Lack of Respect for Public Opinion.
- Apathy/Rational Ignorance and Blame.
- Sharing Power and Levels of Public Involvement.
- Levels of Inclusion and Various Participation Techniques.
- Unfamiliarity with Democracy Theory and Models of Planning.

Idealism increases in direct proportion to one's distance to the problem. That statement suggests that only those who are not engaged in budgeting advocate citizen participation in budget decisions. This may mean that citizen participation in budgeting is nice in theory but it doesn't work or isn't tried in practice; or that in order for a pie-in-the-sky idealism to make it in the real world, it needs to be located in the "realism" of the budget officer's daily work experience.

The budget officer's administrative reality, with its statutory basis, illuminates how the processes for getting public input into general and special purpose government agency budgets can be driven by shortened time frames, legal requirements, the necessity of a "clean audit," and a culture that supports this emphasis. In this example public input is, at best, restricted to responding to a prepared budget, without any interest on the part of staff in making changes to the completed budget document prepared by technically proficient budget professionals. Although the public would be invited to a meeting at the end of the calendar year when the county commissioners adopted a final budget, timing pressures for budget adoption would again disallow meaningful citizen input. Citizen participation was based on nothing more than meeting minimal legal requirements—producing token, "faux" or inauthentic participation.

What is the budget officer's administrative reality? Is it to prepare for last minute release of revenue estimates to meet legal deadlines for notification (i.e., so as not to incur an audit finding for procedural non-compliance)?

The expectation that budget professionals will provide citizen-friendly budget summaries and documents has grown along with the advances in budget reporting systems and graphical computer software technology. However, the reality is a technical solution narrative that requires only that budget officers operate by meeting legal requirements for citizen participation. Directly and indirectly, the need for budget presentation skills relates to citizens' roles as voters in approving or denying tax levies for public services. Indirectly, clear and simplified budget presentations can contribute to citizens' developing confidence in the fiscal and overall management capacities of the governmental entity. In this narrative, budget presentations contribute to the development of an image of overall technical competence. Citizens need not participate because the situation is in the hands of competent, politically-savvy administrators and technical experts. The main problem with this narrative is that citizens are reported to hold government and its employees in negative regard, and are increasingly alienated from government.

Deliberately or not, public administrators draw upon assorted control strategies to keep citizens away from policy and budget decision processes. These procedures include limiting citizen input until a time when it is meaningless or an unessential part of the policy process; using routine procedures for getting citizen input, such as relying solely on traditional public hearings and notices; defining problems and issues before asking citizens what they think, thus constraining possible ways of understanding the situation and possible solutions; convening "advisory" committees whose advice is then ignored; holding meetings when most people are working, or in inconvenient locations; not providing child care for meetings; and failing to facilitate conversation at meetings, thus letting the proceedings turn into a series of monologues. Most citizen participation efforts, when and if they are made, are administrator-driven. Another idea for low citizen participation rates in the local budget process is "rational ignorance" which is refraining from acquiring knowledge when the cost of educating oneself on an issue (i.e., the budget) exceeds the potential benefit that the knowledge would provide.

This tight control is especially apparent in the budget process. Typically, budgets are developed internally by the executive branch and are presented to the public as a finished product, or one that can be manipulated only marginally and indirectly and after key issues have been defined. In accord with the emphasis of the political reform movement on business methods, professional, technical expertise and efficiency were given more value than democracy in the budgetary profession. Too much and too-loud participation creates delays and inefficiencies and threatens the positions of incumbent politicians and administrators. Technical expertise is valued over the hands on, lived experience of community residents.

Citizen Participation Process Many hold that citizen participation has various senses that can be classified according to the degree to which citizens are involved in the decision-making process, the direction of information flow between participants or the status of those who have taken the initiative. An example of a typology based on citizen involvement is Arnstein's now classic "ladder of participation." It has eight levels, or rungs, corresponding to increasing degrees of citizens' power in decision making. At the bottom of the ladder are two rungs, Manipulation and Therapy, which Arnstein categorized as Nonparticipation. The middle rungs 3, 4 and 5, identified respectively

as Informing, Consultation and Placation, belong to the category of Tokenism. At the top of the ladder, rungs 6, 7 and 8 correspond to Partnership, Delegated Power and Citizen Control respectively and are classified as Citizen Power. The higher up the ladder an instance of citizen participation can be placed, the more citizens can be sure that their opinions will be integrated into decision making and applied in the interest of their community.

Several local governments in Oregon have went beyond the public participation requirements of Oregon Local Budget Law (Appendix L) proving the position that local governments in Oregon have the powers to enact laws and policies consistent with state law (Appendix D).

Counties:	Clackamas County, Oregon Clatsop County, Oregon Budget Manual for Local Governments in Multnomah County, Oregon
Cities:	City of Eugene, Oregon's Budget Committee Budget Manual, City of Portland, Oregon: Fiscal Year 2016-17
Other	Seal Rock Water District

When attempting to aggregate the citizen-participation literature, a number of common elements deemed critical to structuring budget participation emerge. Three commonly reported elements (independent variables) represent 1. the governmental environment, 2. the design of the process, and 3. the mechanisms used to elicit participation. The fourth element (a common dependent variable) represents the goals and outcomes desired from participation in budgetary decision making.

- Environment Of Local Government Budgeting
- Budgeting Process Design
- Citizen Participation Mechanisms In Budgeting
- Goals And Outcomes

Large-scale citizen involvement is possible and can result in agreements that resolve complex community issues. Four criteria of deliberative democracy were posited and tested.

- 1) Broad, representative participation beyond traditional formal avenues such as public hearings or advisory committees.
- 2) Informed public judgment meaning that information provided to the citizen participation compares to that which is ordinarily available to the local governing body.
- 3) Deliberative participation and opportunities for deliberation in that workshops and surveys are designed to put the policy problem into the hands of the citizen.
- 4) Credible results from the use of strong methods such as multiple data collection methods.

Citizen Participation Goals Common positions on many aspects of citizen participation in local budget processes follow.

- Most states impose certain legal budget requirements on local governments (such as public hearings) that may either enhance or constrain participation.
- Citizen participation is seen as a way to reduce the level of citizen distrust in government, and to educate people about government activities. The goal is for citizens to have an active role in decisions and not just be passive “consumers” of government services.
- Almost universally, the input process is portrayed as occurring linearly and in reference to a single budget cycle rather than as an ongoing two-way dialogue between citizens and local government.
- Timing is important because input that is received late in the process is less likely to have an effect on outcomes. This would suggest that budget input is more beneficial during the preparation stage (i.e., developing proposed budget starting with identification of financial policies by the governing body) rather than the budget-adoption phase. There are examples of budget input occurring early in the process, but other studies have found participation used more frequently at the end of the process.
- Citizens view effective participation through a different lens. Overall, they believe an effective participation system should include two-way communication between all stakeholder groups (i.e., elected

officials, staff, and citizens), more opportunity to be heard earlier in the process (not in late May at the public budget meeting/hearing), and involvement in honest dialogue with staff and elected officials regarding the budget and the citizens' role in the process.

- Extensive use of public hearings and budget summary documents is found in the budget practices across various types of local governments. Public meetings are open to all, but turnout is often low and attendees might not be representative of the community. In general, participation is most beneficial when it occurs early in the process so that it can actually affect decisions, when it is two-way deliberative communication rather than simply one-way information sharing. There is great variation in the participatory opportunities for getting input during the budget process.
- Why is participation apparently not uniform in the budget process (aside from the public hearing at the end of the exercise)?
- Public meetings are not very good at giving citizens direct influence, but they can be used as forums for preliminary information sharing. Public budget meetings are common; at least one open public hearing is required in most governments before budget adoption. As noted earlier, the timing of these hearings is often a constraint. Attendance is generally low unless a "hot issue" is involved. In addition, attendees may not be representative, and they may have little knowledge of the budget as a whole. However, public meetings can be useful to inform

Partly as a response to citizen alienation from government, public administration theory is again cycling towards valuing participation – this time labeled "authentic" participation. Authentic participation shifts public administrators and citizens from viewing citizens-as-consumers-of-services to viewing citizens-as-community-members. Managers have discovered that working collaboratively with citizens can lead to a different and better allocation of resources. Applied to budgeting, operating from a value structure that places equal importance on citizens' views allows administrative experts to step away from the confines and limitations of budgeting as a technical product of accounting and taxes to hear the values of the community and include or base the budget on these values. Essentially this produces local budget narratives and choices detailed to each local context.

From a citizen participation perspective, a change from a belief that public budgets are privileged internal documents and considered too technical for citizens to understand, to a view of budgets as a tool for community involvement involves a major or critical rethinking of underlying assumptions from which financial officers (i.e., budget officers) perform their jobs.

Critically enlightened and sympathetic administrators can play a crucial role by providing the administrative access necessary to bring about change based on experience as well as expertise. They can act as interpreters and facilitators, but they can also act as transformative agents by educating citizens about how to articulate concerns, voice needs, and implement community-developed strategies for change. However they are labeled, these prescriptive roles have in common localized settings in which responsible administrators work directly with citizens as partners, valuing the infusion of experience, and leveling administrative expertise and political power with citizens' experiences to achieve **collaborative**, ethical decisions and actions.

While many of the traditional budget participation approaches of administrative procedures that prevent authentic citizen participation, some local governments are making strides toward authentic participation in budgeting. Initiatives in Eugene, Oregon in the past decade have enlisted citizen input in making decisions relating to desired funding levels for programs, and considerable effort has been placed in developing appropriate mechanisms and information requirements that enable citizen preferences to be expressed. The greatest departure of the Eugene effort from traditional participation procedures is the assumption on which the effort is based: average citizens are capable of understanding the operations and issues surrounding government finance. The Eugene citizen participation in finance initiatives are now extensively documented. For the most part, though, the Eugene efforts remain based in the citizens-as-consumers model of budget participation.

Guidelines that administrators may find useful in designing participation processes can be adapted for use in the public budgeting and finance area.

Criteria 1: Citizen views are expressed early enough in the process that option-defining and impactful participation is possible.

- Criteria 2: Develop a participation-format that is listening-based. Participation opportunities should be convenient and citizen-friendly.
- Criteria 3: Obtain input from citizens who are not part of an attentive public or pre-selected participants.
- Criteria 4: Citizen views and priorities must be valued and integrated into ongoing budget decisions and planning.

These locally-based examples illustrate both the potential for authentic participation in public budgeting and finance, as well as the limited progress that has been made. Public budgeting and finance processes presently operate as closed systems, inaccessible to citizens for participation in anything but a cursory manner. Making progress in the direction of authentic participation requires moving from a view of participation as a legal requirement to participation as a means of community-building and citizenship. Although there are many experiences in public budgeting that demonstrate why authentic participation is difficult to achieve, authentic participation in budget concerns demonstrate that this need not be the case in the future.

Key public involvement factors can be used to help understand the value of public involvement in the budget processes of local Oregon governments.

1. **Maintain Legitimacy and Build Trust.** Public participation can maintain legitimacy in decisions and build trust between the government and community members. By including the public in decisions the organization or agency instills transparency in decision making and in turn gains trust and credibility from the public. The extent or quality of the participation will develop varying levels of trust however remaining transparent in decision making will increase legitimacy and credibility. Citizen involvement is important in gaining public trust and achieving a credible, legitimate right to make decisions.
2. **Produce Long-Term Support.** Incorporating citizens in decision making can produce long-term support for public projects. If community members are included in the decision making process they are more likely to support the carrying out of the plan or project. **Community members can be respected allies for the [financial] planner in implementing public projects that span a greater time period than elected officials hold terms.** Effective public participation can gain long-term advocacy and ease or improve the implementation of public projects or plans.
3. **Public Value Choices.** Planning is in large part about prioritizing community values and making value choices for society. To do this without the public comment is illegitimate and corrupt. **Examples of conflicting values that require prioritizing are economic growth vs. preserving natural environmental features and allocating resources to public safety vs. rural self-sufficiency.**

Public participation is essential to planning in order to prioritize community values and make value choices. Furthermore, financial planners and the public must consider the weight of one value over another and the corresponding consequences of the value choices. Experts cannot make decisions without assigning a weight or priority to competing values that society believes are good. Including the public in planning avoids elitism and facilitates a more accurate view of the community values.

4. **Inform the Public and Facilitate Quality Public Opinion.** Public participation in planning can inform the public about community issues and facilitate quality public opinion. Interpreting technical information to the public, such as statistics or zoning ordinances is an important part of planning. Any public participation in financial planning will require sharing information. However, there are varying degrees of information sharing and depending on the complexity of the issue more in-depth information is required to gain thoughtful, quality opinions from the public and allow citizens to reach a decision on planning issues.

One goal of public participation is receiving meaningful feedback from the public and having those opinions be informed and valuable. Ultimately, all decision makers and contributors around the issue strive for quality opinion. The barriers to achieving quality public opinion are: lack of awareness, lack of information explaining the consequences of specific policy choices, lack of time to research the issue, failing to resolve internal conflicts of values on complex issues, volatility or changing opinion when asked a question at different times or with different words, and compartmentalized thinking that leads to self-

contradiction in opinions. Planners and public officials can overcome some of the barriers to quality opinion by raising awareness, explaining consequences of alternatives, and providing clear, concise information. Public participation can facilitate quality public opinion and citizen efficacy.

5. Respond to Complex Problems and Resolve Conflicts. Collaboration and consensus methods of citizen participation can respond to complex problems. Community dialogs, consensus building or collaboratives are at the high end or optimal side of the variable spectrum of public participation techniques. These techniques require dialog and deliberation between the public and decision makers or delegate the power to make decisions to the public. **Collaborative methods require more time and resources**; however the more time and resources that are put in to a public participation program, the better the outcomes will most likely be.
6. Build Social Capital and an Ethic of Mutual Aid. Citizen engagement is an indicator of a community's social capital. Furthermore, the greater the level of social capital that a community possesses results in increased quality of governance and overall success of the community. **Social capital is defined as features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit.** Engaging the public in community planning is an opportunity to facilitate social capital between neighbors and between the public and government officials. Public participation in planning offers opportunities to build social capital which improves the community as a whole.

What is the difference between traditional theory of planning and a collaborative model of planning? The difference is a collaborative model is more welcoming to citizen involvement in planning. Even though collaborative theories have been around for more than 40 years, the majority of governments still use traditional models of planning.

The objective of traditional models is legal conformity, inform and educate, and gain support of public for agency policies. Whereas the collaborative model aims to create conditions for social learning and problem-solving capacity. The different objectives frame the barrier of the traditional model to involving citizens in quality dialogs, sharing responsibility and sharing power with citizens in making planning decisions.

What are the key lessons that planners gathered from their experience with public involvement in planning? Five lesson themes were extracted.

- Broad participation and equity in recruitment.
 - Equity in sharing opinions.
 - Inform the public with clear, unbiased information.
 - Public influence on the decision.
 - Utilize an array of public participation techniques.
1. Broad Participation and Equity in Recruitment. Engaging the entire affected community is important even with its barriers (e.g., public involvement by minority communities, difficult to obtain a representative sample of a community with regard to demographic diversity, etc.). Concerns were stated about advisory committee representation; both the equity in selecting members and the responsibilities of the committee members to their constituency instead of acting on personal goals. Gaining broad participation and reaching all affected community members is an issue that requires attention.
 2. Equity in Sharing Opinions. There are several concerns regarding the individual participant equality in public engagement efforts in planning. For example, it is always difficult to keep a vocal minority from dominating the conversation. Equity within public meetings was a prevalent concern regarding the weight of opinions in public forums. The issues are to make sure everyone has an opportunity to be heard and that everyone feels comfortable sharing thoughts and opinions without being attacked. Concerns were raised that certain individuals dominate the public forum for different reasons including that they are personally vocal and boisterous or particularly keen because they are paid professionals representing well-funded interest groups. Public engagement efforts ought to encourage open communication, active listening and an atmosphere where everyone feels comfortable to share their opinions.

3. **Communicate.** Inform the public with clear, unbiased information concerns regarding information can be categorized in three types including other languages, technical jargon and informed decisions. Concerns were raised about translating planning information from English into other languages to promote equity in public participation. Other comments encouraged the translation of technical concepts and legal jargon into understandable terms and comprehensible issues that promote honest education and public efficacy. The third concept is a combination of the first two with the additional issue of citizen empowerment in decision making. Respondents commented that citizens need clear, detailed, unbiased information with which to reach informed decisions on community issues.
4. **Public Influence on the Decision.** It is important to empower the public and allowing the public opinions to influence community decision making. **What is needed is an importance of listening to the public concerns and incorporating these opinions into community plans.** People need to be involved from the very beginning and have a genuine say in the design and implementation of the project for ‘participation’ to be meaningful.” A concern is about placating the public versus empowering citizens in the decision making process. Along the same lines as influence, the importance of recording public opinions and providing written feedback to the public regarding how their opinions were incorporated in the decision making is critical.
5. **Utilize an Array of Public Participation Techniques.** Local governments and agencies should utilize an array of public participation techniques. In a time of decreasing revenues, the investment in genuine and thoughtful governance, and the involvement of citizens in making the decisions which will impact our lives and our future, are more critical than ever. To not do so, to continue with old ways -- open house, council session feedback, etc. -- is short sighted. New techniques including technology such as the internet and geographic information systems (GIS) needed to be better used. Other comments stressed that planners ought to go to the public and experiment with different locations and times instead of uniform, traditional practices such as public hearings or open houses. Professional financial planners support for using a variety of public participation techniques to engage the public in planning.

Financial planning professionals with public policy have institutionalized the practice of public hearings to involve the public in planning. However public hearings and other commonly used efforts such as public meetings and open houses are viewed as mediocre or average in their effectiveness to include the public. So what can the ethical financial planner do to improve public involvement in local government planning? One solution is to “adopt a different process that moves public participation to the forefront of planning instead of an afterthought” and that responds to the charge in the American Planning Association’s definition of community planning. - *“Community planning is a process that seeks to engage all members of a community to create more prosperous, convenient, equitable, healthy and attractive places for present and future generations.”*

Public participation is the core of the planning field and is important for a variety of reasons. The keys to implementing public participation in planning include understanding the barriers to implementing public participation programs, and overcoming them by focusing on the importance of including the public in planning, and “ultimately changing the planning process to include the public.” The following list is a reminder of the importance of public participation in financial planning.

- Public participation is a national ethical standard for professional planners.
- Public involvement is the cornerstone of democracy and as such it is an essential part of American culture.
- Including the public helps planners understand the social context of a community or region.
- Citizen participation improves public projects and the quality of decisions through knowledge sharing.
- Including the public in making value choices for the community is vital.
- Governments and agencies can maintain and improve legitimacy in decisions and build trust between the government and community members.
- Including the public can produce long-term citizen support for public projects.
- Early public participation can prevent delays, fees, and frustration.
- Adopting a public participation program can inform the public about community issues and facilitate quality public opinion.
- Including the public in planning can enhance citizenship and participation.
- Comprehensive public participation programs balance individual and community needs.

- Governments and agencies can respond to complex problems and resolve community conflicts through collaboration and consensus.
- Public participation in planning builds social capital and an ethic of mutual aid.

Citizen Participation Budget Plan Solution In clarifying the financial policy decisions being made (i.e., develop annual county budget) some important questions are addressed regarding the level of inclusion of the participation budget program. When should a local governing body have a citizen participation budget plan to guide the local budget process? The Oregon Citizen Involvement Advisory Committee (CIAC) recommends that if most of the following answers are “yes,” that jurisdictions should adopt a comprehensive public participation plan. Local Oregon county budgets easily satisfy the five CIAC questions for the establishment of a citizen participation budget plan which would also be applicable to like guides (e.g., local government budget manual, citizen’s guide to the budget, etc.).

1. Will the proposed planning action affect a large land area?
2. Will it affect many people?
3. Will it involve new issues not addressed by an existing plan or not familiar to the public?
4. Will it establish important new policies or precedents?
5. Will it involve issues that are likely to be controversial?

Citizen participation in budgeting is often achieved by compliance with legal statutes on public hearing requirements. These pragmatic and legalistically-based approaches to citizen participation are usually minimal public meeting and/or hearing mechanisms with the potential for creating participation that realizes more than meeting legal requirements. One solution is a citizen participation plan for evaluating and improving citizen participation in budgeting.

The citizen participation plan process is envisioned to visualize and improve the implementation of public involvement in planning. The recommended process is grounded in the important factors of public participation and in response to its barriers. The four stage process is within the context of an overall process to implement citizen involvement in planning including. Its significant differences from many others is at Stage 1 (i.e., public bodies formally identifying and choosing the goal of the program) and Stage 4 (i.e., actually monitoring and evaluating the success of the citizen involvement program. This is just like what is always done for the financial policies of the budget, but almost never done for citizen involvement.

- Stage 1. Public Participation Analysis
- Stage 2. Process Planning.
- Stage 3. Technique Implementation.
- Stage 4. Evaluation.

Stage 1. Public Participation Analysis. Step 1. Clarify the community or regional planning decision being made.

Step 2. Choose the level of involvement and identify the goal of the program. In clarifying the financial policy decisions being made (i.e., develop annual county budget) some important questions are addressed regarding the level of inclusion of the participation program.

- Inform.
- Consult.
- Involve.
- Collaborate.
- Empower.

Significant to Step 2 is that the intentionally conceived and written public financial policy decisions would be made jointly by the governing body and the public on the level of the public’s involvement in the budget process.

Step 3. Identify how the public opinions will be used in decision making and the local governing body's promise to the public. This step is even more "revolutionary" when compared to the "normal" budget process. It established a contract promise from the governing body to the public for how public testimony will be used, including it being used as a performance standard for Stage 4, Evaluation.

- Inform.
- Consult.
- Involve.
- Collaborate.
- Empower.

The second and third steps in the public participation analysis stage are a reference to the spectrum of public participation which affects every aspect of a citizen involvement program adopted by a local government. The level of involvement will depend on the goal (i.e., inform, or consult, or involve, or collaborate, or empower) of the program whether it be to 'inform' or 'empower' the citizens or a variation of the levels at key points in the decision-making. The levels of public impact in decision-making compare two important variables of a citizen involvement program including the goal and the promise to the public. The fundamental questions that practitioners must ask themselves before implementing a public participation program include the following.

1. What level of involvement or empowerment do you expect from the public participation program or what is your 'goal'?
2. How will the opinions and concerns that are collected from the public be used in the decision making process or what is the local governing body's 'promise to the public'?

The answers to the two questions will enable the decision-makers (i.e., local governing body) and professional planners (i.e., financial planners), and the public to contemplate the 'Goal' of the citizen involvement program and the 'Promise to the Public' that will ultimately steer the public participation program.

Stage 2. Process Planning. The second stage, process planning, includes three general steps however this stage hosts most of the citizen involvement barriers, including resource and legal constraints, occupational mandates, technocracy, bureaucracy, and lack of respect for public opinion. Here is where policy and planning analysis meets the public. The reason the barriers are attributed to this stage is because in Stage 1 the goal may be adopted to empower the public; however that commitment may be difficult to keep with the complex, traditional planning analysis process steps that follow. This stage will take time and resources and may require that planners teach the public how to analyze data and interpret technical information and hire consultants that are skilled in public participation practice. **Transparency and trust are key ingredients in this stage.**

The three steps within the planning process phase include the following.

- Step 1. Identify the internal and external decision-makers based on the goal and the promise to the public.
- Step 2. Revisit and clarify the decision begin made with all decision-makers.
- Step 3. Specify the planning phases and decision-making steps and schedule.

Stage 3. Technique Implementation. Technique implementation is the third stage in the public participation planning process which includes four steps. The first step is to identify techniques to use at each planning phase or decision-making step in the process. In step one the decision makers match the six planning process phases described above with the appropriate public participation techniques. The second step is to link the techniques in an integrated plan. Next, plan the implementation of individual public participation techniques and activities. Finally, develop performance objectives for each technique or the overall participation program.

Stage 4: Evaluation. The final stage is evaluation of the public participation program. **The historic and current trends of citizen involvement are difficult to measure because of the lack of evaluation criteria.** Without clear performance measures and the rigorous reporting of measures over time, it is very difficult to decipher the trends or measure successful citizen involvement in planning. In this stage the planning team can develop performance

measures based on the goal and performance objectives in order to evaluate the public participation program and improve performance over time.

Include the public in defining and envisioning successful participation and forming indicators or measures of success that hold planners, public officials, and the public responsible for their respective roles in community planning. There are a variety of ways to evaluate a public participation program and a plethora of criteria to measure success. Some best practices criteria for evaluation of public participation are identified.

Going beyond the public meeting and hearing will require altruistic local governing bodies as the acknowledgment for a job well done will not be given to them. Their sacrifices will be for future elected officials as the major outcome of public trust will not develop in the short-term, but the long-term, optimistically perhaps 10 - 20 years. This is because the pattern is clear in local governments, especially for Josephine County, Oregon which has a history of rejecting tax measures as reflected by its last 10 failed levies for funding public safety services (Josephine County Budget, 2016-2017).

Table Appx A1-1. Failed Levies for Funding Public Safety Services

- 1998: Three-year jail operating levy (98 cents). Failed 53-47 percent.
- 2000: Three-year health and safety levy (\$1.76). Failed 61-39 percent.
- 2004: Four-year jail operating levy (34 cents). Failed 59-36 percent.
- 2007: Three-year criminal justice levy (\$2.49). Failed 62-38 percent.
- 2008: Taxing district to fund jail operations (99 cents). Failed 60-40 percent.
- 2008: Taxing district to fund rural patrols (\$1.09). Failed 66-34 percent.
- 2012: Four-year criminal justice system levy (\$1.99). Failed 57-43 percent.
- 2013: Three-year criminal justice system levy (\$1.48). Failed 51-49 percent.
- 2014: Five-year jail and juvenile system levy (\$1.19). Failed 53-47 percent.
- 2015: Five-year levy to fund criminal justice (\$1.40). Failed 54-46 percent.

I. LOCAL GOVERNMENT POLICY (Appendix E)

- Municipal Research & Services Center (MRSC) of Washington. February 1999. *Local Government Policy-Making Process*. State of Washington, Report No. 45. Seattle, WA. (MRSC 1999).

Local policy-making, including financial policy-making, is complex, demanding the very best of local officials. It is worth the effort. The destiny of your community – the fulfillment of its dreams and aspirations – flow out of the exercise of policy-making (MRSC 1999, p. preface).

The policy-making process weighs and balances public values. Often there is no “right” choice or correct technical answer to the question at hand. That is why policy-making can be an adversarial process, characterized by the clash of competing and conflicting interests and viewpoints rather than an impartial, disinterested or “objective” search for “correct” solutions for policy problems. Because of these value clashes, the policy-making process can get emotional. However, it does not have to be rancorous. If you are a local official, you will be more effective and productive over the long-term if you respect the viewpoints of others – whether you agree with their position or not. Take time to understand your roles and responsibilities (MRSC 1999, p. preface).

Policy-making is often undervalued and misunderstood, yet it is the central role of the city, town, and county legislative bodies. The policies created by our local governments affect everyone in the community in some way. **Public financial policy determines what services will be provided to the residents and the level of those services** (emphasis added), what kinds of development will occur in the community, and it determines what the community’s future will be. Policies are created to guide decisionmaking. Elected council members of cities, towns, and counties have public policy-making responsibilities. County commissioners also set policy, but have an executive role of administering policy as well (MRSC 1999, p. 1).

Local policy-making is complex. It demands the very best of local officials. The public policy-making process is highly decentralized. Policy initiation, formulation, adoption, and implementation involve many interests. This process has been characterized as tending to be “fluid, incremental, confused, often disorderly and even incoherent.” And yet, from this, the destiny of a community – the fulfillment of its dreams and aspirations – flow out of the exercise of the policy-making process (MRSC 1999, p. 1).

II. CITIZEN PARTICIPATION IN BUDGETING LITERATURE

A. Engage All Community Members In Policy Making

- Peterson Nicole. December 2012. *Public Participation In Community And Regional Planning*. Masters of Community and Regional Planning Exit, Project Document. Planning, Public Policy and Management Department, University of Oregon. Eugene, OR. (Peterson 2012)

“Community planning is a process that seeks to engage all members of a community to create more prosperous, convenient, equitable, healthy and attractive places for present and future generations.” (American Planning Association, 2012, p. 13)

The community planning definition unearths the central purpose of the planning profession which is to engage all community members in planning for a community’s present and future health and prosperity. A general research question with sub-questions is in response to this charge (Peterson 2012, p. 3).

- How can planners improve public participation in planning?
 - Why is public engagement in planning important?
 - What are the barriers to planning with the public?
 - What kinds of practices are used to engage the public in planning?

B. Ladder of Citizen Participation

The American civil rights movement of the 1960s and 1970s brought citizen involvement to the forefront of planning and politics. The combination of political scandals (e.g. assassinations, Vietnam, Watergate), environmental degradation and the sweeping urban renewal of the early 1900's sparked citizen engagement in this period. Diane Day writes, "*Significant interest [in citizen participation] began in the 1960s and 1970s as North America was in the midst of what appeared to be a counter cultural revolution.*" (Day 1997 p. 421) The 'counter cultural revolution' as Day calls it is a **symbol of the unrest and distrust in government that led to citizens exercising their rights to engage in planning and democracy in America** (emphasis added). It is during this era that Sherry Arnstein introduced the *Ladder of Citizen Participation* (1969) that is still used widely in planning academia (Figure Appx A1). The ladder has eight rungs each of which represent a gradation of citizen involvement from nonparticipation (manipulation) to empowerment (citizen control). (Arnstein, 2007, p. 236) America experienced significant rise in citizen involvement in the 1960s and 1970s during the civil rights movement (Peterson 2012, p. 4).

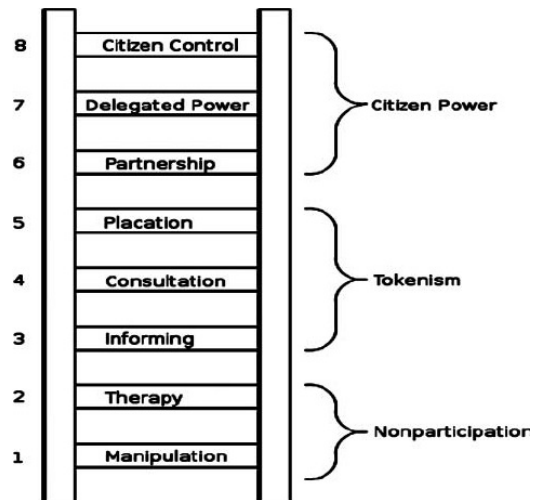


Fig. A1-1. Ladder of Citizen Participation

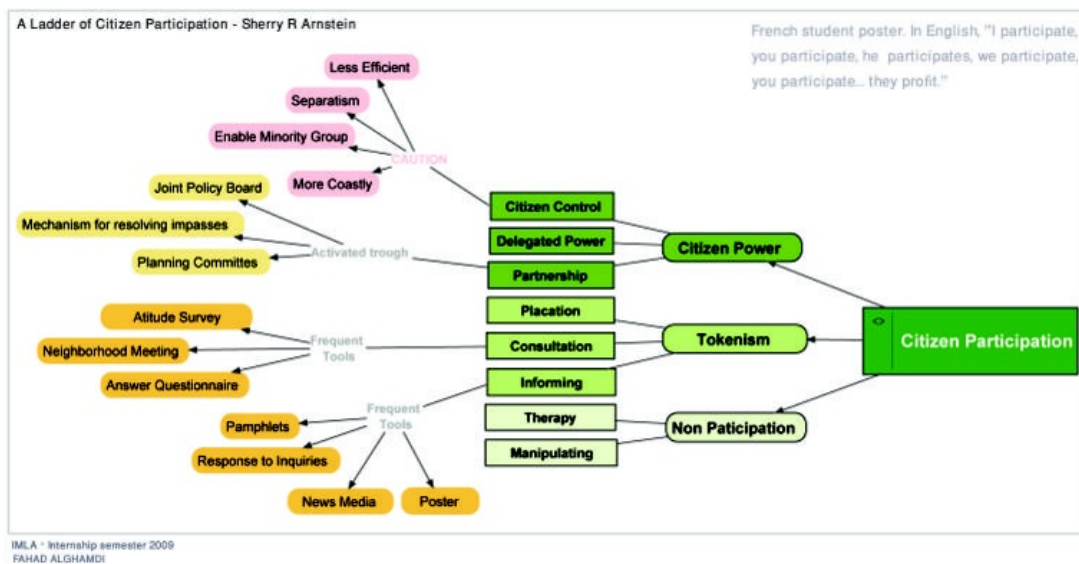


Figure Appx A1-1-2. Ladder of Citizen Participation Examples

C. Literature

1. Obtaining High-Quality, High-Turnout Citizen Input on Local Government Budgets (Appendix G). The basic question underlying the research on public input on budget issues is precisely what constitutes *effective* participation by citizens? The answer to this question depends on who, exactly, is judging the goals and methods for participation. For example, the results of a study of the different stakeholders involved in the area of public participation in budget matters is offered for consideration. The stakeholders identified there were citizens, high-level public administrators, and members of elected boards. The researchers asked each group what it thought “effective participation on local government budgeting” meant. The expectations of each constituency differed.

Elected officials tend to define effective public participation by reflection and a lack of citizen complaints. For staff, this same term means providing information to the public and encouraging them to act as macro-level community advocates, thus making informed citizens a valuable resource to get other members in the community to understand tough, controversial, or pressing decisions made by local officials. Staff members want citizens to be advocates for the organization out in the community as much as they want to hear from citizens what “the community” thinks.

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

2. Public Participation and Organizational Performance: Evidence from State Agencies (Appendix H).

Citizen participation in administrative decision making has been widely advocated by both theorists and practitioners of public administration. Despite the importance of citizen engagement, the lack of systematic data has limited the research on its impact upon public service delivery. Is public input only normatively desirable or it has a real value attached to it? We draw on data from state transportation agencies across the country, collected within the Government Performance Project (GPP) project, to test the relevance of two theoretical perspectives about the effect of citizen participation. According to the first theoretical expectation, there is a trade-off between democratic and administrative decision making. According to the second perspective, citizen input provides policy implementors with information about consequences of governmental actions and thus contributes to more effective public programs. We find strong support for the hypothesis that citizen involvement lead to better policy outcomes. Our results demonstrate that there is no necessary trade-off between the values of democracy and bureaucracy and have clear implications for the theory and practice of democratic governance.

3. Transparency From Third-Party Intermediation (Appendix I). Practical challenges to effective (meaning that at least one of the several desired outcomes is achieved) citizen involvement in budgetary decision making are legion, of course. Many are generic barriers to citizen involvement in public administration, and a few are specific to budgeting. Generic challenges include (a) the “barriers of everyday life” such as time and attention constraints, the demands of job and family, insecurities and discrimination grounded in class and educational backgrounds, and cultures that lack a sense of personal or group efficacy; (b) administrative (and elected) officials’ resistance or indifference; and (c) poor process design and mechanism choices that can undermine even well intentioned efforts by officials to involve citizens. Also generic is the competition among some of the process design criteria, for example openness, representativeness, and the need for participants to be well informed about what choices are feasible and what their implications are.

4. Why Is Josephine County A Crucial Case In Group Engagement Theory? (Appendix J). Why Is Josephine County a Crucial Case? In order to be considered a crucial case, the facts of the case must be central to the confirmation or disconfirmation of a theory. To test this prediction offered by Group Engagement Theory, a crucial case in which citizen perceptions and engagement decisions can be measured is necessary. In order to truly test the theory, a unique enough case must be selected to see if the theory retains validity in the most difficult circumstances. The case of Josephine County provides an example of an instance where both citizen perceptions and engagement decisions can be measured in an atmosphere that would provide for a least likely case.

What this implies for the county is that Josephine County voters will be more likely to view taxation and larger government as inherently unfair. Both the ideology of voters in Josephine County and the demographics of the population suggest that individuals will likely be opposed to the levy on the basis of the levies’ perceived fairness. This will likely skew results towards distributive justice arguments. This would counter the prediction that most individuals make decisions based on procedural justice grounds. Because of these factors, Josephine County can be utilized as a crucial case to test the validity of Group Engagement Theory.

5. Public Involvement And/or Citizen Participation (Appendix K). Several authors hold that citizen participation has various senses that can be classified according to the degree to which citizens are involved in the decision-making process, the direction of information flow between participants or the status of those who have

taken the initiative. An example of a typology based on citizen involvement is the now classic model developed by Arnstein. She proposed a “**ladder of participation**” with eight levels, or rungs, corresponding to increasing degrees of citizens' power in decision making. At the bottom of the ladder are two rungs, Manipulation and Therapy, which Arnstein categorized as Nonparticipation. The middle rungs 3, 4 and 5, identified respectively as Informing, Consultation and Placation, belong to the category of Tokenism. At the top of the ladder, rungs 6, 7 and 8 correspond to Partnership, Delegated Power and Citizen Control respectively and are classified as Citizen Power. The higher up the ladder an instance of citizen participation can be placed, the more citizens can be sure that their opinions will be integrated into decision making and applied in the interest of their community.

Despite all the positive values associated with citizen participation, its implementation raises a number of issues. With cynicism towards leaders on the rise and voter turnout generally declining, the limitations of representative government are coming more clearly into view, some authors have argued. Citizen participation is one avenue in the search for a democratic model that involves ordinary people more closely and, in this sense, approaches something like participatory democracy. Both locally and internationally, the concept has a central and ever-growing role in development agendas, notably in those of the World Bank and the International Monetary Fund; citizen participation is being used as a tool. However, as emphasized by McEwan, **policies constructed around citizen participation can produce ambiguous results** (emphasis added). It is possible, for example, that more radical manifestations of citizen involvement are not accepted as participation. In this way, official practices of citizen participation may lead to new forms of governmentality, to use Foucault's term. Participatory processes may well end up strengthening the position of the vocal few in a society and marginalizing the poorest. In light of this observation, policies promoting citizen participation should not be viewed as a panacea for redressing a democratic deficit. Attention should also be given to forms of political action that exist outside official instances in which citizens can express themselves.

6. Selected Oregon Local Governments’ Budget Processes (Appendix L).

Counties:	Clackamas County, Oregon Clatsop County, Oregon Budget Manual for Local Governments in Multnomah County, Oregon
Cities:	City of Eugene, Oregon’s Budget Committee Budget Manual, City of Portland, Oregon: Fiscal Year 2016-17
Other	Seal Rock Water District

D. Barriers to Public Participation in Budget Planning Process

1. Public Participation In Community And Regional Planning

- Peterson Nicole. December 2012. *Public Participation In Community And Regional Planning*. Masters of Community and Regional Planning Exit, Project Document. Planning, Public Policy and Management Department, University of Oregon. Eugene, OR.

While citizen participation is important in planning, there are some rather large theoretical and practical barriers to implementation. Diane Day writes, “*At the same time that citizen participation in public affairs seems to hold a sacrosanct role in U.S. political culture and sensibilities, the issue of citizen participation in the planning process seems to be problematic*” (Day, 1997, p. 422). Several challenges exist in implementing citizen involvement in planning. Generally the complexity of implementing citizen involvement programs in planning is rooted in our capitalist society that includes individual property ownership, the un-equal distribution of resources, and in most cases laws and social constructs that sustain the power imbalances in society. Given the existing political and planning systems; planners that wish to include all voices in planning and still keep their jobs have a mountain of challenges to overcome.

The following list was developed for readability and organizational purposes with the understanding that the barriers overlap and that other challenges may exist depending on the community and the people involved. It was compiled from selected sources and indicates some obstacles associated with implementing citizen involvement in planning (Peterson 2012, pps 15-24).

- Funding, Scheduling and Resource Constraints
- Occupational Mandates
- Legal Constraints
- Geography and Clashing Jurisdictions
- Avoiding Conflict and Resorting to Weak Plans and Policies
- Technocracy and Value Choices
- Bureaucracy
- Agency or Internal Opposition Due to Perception or Previous Experience
- Lack of Respect for Public Opinion
- Apathy and Blame
- Sharing Power and Levels of Public Involvement
- Levels of Inclusion and Various Participation Techniques
- Unfamiliarity with Democracy Theory and Models of Planning

2. Citizen Participation in Budgeting Theory

- Ebdon, C., and A.L. Franklin, "Citizen Participation in Budgeting Theory," *Public Administration Review* 66:3 (May/June 2006): 437–47.

Many state and local governments are currently struggling with fiscal stress — in some cases, the worst they have experienced in decades. Painful decisions are required regarding spending and service reductions or tax and fee increases. This appears to be an important time for citizens to play a role in helping elected officials determine the best solutions for government and the community (Ebdon & Franklin 2006, p. 437).

In practice, as study after study has suggested, citizen participation in budgetary decision making is typically minimalist and yields few, if any, directly observable results. Are government officials wasting a valuable opportunity to understand and refine the priorities of the community, to educate the public about fiscal priorities and trade-offs, to enhance trust and transparency in government, and to pull together as a community? Or are they acting in a pragmatic fashion, gathering and considering policy preference information using other input mechanisms (Ebdon & Franklin 2006, p. 438)?

Alternatives to gathering input when the budget is being formulated exist, of course. Instead of taking the time and effort to involve citizens during resource allocation decisions, governments can wait until they experience voter distrust and anger, as in the stringent tax-and-spending constraints on state and local governments during the past couple of decades. To win elections, candidates promise that huge budget gaps can be dealt with through greater efficiencies, with no impact on essential services or tax increases; such promises are difficult to keep and inevitably prompt greater citizen disillusionment. Wouldn't it be better to start the discussions earlier — to help citizens understand the realities of the fiscal situation — rather than pretend that miracles can happen in government? Alternatively, do we lack sufficient knowledge about the key elements of citizen participation that lead to "successful" outcomes and, in the absence of good theories, are forced to believe in miracles (Ebdon & Franklin 2006, p. 438)?

Significant gaps exist in our knowledge of participation in the budget process. One significant gap in our knowledge relates to the interaction effects between the different factors. For example, we have some evidence that environmental factors are important, but know little about how those variables relate to the goals and effects of participation or to the design and mechanisms used to elicit participation. We know the most about the relationship between process design and mechanisms, such as the strengths and weaknesses of various mechanisms. Much more is unknown, however, such as the goals or mechanisms used for input into allocation of earmarked funds or capital plans as opposed to operating budgets. The goals of participation might be different in large cities or those with

different forms of government, which could affect the design and mechanisms used (Ebdon & Franklin 2006, p. 442).

A glaring weakness in our theory building is that we have very little empirical knowledge about the goals and outcomes of participation. The literature shows that it can be pursued for both high- as well as lowroad reasons. Unfortunately, it appears that the purpose of participation is seldom explicitly articulated, leading to varying expectations and little means for determining whether the results are acceptable or even exceed the costs of the activity (Ebdon and Franklin 2004). These differing goals can color perceptions of the effectiveness of participatory efforts and affect the determination of whether the outcomes are sufficient to justify them. In addition, most of the literature on budget input has examined cities (Ebdon & Franklin 2006, p. 443).

Participatory structures were adopted to improve upon the one-way flow of information in public hearings on proposed policies. The 'review and comment' methodology – decide on the policy, then introduce it to the public in a public hearing – is a poor educational vehicle for complex topics, not to mention grossly inadequate as a persuasion tool, but is still used extensively (Beierle 1999). However, Rourke (1984, 51-52) describes how intense media attention can derail an agency's well-intended programs: 'Any sudden expansion in the public that takes an interest in its activities may be a threat...for an executive agency... The agency may thus come under a critical scrutiny it had never experienced, and it may soon find itself under strong pressure to change the thrust of its decisions'. Citizen participation in environmental policy formation, therefore, is useful for informing regulators of exactly where volatile public backlash is likely to occur, and for winning the sympathies of a few influential citizens in places where opposition to environmental regulation is strongest (Irvin 2004, p. 6).

Cost. any discussions of the value of public participation leave out a large barrier: cost. At high cost, winning the hearts of the citizens by meeting with them regularly and ultimately gaining their trust and friendship may be the only way that regulators can promote new policies in communities where anti-government sentiment runs high. (Irvin 2004, pps. 6 -8).

Complacency. Much has been written on the topic of public alienation from the public affairs process (e.g., Berman 1997), and the literature usually assumes that if only the right vehicle for empowerment and engagement is offered, citizens will lose their cynicism toward government and actively support democratic processes. However, theorists need to acknowledge that working out policy decisions and implementation details over a protracted series of meetings is an activity most citizens prefer to avoid (Irvin 2004, p. 8).

When attempting to aggregate the citizen-participation literature, a number of common elements deemed critical to structuring budget participation emerge. Three commonly reported elements (independent variables) represent (1) the governmental environment, (2) the design of the process, (3) the mechanisms used to elicit participation. The fourth element (a common dependent variable) represents the goals and outcomes desired from participation in budgetary decision making. There is some evidence that the governmental environment is related to the involvement of citizens in the budgeting process. Four components of the environment are identified in the literature: (1) structure and form of government, (2) political dynamics and culture, (3) legal requirements, and (4) population size and heterogeneity (Ebdon & Franklin 2006, p. 438)

- Environment Of Local Government Budgeting
 1. Structure And Form Of Government
 2. Political Culture
 3. Legal Requirements
 4. Population Size And Density

- Budgeting Process Design
 1. Citizen Participation Timing In Budget Process
 2. Type of Budget Allocation
 3. Budget Process Participants
 4. Budget Process Stages
 5. Sincere Preferences/Willingness To Pay

- Citizen Participation Mechanisms In Budgeting
 1. Public Meetings
 2. Focus Groups
 3. Simulations
 4. Advisory Committees
 5. Surveys
 6. Third-Party Intermediation

- Goals And Outcomes
 1. Identified
 2. Monitored
 3. Evaluated

III. A RANGE OF CITIZEN PARTICIPATION FROM NONPARTICIPATION (MANIPULATION) TO EMPOWERMENT

This assessment considers two papers 10 years apart (2002 & 2012) on citizen participation in the local government budgeting process. They, and many others, find common positions on many aspects of citizen participation in local budget processes.

Legal Budget Requirements Most states impose certain legal budget requirements on local governments (such as public hearings) that may either enhance or constrain participation.

Reduce the Level of Citizen Distrust in Government Citizen participation is seen as a way to reduce the level of citizen distrust in government, and to educate people about government activities. The goal is for citizens to have an active role in decisions and not just be passive “consumers” of government services.

Citizen Participation Process Mostly Occurs Linearly Almost universally, the input process is portrayed as occurring linearly and in reference to a single budget cycle rather than as an ongoing two-way dialogue between citizens and local government.

Timing is important because input that is received late in the process is less likely to have an effect on outcomes (Callahan 2002; Franklin and Ebdon 2004; Johnson 1998; Kathlene and Martin 1991; King, Feltey, and Susel 1998; Preisser 1997; Thomas 1995). This would suggest that budget input is more beneficial during the preparation stage (i.e., developing proposed budget starting with identification of financial policies by the governing body) rather than the budget-adoption phase. There are examples of budget input occurring early in the process (Johnson 1998; Roberts 1997; Simonsen and Robbins 2000), but other studies have found participation used more frequently at the end of the process (Ebdon 2000a, 2002; Ebdon and Franklin 2004; Ebdon & Franklin 2006, p. 439).

Citizens view effective participation through a different lens. Overall, they believe an effective participation system should include two-way communication between all three stakeholder groups (i.e., elected officials, staff, and citizens), more opportunity to be heard earlier in the process (not in late May at the budget public hearing), and involvement in honest dialogue with staff and elected officials regarding the budget and the citizens’ role in the process” (Berner, Amos, and Morse 2011, 158–59; Ebdon 2002).

Public Meetings/Hearings Extensive use of public hearings and budget summary documents is found in the budget practices across various types of local governments. Public meetings are open to all, but turnout is often low and attendees might not be representative of the community. In general, researchers have concluded that participation is most beneficial when it occurs early in the process so that it can actually affect decisions, when it is two-way deliberative communication rather than simply one-way information sharing (Kathlene & Martin, 1991; King, Feltey & Susel, 1998), and when the mechanisms are designed around the purpose for participation (Thomas, 1995; Ebdon 2002, p. 275). There is great variation in the participatory opportunities that cities have devised for getting input during the budget process.

Why is participation apparently not uniform in the budget process (aside from the public hearing at the end of the exercise)?

Public meetings are not very good at giving citizens direct influence, but they can be used as forums for preliminary information sharing (Adams 2004; Kweit and Kweit 1981). Public budget meetings are common; at least one open public hearing is required in most governments before budget adoption. As noted earlier, the timing of these hearings is often a constraint. Attendance is generally low unless a “hot issue” is involved, such as proposed tax increases or service reductions (Ebdon 2002). In addition, attendees may not be representative, and they may have little knowledge of the budget as a whole (Thomas 1995). However, public meetings can be useful. One school superintendent used a four-month, community-wide process involving more than 2,000 citizens to successfully determine how to make substantial budget reductions; the superintendent’s recommendations, based on this input, were adopted unanimously by the board of education (Roberts 1997; Ebdon & Franklin 2006, p. 440).

A. *Views from the Field: Creating a Place for Authentic Citizen Participation in Budgeting*

- Orosz, Janet Foley. 2002. Views from the Field: Creating a Place for Authentic Citizen Participation in Budgeting. *Journal of Public Budgeting, Accounting and Financial Management* 14(3): 423-44.

Abstract. Citizen participation in budgeting is often achieved by compliance with legal statutes on public hearing requirements. These pragmatic and legalistically-based approaches to citizen participation are examined, and the potential for creating participation that realizes more than meeting legal requirements is discussed. The author suggests that recommendations from recent work on citizen participation and governance can be used as standards for evaluating and improving citizen participation in budgeting, and applies these suggestions to a case example in city government finance.

1. Introduction (pps. 423-426) In a recent paper on public budgeteers’ attitudes and roles toward citizen participation, Miller and Evers (2000) extend to citizen participation in budgeting John Galsworthy’s observation that “**Idealism increases in direct proportion to one’s distance to the problem.**” They suggest that only those who are not engaged in budgeting advocate citizen participation in budget decisions. This may mean that citizen participation in budgeting is nice in theory but it doesn’t work or isn’t tried in practice; or that in order for a pie-in-the-sky idealism to make it in the real world, it needs to be located in the “realism” of the public budgeteer’s daily work experience (Hummel, 1991).

Example. A quick look at one budget official’s administrative reality provides an example of the **gap between advocated and actual citizen participation opportunities in budgeting, even when the intention of the budget official is merely to meet the minimum level of citizen participation** — complying with legal requirements for citizen review of the agency budget.

The budget officer’s administrative reality, with its statutory basis, illuminates how the processes for getting public input into general and special purpose government agency budgets can be driven by shortened time frames, legal requirements, the necessity of a “clean audit,” and a culture that supports this emphasis. **In this example public input is, at best, restricted to responding to a prepared budget, without any interest on the part of staff in making changes to the completed budget document prepared by technically proficient budget professionals.** Although the public would be invited to a meeting at the end of the calendar year when the Board adopted a final budget, timing pressures for budget adoption would again disallow meaningful citizen input. Citizen participation was based on nothing more than meeting minimal legal requirements--producing token, “faux”³ or inauthentic participation.

What is the Budget Officer’s Administrative Reality? Prepare for last minute release of revenue estimates by County Auditor to meet legal deadlines for notification (so as not to incur an audit finding for procedural non-compliance).

2. Expert-focused Approaches to Citizen Input in Public Budgeting (pps. 426-428) The expectation that budget professionals will provide citizen-friendly budget summaries and documents has grown along with the advances in budget reporting systems and last decade’s graphical computer software technology taking place. **Preparation of better, friendlier budget materials is a technical solution narrative that requires only that budget officers**

operate by meeting legal requirements for citizen participation or from the citizen-as-consumer model so prevalent in the era of reinventing government. Directly and indirectly, the need for budget presentation skills relates to citizens' roles as voters in approving or denying tax levies for public services. Indirectly, clear and simplified budget presentations can contribute to citizens' developing confidence in the fiscal and overall management capacities of the governmental entity. In this narrative, budget presentations contribute to the development of an image of overall technical competence. Citizens need not participate because the situation is in the hands of competent, politically-savvy administrators and technical experts. The main problem with this narrative is that citizens are reported to hold government and its employees in negative regard, and are increasingly alienated from government (King, Stivers & Collaborators, 1998).

Deliberately or not, public administrators draw upon assorted control strategies to keep citizens away from policy and budget decision processes. According to King and Stivers (1998) **these procedures include limiting citizen input until a time when it is meaningless or an unessential part of the policy process; using routine procedures for getting citizen input, such as relying solely on traditional public hearings and notices; defining problems and issues before asking citizens what they think, thus constraining possible ways of understanding the situation and possible solutions;** convening "advisory" committees whose advice is then ignored; holding meetings when most people are working, or in inconvenient locations; not providing child care for meetings; and **failing to facilitate conversation at meetings, thus letting the proceedings turn into a series of monologues.** They conclude that most citizen participation efforts, when and if they are made, are administrator-driven.

This tight control is especially apparent in the budget process. Typically, as in the example at the beginning of this chapter, **budgets are developed internally by the executive branch and are presented to the public as a finished product, or one that can be manipulated only marginally and indirectly and after key issues have been defined.** In accord with the emphasis of the political reform movement on business methods, professional, technical expertise and **efficiency were given more value than democracy in the budgetary profession.** Many of the budget reforms (zerobased budgeting, program planning budgeting systems, for example) were based in designing a better technical system by which budgeteers could report to elected officials. Too much and too-loud participation creates delays and inefficiencies and threatens the positions of incumbent politicians and administrators. **Technical expertise is valued over the hands on, lived experience of community residents** (Zanetti, 1998).

Partly as a response to citizen alienation from government, public administration theory is again cycling towards valuing participation--this time labeled "authentic" participation by King, Feltey, and Susel (1998).

Authentic participation shifts public administrators and citizens from viewing citizens-as-consumers-of-services to viewing citizens-as-community-members. Managers have discovered that working collaboratively with citizens can lead to a different and better allocation of resources (Gray & Chapin, 1998). Applied to budgeting, operating from a value structure that places equal importance on citizens' views allows administrative experts to step away from the confines and limitations of budgeting as a technical product of accounting and taxes to hear the values of the community and include or base the budget on these values. Essentially this produces local budget narratives and choices detailed to each local context.

From a citizen participation perspective, a change from a belief that public budgets are privileged internal documents and considered too technical for citizens to understand, to a view of budgets as a tool for community involvement involves a major or critical rethinking of underlying assumptions from which financial officers (budgeteers) perform their jobs.

3. Furthering a Participatory Narrative in Public Budgeting and Finance (pps. 428-430)
Zanetti (1998, p. 113) continues with an action prescription for the transformative administrator:

"Critically enlightened and sympathetic administrators can play a crucial role by providing the administrative access necessary to bring about change based on experience as well as expertise. They can act as interpreters and facilitators, but they can also act as transformative agents by educating citizens about how to articulate concerns, voice needs, and implement community-developed strategies for change."

However they are labeled, these prescriptive roles have in common localized settings in which responsible administrators work directly with citizens as partners, valuing the infusion of experience, and leveling administrative expertise and political power with citizens' experiences to achieve collaborative, ethical decisions and actions.

4. Removing Structural Barriers to Participation: New Approaches (pps. 430-439) While many of the traditional budget participation approaches are consumed under King and Stivers' (1998) list of administrative procedures that prevent authentic citizen participation, some cities are making strides toward authentic participation in budgeting. **Initiatives in Eugene, Oregon in the past decade have enlisted citizen input in making decisions relating to desired funding levels for programs, and considerable effort has been placed in developing appropriate mechanisms and information requirements that enable citizen preferences to be expressed. The greatest departure of the Eugene effort from traditional participation procedures is the assumption on which the effort is based: average citizens are capable of understanding the operations and issues surrounding government finance** (Weeks, Robinette & Boles, 1993). The Eugene citizen participation in finance initiatives are now extensively documented (Simonsen, Johnston & Barnett, 1996; Simonsen & Robbins, 2000a, 2000b). For the most part, though, the Eugene efforts remain based in the citizens-as-consumers model of budget participation.

5. Guideline Criteria for Designing Participation Processes (pps. 431-436) In making their arguments for authentic participation in government, King and Stivers (1998) suggest guidelines that administrators may find useful in designing participation processes. These guidelines can be adapted for use in the public budgeting and finance area.

- Criteria 1: Citizen views are expressed early enough in the process that option-defining and impactful participation is possible.
- Criteria 2: Develop a participation-format that is listening-based. Participation opportunities should be convenient and citizen-friendly.
- Criteria 3: Obtain input from citizens who are not part of an attentive public or pre-selected participants.
- Criteria 4: Citizen views and priorities must be valued and integrated into ongoing budget decisions and planning.

6. The Present and Future of Citizen Participation in Public Budgeting and Finance These locally-based examples illustrate both the potential for authentic participation in public budgeting and finance, as well as the limited progress that has been made. Public budgeting and finance processes presently operate as closed systems, inaccessible to citizens for participation in anything but a cursory manner. Making progress in the direction of authentic participation requires moving from a view of participation as a legal requirement to participation as a means of community-building and citizenship. Although there are many experiences in public budgeting that demonstrate why authentic participation is difficult to achieve, the examples of authentic participation in budget concerns provided throughout this symposium demonstrate that this need not be the case in the future.

B. Public Participation In Community And Regional Planning

- Peterson Nicole. December 2012. *Public Participation In Community And Regional Planning*. Masters of Community and Regional Planning Exit, Project Document. Planning, Public Policy and Management Department, University of Oregon. Eugene, OR.

1. Oregon Context

a) Introduction Oregon is not unlike the nation in the trends of citizen involvement in planning throughout the twentieth century. Like the whole US, Oregon experienced an up tide in citizen involvement in the late 1960s and early 1970s. Mitch Rohse writes that during this period "*concerns over growth, the environment, and the costs of public services*" sparked an intense interest in Oregon planning. (Rohse, 1987, p. 3) During this era the state adopted its land use planning program with citizen involvement as the number one goal (Peterson 2012, p. 6).

There is an array of terms associated with the topic of public participation in planning. There are several terms that are similar to 'public participation' including: citizen involvement, citizen engagement, citizen participation, public involvement and public engagement. All the terms have varying definitions in the literature however they have the

basic premise of the definition above which is “*participation in planning by people who are not professional planners or government officials.*” All of the terms are synonymously used in this report with a general definition for all the terms to mean participation in planning by people who are not professional planners or government officials (Peterson 2012, p. 6).

b) Key Public Involvement Factors A few of Peterson’s key public involvement factors, in *Public Participation In Community And Regional Planning*, are used to help understand the value of public involvement in the budget processes of local Oregon governments.

(1) Maintain Legitimacy and Build Trust Public participation can maintain legitimacy in decisions and build trust between the government and community members. By including the public in decisions the organization or agency instills transparency in decision making and in turn gains trust and credibility from the public. The extent or quality of the participation will develop varying levels of trust however remaining transparent in decision making will increase legitimacy and credibility. James Creighton writes, “*The way to achieve and maintain legitimacy is to follow a decision-making process that is visible and credible with the public and involves the public*” (Creighton, 2005, pp. 19, 243). Citizen involvement is important in gaining public trust and achieving a credible, legitimate right to make decisions (Peterson 2012, p. 9).

(2) Produce Long-Term Support Incorporating citizens in decision making can produce long-term support for public projects. James Creighton writes, “*Participating in a decision gives people a sense of ownership for that decision, and once that decision has been made, they want to see it work. Not only is there political support for implementation, but groups and individuals may even enthusiastically assist in the effort*” (Creighton, 2005, p. 19). If community members are included in the decision making process they are more likely to support the carrying out of the plan or project. Diane Day writes, “*Collective decisions are more easily accepted by the individual, and a sense of belonging in the community will be fostered*” (Day, 1997, p. 425). Community members can be respected allies for the [financial] planner in implementing public projects that span a greater time period than elected officials hold terms (Faga, 2010, p. 235). Effective public participation can gain long-term advocacy and ease or improve the implementation of public projects or plans (Peterson 2012, p. 9).

(3) Public Value Choices Planning is in large part about prioritizing community values and making value choices for society. To do this without the public comment is illegitimate and corrupt. Examples of conflicting values that require prioritizing are economic growth vs. preserving natural environmental features and allocating resources to vehicle infrastructure vs. mass-transit or bicycle infrastructure. Although these conflicting values may not be evident in day-to-day planning duties they are in fact real (Peterson 2012, p. 9).

Public participation is essential to planning in order to prioritize community values and make value choices. Furthermore, [financial] planners with the public must consider the weight of one value over another and the corresponding consequences of the value choices. James Creighton writes, “*Experts cannot make decisions without assigning a weight or priority to competing values that society believes are good*” (Creighton, 2005, p. 15). Including the public in planning avoids elitism and facilitates a more accurate view of the community values (Levy, 2011, p. 95) (Peterson 2012, p. 9).

(4) Inform the Public and Facilitate Quality Public Opinion Public participation in planning can inform the public about community issues and facilitate quality public opinion. Interpreting technical information to the public, such as statistics or zoning ordinances is an important part of planning. Any public participation in [financial] planning will require sharing information. However, there are varying degrees of information sharing and depending on the complexity of the issue more in-depth information is required to gain thoughtful, quality opinions from the public and allow citizens to reach a decision on planning issues (Peterson 2012, p. 10).

Daniel Yankelovich defines quality public opinion with three conditions including an individual’s ability to take responsibility for the consequences of their opinions, firmness of opinion (i.e. ability to coherently express an opinion), and consistency of opinion (i.e. opinion does not contradict other expressed opinions) (Yankelovich, 1991, p. 38). One goal of public participation is receiving meaningful feedback from the public and having those opinions be informed and valuable. Ultimately, all decision makers and contributors around the issue strive for quality opinion. Yankelovich describes the **barriers to achieving quality public opinion as: lack of awareness, lack of**

information explaining the consequences of specific policy choices, lack of time to research the issue, failing to resolve internal conflicts of values on complex issues, volatility or changing opinion when asked a question at different times or with different words, and compartmentalized thinking that leads to self-contradiction in opinions (emphasis added) (Yankelovich, 1991, pp. 29-31). Planners and public officials can overcome some of the barriers to quality opinion by raising awareness, explaining consequences of alternatives, and providing clear, concise information. Public participation can facilitate quality public opinion and citizen efficacy (Peterson 2012, p. 10).

(5) Respond to Complex Problems and Resolve Conflicts Collaboration and consensus methods of citizen participation can respond to complex problems. Community dialogs, consensus building or collaboratives are at the high end or optimal side of the variable spectrum of public participation techniques. These techniques require dialog and deliberation between the public and decision makers or delegate the power to make decisions to the public. Collaborative methods require more time and resources; however the more time and resources that are put in to a public participation program, the better the outcomes will most likely be (Peterson 2012, p. 12).

Edward Weeks reported that large-scale citizen involvement is possible and can result in agreements that resolve complex community issues (Weeks 2000). Weeks described a model of deliberative democracy; applied the community dialog model; and reviewed the model with case studies. Four criteria of deliberative democracy were posited and tested (Peterson 2012, p. 12).

- 1) Broad, representative participation beyond traditional formal avenues such as public hearings or advisory boards,
- 2) Informed public judgment meaning that information provided to the citizen participation compares to that which is ordinarily available to the city council,
- 3) Deliberative participation and opportunities for deliberation in that workshops and surveys are designed to put the policy problem into the hands of the citizen, and
- 4) Credible results from the use of strong methods such as multiple data collection methods.

The case studies included: **Eugene, OR who tackled their city budget** (emphasis added) and growth management; Fort Collins, CO, addressed the broad topic of community future and managing growth and **Sacramento, CA utilized the process to respond to their statute requirement for budgetary public comment** (emphasis added). Each of the case studies generally met the four criteria of large-scale public processes of deliberative community dialog and therefore give promise to the practice of deliberative democracy. Weeks wrote, "*It is possible to convene a large-scale public deliberative process that enables local governments to take effective action on previously intractable issues*" (Weeks 2000, p. 360). The conclusion of the research and implementation of the community dialog model is that large-scale citizen involvement is possible and can resolve complex community issues (Peterson 2012, p. 13).

(6) Build Social Capital and an Ethic of Mutual Aid Robert Putnam posits a theory that citizen engagement is an indicator of a community's social capital. Furthermore, the greater the level of social capital that a community possesses results in increased quality of governance and overall success of the community. Putnam defines social capital as, "*Features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit*" (Putnam, 2007, p. 122). Engaging the public in community planning is an opportunity to facilitate social capital between neighbors and between the public and government officials. Judith Layzer writes, "*Collaboratives and other participation-intensive problem-solving efforts do appear to increase human and social capital, as well as the level of stakeholder agreement*" (Layzer, 2008, pp. 2-3). Public participation in planning offers opportunities to build social capital which improves the community as a whole (Peterson 2012, p. 14)

2. Models of Planning (Traditional Vs. Collaborative) This research compared ideas about the traditional theory of planning with a collaborative model of planning (Innes, 2010, p. 202). Innes illustrates the difference between the current (traditional) system and introduces a collaborative model that is more welcoming to citizen involvement in planning. Collaborative governance is rooted in the theories that emerged in the 1970s of open-systems planning. Even though collaborative theories have been around for more than 40 years, the majority of governments still use traditional models of planning (Peterson 2012, p. 24).

The collaborative governance model draws attention to the difference in the ‘public participation objective’ between traditional and collaborative models. The objective of traditional models is, “*Legal conformity, inform and educate, gain support of public for agency policies.*” Whereas the collaborative model aims to, “*create conditions for social learning and problem-solving capacity.*” (Innes, 2010, p. 202). The different objectives frame the barrier of the traditional model to involving citizens in quality dialogs, sharing responsibility and sharing power with citizens in making planning decisions (Peterson 2012, p. 24).

3. Oregon Planner Survey for *Public Participation in Community and Regional Planning: 2012*

a) Background The survey research object was to understand the fundamentals of public participation in community and regional planning. Over 60 public participation techniques for implementation of citizen involvement in planning were reviewed and compared. The survey to Oregon planners was meant to discover which public participation techniques were being used in Oregon, and how [financial] planners felt about the effectiveness of the practices, and finally **what were the key lessons that planners gathered from their experience with public involvement in planning** (Peterson 2012, p. 31).

b) Key Lessons Five lesson themes were extracted from the open-ended questions in the survey (Peterson 2012, p. 38).

1. Broad participation and equity in recruitment.
2. Equity in sharing opinions.
3. Inform the public with clear, unbiased information.
4. Public influence on the decision.
5. Utilize an array of public participation techniques.

(1) Broad Participation and Equity in Recruitment Respondents shared comments regarding the importance of engaging the entire affected community. Such as the cultural obstacles that are barriers to public involvement by minority communities. And that it is difficult to obtain a representative sample of a community with regard to demographic diversity (i.e. age, race, sex, income, etc.). Concerns were stated about advisory committee representation; both the equity in selecting members and the responsibilities of the committee members to their constituency instead of acting on personal goals. Responses suggested that outreach efforts ought to engage people other than the ‘usual suspects.’ The responses revealed that gaining broad participation and reaching all affected community members is an issue that requires attention (Peterson 2012, p. 38).

(2) Equity in Sharing Opinions Responses revealed several concerns regarding the individual participant equality in public engagement efforts in planning. One survey participant wrote, “*It is always difficult to keep a vocal minority from dominating the conversation.*” (Survey, 2012) Equity within public meetings was a prevalent concern regarding the weight of opinions in public forums. The issues are to make sure everyone has an opportunity to be heard and that everyone feels comfortable sharing thoughts and opinions without being attacked. Concerns were raised that certain individuals dominate the public forum for different reasons including that they are personally vocal and boisterous or particularly keen because they are paid professionals representing well-funded interest groups. Respondents urged that public engagement efforts ought to encourage open communication, active listening and an atmosphere where everyone feels comfortable to share their opinions (Peterson 2012, p. 38).

(3) Inform the Public with Clear, Unbiased Information The concerns regarding information can be categorized in three types including other languages, technical jargon and informed decisions. Concerns were raised about translating planning information from English into other languages to promote equity in public participation. Other comments encouraged the translation of technical concepts and legal jargon into understandable terms and comprehensible issues that promote honest education and public efficacy. The third concept is a combination of the first two with the additional issue of citizen empowerment in decision making. Respondents commented that citizens need clear, detailed, unbiased information with which to reach informed decisions on community issues. One survey respondent wrote, “*It is my belief that too often citizens are not presented with detailed, real information upon which to make decisions.*” The survey participants stressed the importance of clear, unbiased information in public participation in planning (Peterson 2012, p. 38).

(4) Public Influence on the Decision Survey participants stressed the importance of empowering the public and allowing the public opinions to influence community decision making. Respondents referenced both Arstein's Ladder of Participation. Responses stated the importance of listening to the public concerns and incorporating the opinions of the public in the community plans. One survey participant wrote, "*People need to be involved from the very beginning and have a genuine say in the design and implementation of the project for 'participation' to be meaningful.*" (Survey, 2012). Another participant shared concerns about placating the public versus empowering citizens in the decision making process. Along the same lines as influence, survey responses urged the importance of recording public opinions and providing feedback to the public regarding how their opinions were incorporated in the decision making. Responses revealed respect for public views and support for allowing the public opinions to influence planning decisions (Peterson 2012, pps. 38-39).

(5) Utilize an Array of Public Participation Techniques An overwhelming number of respondents stated that agencies ought to utilize an array of public participation techniques. This may be because the survey was focused on a comparison of public participation techniques. However participants definitely supported the facilitation of adequate and broad opportunities for citizen involvement. One survey participant wrote, "*In a time of decreasing revenues, the investment in genuine and thoughtful governance, and the involvement of citizens in making the decisions which will impact our lives and our future, are more critical than ever. To not do so, to continue with old ways -- open house, council session feedback, etc. -- is short sighted. Oregon is poorer for it.*" (Survey, 2012). Participants mentioned using new techniques including technology such as the internet and GIS. Other comments stressed that planners ought to go to the public and experiment with different locations and times instead of uniform, traditional practices such as public hearings or open houses. The survey revealed awesome support for using a variety of public participation techniques to engage the public in planning (Peterson 2012, p. 39).

4. Recommendations The planning profession was borne from citizen activism at the end of the nineteenth century yet today less than 20% of Americans say they have been engaged in planning (American Planning Association, 2012, p. 3). Planning professionals with public policy have institutionalized the practice of public hearings to involve the public in planning. However public hearings and other commonly used efforts such as public meetings and open houses are viewed as mediocre or average in their effectiveness to include the public. So what can the ethical planner do to improve public involvement in community and regional planning? The recommendation to planners is to "**adopt a different process that moves public participation to the forefront of planning instead of an afterthought**" and that responds to the charge in the American Planning Association's definition of community planning (Peterson 2012, p. 40).

"Community planning is a process that seeks to engage all members of a community to create more prosperous, convenient, equitable, healthy and attractive places for present and future generations." (American Planning Association, 2012, p. 13)

a) Importance of Public Participation in Planning Public participation is the core of the planning field and is important for a variety of reasons. The keys to implementing public participation in planning include understanding the barriers to implementing public participation programs, and overcoming them by focusing on the importance of including the public in planning, and "**ultimately changing the planning process to include the public**". The following list is a reminder of the importance of public participation in planning (Peterson 2012, p. 40).

- Public participation is a national ethical standard for professional planners.
- Public involvement is the cornerstone of democracy and as such it is an essential part of American culture.
- Including the public helps planners understand the social context of a community or region.
- Citizen participation improves public projects and the quality of decisions through knowledge sharing.
- Including the public in making value choices for the community is vital.
- Governments and agencies can maintain and improve legitimacy in decisions and build trust between the government and community members.
- Including the public can produce long-term citizen support for public projects.
- Early public participation can prevent delays, fees, and frustration.
- Adopting a public participation program can inform the public about community issues and facilitate quality public opinion.
- Including the public in planning can enhance citizenship and participation.

- Comprehensive public participation programs balance individual and community needs.
- Governments and agencies can respond to complex problems and resolve community conflicts through collaboration and consensus.
- Public participation in planning builds social capital and an ethic of mutual aid.

b) Public Participation Planning Process The authors tailored Peterson’s “Public Participation Planning Process” (P⁴) to the Oregon Local Budget Law framework for a local government’s budget process. They did not have to do much as a budget process is a subset of a planning process. The types of clarifications they used follow.

1. Planning process changed to local budget process.
2. Planning decision changed to financial policy decisions.
3. Planner, Practitioner(s), Government Agency, Decision-Makers, Professional Planners, and “Your” changed to local governing body and/or local budget committee.

Peterson developed a public participation planning process (Figure Appx A1-3-1. Pubic Participation Planning Process; Peterson 2012, pps. 40-41) to visualize and improve the implementation of public involvement in planning. This process is grounded in the important factors of public participation and in response to the barriers described in this report. The process figure below helps frame this research in the context of an overall process to implement citizen involvement in planning (Figure Appx A1-3-1. Pubic Participation Planning Process) Peterson’s P⁴ was based on James Creighton’s Stages of Public Participation Planning that introduced the top three general phases including decision analysis, process planning, and implementation planning (Creighton, 2005, p. 28). Creighton’s original figure was altered to include the following.

1. A reference to the International Association of Public Participation (IAP2) spectrum,
2. A reference to Patton and Sawicki’s Policy Analysis Process (See Figure 9), and
3. An evaluation phase.

Peterson’s P⁴ process has four stages. They are further described (Figure Appx A1-4. Pubic Participation Planning Process) (Peterson 2012, pps. 40-41).

1. Public Participation Analysis
2. Process Planning
3. Technique Implementation
4. Evaluation

(1) Stage 1: Public Participation Analysis (Peterson 2012, p. 42) The first stage in implementing public participation in planning is public participation analysis. Analysis includes clarification of the financial policy decisions, and choosing the level of inclusion by referencing the Public Participation Spectrum created by the International Association of Public Participation (IAP2). The three steps in the public participation analysis stage include the following.

Step 1. Clarify the community or regional planning decision being made

Step 2. Choose the level of involvement and identify the goal of the program (Figure Appx A1-3-1)

- Inform.
- Consult.
- Involve.
- Collaborate.
- Empower.

Public participation goals

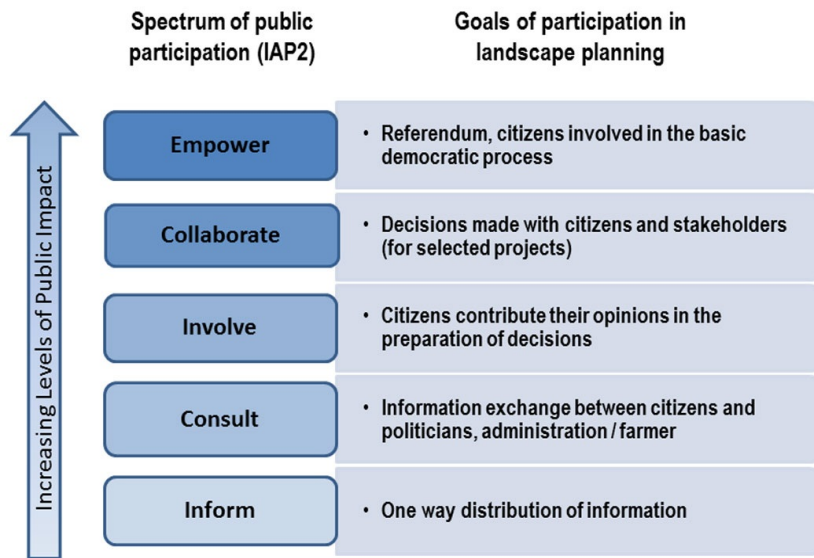


Figure Appx A1-3-1. Public Participation Spectrum: Goals

Step 3. Identify how the public opinions will be used in decision making and the local governing body's promise to the public (Figure Appx A1-3-2)

In clarifying the financial policy decisions being made (i.e., develop annual county budget) some important questions ought to be addressed regarding the level of inclusion of the participation program. The Oregon Citizen Involvement Advisory Committee (CIAC) recommended the following questions. If the answer is 'yes' to most of the following questions then the CIAC recommends that jurisdictions adopt a more comprehensive public participation plan.

The five questions are as follows:

1. *Will the proposed planning action affect a large land area?*
2. *Will it affect many people?*
3. *Will it involve new issues not addressed by and existing plan or not familiar to the public?*
4. *Will it establish important new policies or precedents?*
5. *Will it involve issues that are likely to be controversial?*

(CIAC), May 2008, p. 29)

IAP2 PUBLIC PARTICIPATION SPECTRUM

INCREASING LEVEL OF PUBLIC IMPACT				
INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Public Participation Goal:	Public Participation Goal:	Public Participation Goal:	Public Participation Goal:	Public Participation Goal:
To provide the public with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision, including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
Promise to the Public:	Promise to the Public:	Promise to the Public:	Promise to the Public:	Promise to the Public:
We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.
Example Tools:	Example Tools:	Example Tools:	Example Tools:	Example Tools:
<ul style="list-style-type: none"> • fact sheets • web sites • open houses. 	<ul style="list-style-type: none"> • public comment • focus groups • surveys • public meetings. 	<ul style="list-style-type: none"> • workshops • deliberate polling. 	<ul style="list-style-type: none"> • citizen advisory committees • consensus-building • participatory decision-making. 	<ul style="list-style-type: none"> • citizen juries • ballots • delegated decisions.

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Figure Appx A1-3-2. Public Participation Spectrum (IAP2): Promise To People

The second and third steps in the public participation analysis stage are a reference to the IAP2 spectrum of public participation which affects every aspect of a citizen involvement program adopted by a local government (Figure A1-3-1). The level of involvement will depend on the goal of the program whether it be to ‘inform’ or ‘empower’ the citizens or a variation of the levels at key points in the decision making. Figure A1-3-2 describes the levels of public impact in decision-making by comparing two important variables of a citizen involvement program including the ‘goal,’ and the ‘promise to the public.’ (IAP2, 2000). The fundamental questions that practitioners must ask themselves before implementing a public participation program are borne from Figure A1-3-2, including the following.

1. What level of involvement or empowerment do you expect from the public participation program or what is your ‘goal’?
2. How will the opinions and concerns that are collected from the public be used in the decision making process or what is the local governing body’s ‘promise to the public’?

The answers to the two questions will enable the decision makers (i.e., local governing body) and professional planners (i.e., financial planners) to contemplate the ‘Goal’ of the citizen involvement program and the ‘Promise to the Public’ that will ultimately steer the public participation program.

(2) Stage 2: Process Planning (Peterson 2012, pps. 42-46) The second stage, process planning, includes three general steps however this stage hosts most of the barriers, including resource and legal constraints, occupational mandates, technocracy, bureaucracy, and lack of respect for public opinion. Here is where policy and planning analysis meets the public. The reason the barriers are attributed to this stage is because in Stage 1 the goal may be adopted to empower the public; however that commitment may be difficult to keep with the complex, traditional planning analysis process steps that follow. This stage will take time and resources and may require that planners teach the public how to analyze data and interpret technical information and hire consultants that are skilled in public participation practice. Transparency and trust are key ingredients in this stage. The three steps within the planning process phase include the following.

- Step 1. Identify the internal and external decision-makers based on the goal and the promise to the public.
- Step 2. Revisit and clarify the decision begin made with all decision-makers (Figure Appx A1-4. Policy & Planning Analysis Process).
- Step 3. Specify the planning phases and decision-making steps and schedule (Figure Appx A1-4).

The first step is to identify the internal and external decision-makers based on the goal and the promise to the public from the public participation analysis stage. Second is to revisit and clarify the decision being made with all decision-makers. The reason for revisiting the decision being made is that if the public is the ultimate decision maker; they may interpret and perceive different issues in the decision. The third step is to specify the planning phases or decision-making steps and schedule. All identified decision-makers ought to be involved in steps 2 and 3 of the process planning to avoid confusion and delay in the process. In 'Basic Methods of Policy Analysis and Planning,' Patton (Patton, 1993, p. 53) and Sawicki explain the traditional policy and planning analysis process that is ingrained in the profession (Figure Appx A1-4. Policy & Planning Analysis Process).

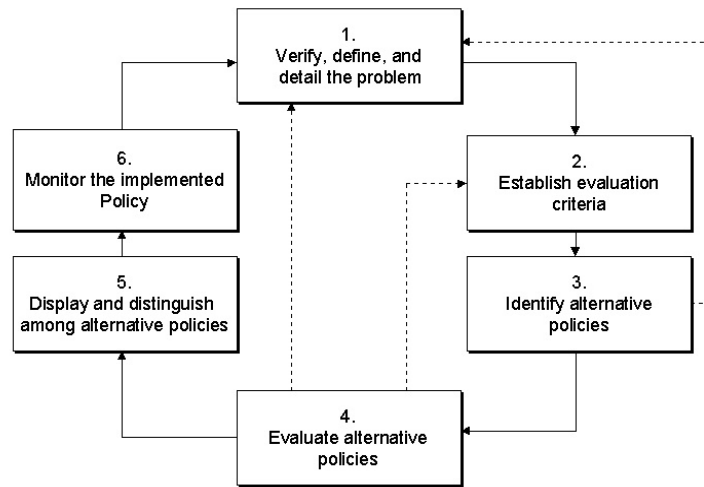


Figure Appx A1-4. Policy & Planning Analysis Process

Traditional policy and planning analysis is heavily criticized in academic literature as highlighted in Peterson (2012 background). However, the major criticism is not of the process steps themselves but rather that the public is not involved in the process. Traditional planning and policy making processes ought to incorporate the affected public in the phases and steps of the process and planners and policy makers ought to learn new public participation strategies and techniques to do this (Peterson 2012, Appendix A). Keep in mind that the six process phases below are just the planning analysis side, without consideration for the level of public involvement chosen in stage one or the public participation techniques used to achieve the public's involvement - That is for you to decide based on your decisions in stage one and analysis of the techniques in Peterson (2012, Appendix A).

(a) Steps of Planning Phase 1: Verify, Define and Detail the Problem (Peterson 2012, pps. 43-44) The first planning phase is to verify, define and detail the problem or issue which includes the following seven general steps.

- 1. Think about the problem or issue
- 2. Delineate the boundaries of the issue
- 3. Develop a fact base
- 4. List goals and objectives
- 5. Identify the policy envelope

6. Display potential costs and benefits
7. Review the problem or issue statement
(Patton, 1993, pp. 147-185)

In the first three steps the decisions makers define the community issue or problem, delineate the boundaries of the issue, and develop a facts base. Here local governing body must think about the problem or issue and disclose their values, assumptions, and opinions regarding the definition of the issue. The governing body must also delineate the boundaries of the issue by learning the historic context and agreeing on the geographic area affected by the issue and the decision-making duration (i.e., annual budget/one year). Information gathering and quick analysis methods can be utilized to develop a facts base (e.g., Oregon Budget Law, etc.). However, the discussions and minutes of meetings are also valuable in developing a definition of the issue and creating an issue statement.

In steps four through six the decision makers together develop goals and objectives, identify the policy envelope and match the objectives with their respective potential costs and benefits. A goal is a broadly worded statement about what is desired in the long run (e.g. Graduate from the UO MCRP program). An objective is more focused statements about the goal that is linked to time and actions (e.g. Finish this paper and submit it by tomorrow). (Patton, 1993, p. 187). The policy envelope means the existing environmental factors that contribute to the success or failure of the project or proposal including political frameworks, occupational mandates, laws and regulations, the available time and resources, and the affected people and places. Step six combines the goals and objectives and the policy envelope and matches the issues or alternatives with the associated costs and benefits. Finally, step seven is a review of the problem or issue statement by asking the following questions: Has the problem or issue been stated in a way that will allow for action? Have enough insights been developed to give clues about possible alternatives?

(b) Steps of Planning Phase 2: Establish Evaluation Criteria to Measure Alternatives (Peterson 2012, p. 44)

Developing evaluation criteria is imperative to measuring or comparing the financial policies and/or budget plan alternatives. The types of criteria depend on the nature of the problem, the objectives identified in Phase 1, and the details of the policy or plan alternatives considered. Patton and Sawicki describe four general categories or types of criteria for a policy or planning alternatives.

1. Technical feasibility – Does alternative meet the plan or policy goal and objectives?
2. Economic and financial possibility – What are the costs and benefits?
3. Political viability – Depends on the goal and promise to the public from Stage 1
4. Administrative operability – Is it feasible given existing resources?

The first type of criteria is under the category of technical feasibility which answers the following questions: Do the policy alternatives meet the objectives and have the intended effects? And are the effects direct or indirect, long-term, cumulative or short-term, quantifiable or not, and adequate or inadequate? The second type of criteria is measuring economic and financial possibility which include costs (tangible-intangible) and benefits (direct- indirect). The third type of criteria is political viability which in this process context depends on the level of inclusion chosen in Stage 1 Public Participation Analysis. The political viability criteria are meant to measure the alternatives and outcomes in terms of impact on the public and relevant power groups such as the local governing body, administrators, citizen coalitions, neighborhood groups, unions, schools etc. The political criteria include the general acceptability by the public, the appropriateness to public values, the responsiveness to public needs, legalities, and equity. Lastly, criteria can be developed under the category of administrative operability answering questions such as: Can the alternative be implemented given the existing staff, facilities, resources etc.? And will it be done on time? (Patton, 1993, pp. 186-226)

(c) Steps of Planning Phase 3: Identifying Alternatives (Peterson 2012, p. 44-45) In identifying alternatives, the ideal is to consider all possible options, but this is seldom practicable. Patton and Sawicki write, “*Instead we seek to generate enough alternatives so there will be a choice among several good ones, but not evaluate in detail marginal alternatives.*” (Patton, 1993, p. 227). There are several methods for identifying alternatives including ten example methods given by Patton and Sawicki. One method is the No action (status quo) analysis where decision makers inventory the current situation and generally consider what happens if the situation or status quo is maintained. A second method is quick surveys which is accessing existing people through networks and gathering their opinions on

the issue. A third method for identifying alternatives is a literature review of the academic journals, current news sources, magazines, online sources and other written sources that are related to the issue. A fourth method is comparison of real-world experiences where decision makers consider precedents and policies used elsewhere. The fifth method is passive collection and classification which happens when mandates or people in authority prohibit the organic, creative development of solutions and instead the authority tells the planner and/or public what choices are available. The sixth method is development of typologies that identify affected groups, identify their probable reactions to each alternative, and develop alternatives based on the perceived acceptability.

The seventh method for identifying alternatives is analogy, metaphor, and synectics in which the decision makers list the attributes of the problem or issue and identify corresponding analogies such as personal, direct, symbolic, or fantasy analogies. The eighth method is brainstorming which is broadly used but formally described as a process with four rules including: criticism is ruled out, free-wheeling is welcomed, quantity is wanted, and combination and improvement are sought. Other guidelines for brainstorming include: work as a large group, keep written record of all ideas, encourage people to contribute ideas even if they think their ideas are worthless, and focus on a specific problem. The ninth method is comparison with an ideal or vision and defining the problem or issue a vision for what the ideal would be. The final method that Patton and Sawicki describe is modifying existing solutions, plans or policies. Depending on the plan, project or policy issue and the resources available the decision makers may choose to use all or just a few of the ten methods. It is important to consider which methods are going to be used and then melding or incorporating the public participation techniques into a schedule and process for identifying alternative solutions to the problem. (Patton, 1993, pp. 227-256)

(d) Steps of Planning Phase 4: Forecast Effects of Alternative Policies and Compare (Peterson 2012, p. 45) There are two steps in phase four of the planning process including forecasting the project or policy impacts and comparing the technical, economic and political importance of the forecasted impacts. Patton and Sawicki's suggested methods for forecasting include extrapolative techniques which assume that the patterns that existed in the past will continue. The second method is theoretical forecasting which is generally a series of algebraic models that will estimate costs and benefits of alternative policies. The third suggested method is intuitive forecasting which is generally talking to people and sharing stories.

The second and final step in phase four is to compare the technical, economic, and political importance of the forecasted impacts. Some technical methods that Patton and Sawicki suggest for comparing the alternatives include: Discounting, three measures of efficiency, sensitivity analysis, allocation formulas-project score and weighting of alternatives, revisit quick decision analysis, political feasibility analysis (identify actors involved, beliefs and motivations, resources, effectiveness, and sites), and implementation analysis (Patton, 1993, pp. 257-331).

Compare the alternatives by using the evaluation criteria created in phase 2 and ask: Will the alternative meet the criteria and how or why? Phase 4 and 5 are related in that they are formulating the alternative solutions to the problem or issue.

(e) Steps in Planning Phase 5: Display and Distinguish among Alternative Policies or Plans (Peterson 2012, p. 45). Phase five consists of displaying the alternatives in a coherent manner so that informed decisions can be reached and then choosing an alternative based on the evaluation criteria in phase 2. Patton and Sawicki outline more methods for comparing and evaluating plans, policies, problems or issues that include various methods of ranking, scoring, weighting, rating, matrixes, and statistical regression (Patton, 1993, pp. 332-361). In phase five the decision makers narrow the alternatives based on all the comparison and evaluation and choose a solution.

(f) Steps in Planning Phase 6: Monitor and Implement Policy (Peterson 2012, pps. 45-46) Phase six includes implementation of the selected solution, policy, plan or project and monitoring the effects after the plan has been implemented. (Patton, 1993, pp. 362-397) My recommendation for post implementation evaluation criteria is to start with the evaluation criteria created in phase 2 and ask the question: Does the policy, plan or project meet the criteria? As stated in the importance of public participation section of this report the implementation of a plan, policy or project will proceed more efficiently with public support and the early inclusion of the public in the planning analysis process (See Figure 8).

(3) Stage 3: Technique Implementation (Peterson 2012, p. 46). Technique implementation is the third stage in the public participation planning process which includes four steps. The first step is to identify techniques to use at each planning phase or decision-making step in the process (reference Peterson 2012, Appendix A for a general list of 60 techniques). In step one the decision makers match the six planning process phases described above with the appropriate public participation techniques. Detailed implementation of each technique will require further research by the planning team or a hired consultant. The second step is to link the techniques in an integrated plan. Next, plan the implementation of individual public participation techniques and activities. Finally, develop performance objectives for each technique or the overall participation program.

(4) Stage 4: Evaluation (Peterson 2012, p. 46). The final stage is evaluation of the public participation program. The historic and current trends of citizen involvement are difficult to measure because of the lack of evaluation criteria. Without clear performance measures and the rigorous reporting of measures over time, it is very difficult to decipher the trends or measure successful citizen involvement in planning. In this stage the planning team can develop performance measures based on the goal and performance objectives in order to evaluate the public participation program and improve performance over time.

Include the public in defining and envisioning successful participation and forming indicators or measures of success that hold planners, public officials, and the public responsible for their respective roles in community planning. There are a variety of ways to evaluate a public participation program and a plethora of criteria to measure success. James Creighton displays the following best practices criteria that were developed by a team of British researchers on evaluation of public participation for an agency in the U.K. The following criteria are examples of what to measure when reviewing a public participation program (Figure Appx A1-5. Best Practices Criteria).

Figure Appx A1-5. Best Practices Criteria (Creighton, 2005, p. 216)

<i>Acceptance criteria</i>	<i>Definition</i>
Representativeness	The participants in the exercise should comprise a broadly representative sample of the affected populace.
Independence	The participation process should be conducted in an independent (unbiased) way.
Early involvement	The participants should be involved as early as possible in the process, as soon as value judgments become salient or relevant.
Influence	The output of the procedure should have a genuine impact on policy.
Transparency	The process should be transparent so that the relevant population can see what is going on and how decisions are being made.
 <i>Process criteria</i>	
Resource accessibility	Participants should have access to the appropriate resources to enable them to successfully fulfill their brief.
Task definition	The nature and scope of the participation task should be clearly defined.
Structured decision making	The participation exercise should use or provide appropriate mechanisms for structuring and displaying the decision making.
Cost-effectiveness	The process should in some sense be cost-effective from the point of view of the sponsors.

Creighton states the original source: *Frewer, Row, Marsh, and Reynolds (2001)*.

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Appendix A3. Appendix A3. Citizen Participation (CP) Authorities In Oregon For Preparation Of Local Budgets

I. Oregon Revised Statutes: 294.305 to 294.565

LOCAL BUDGET LAW

ORS Chapter 294 — County and Municipal Financial Administration

Full Text of ORS 294 at <http://www.hugoneighborhood.org/budgets.htm>

The Oregon Revised Statutes (ORS) is the codified body of statutory law governing the U.S. state of Oregon, as enacted by the Oregon Legislative Assembly, and occasionally by citizen initiative. The statutes are subordinate to the Oregon Constitution.

The following are the ORS for “Oregon Local Budget Law.” Per the Exploratory Committee’s reading of the statutes, those identified in “**bold**” are the ORS applicable to citizen involvement in the local budget process versus the appropriations (i.e., accounting details of spread sheets of full time equivalent (FTE) and costs).¹

Excerpts from the following ORS in “**bold**” are the foundation of information in Section II.A.

- II. OREGON BUDGET LAW EXCERPTS
 - A. Oregon Revised Statutes: 294.305 to 294.565
 - B. Oregon Administrative Rules: 150-294.175 to 150-294.920

LOCAL BUDGET LAW

294.305	Sections constituting Local Budget Law (see following “ bold ” for specific ORS)
294.311	Definitions for ORS 294.305 to 294.565 (see following “ bold ” for specific ORS)
294.316	Application
294.321	Purposes
294.323	Budget period
294.331	Budget officer
294.333	Basis of accounting used by municipal corporation; change of basis
294.338	Compliance with Local Budget Law required prior to expenditure or tax certification; exceptions
294.343	Internal service funds
294.346	Reserve fund established without vote; review of need for reserve fund; unexpended balances; application to system development charges
294.353	Elimination of unnecessary fund; disposition of balance
294.358	Expenditure and resource estimate sheets; made part of budget document
294.361	Contents of estimate of budget resources
294.368	Determination of estimated tax revenues
294.373	Reserving receipts from revenue-producing property or facility; deposit in special fund
294.378	Certain interest to be included in budget; metho
294.383	Inclusions in accrued revenues of school, education service, community college and community college service districts using accrual basis of accounting; State School Fund grant calculations
294.388	Estimates and reconciliation of expenditures and other requirements; form and contents
294.393	Preparation of estimates by school, education service and community college districts and by municipal corporations operating public utility or hospital
294.398	Estimate of unappropriated ending fund balance for each fund

294.403	Budget message
294.408	Time of making budget message and document
294.414	Budget committee
294.423	Governing body of certain municipal corporations to be budget committee; exception
294.426	Budget committee meeting; notice; receipt of budget message and document; provision of copies of document
294.428	Budget committee hearings; approval of budget document
294.431	Submission of budget document to tax supervising and conservation commission before date of public hearing
294.433	Format for notices and summaries
294.438	Publication of notice of meeting, financial summary and budget summary; requirements of financial summary and notice of meeting; rules
294.441	Requirements for financial summaries of school, education service and community college districts
294.444	County budget summary of revenues and expenditures funded in part by state resources
294.448	Manner of publication; alternative requirements in certain cases
294.451	Sufficiency of publication of budget documents; notice to governing body and assessor of publication error
294.453	Hearing by governing body on budget document as approved by budget committee; alternative procedure in certain cases
294.456	Governing body to adopt budget, make appropriations, declare and categorize property tax amount or rate; amendment of budget estimates, appropriations and tax amounts or rates limited; requirements for appropriations and tax amounts or rates
294.458	Filing copy of budget and certain documents with county assessor and Department of Revenue; records
294.461	Tax certification contrary to law voidable by Oregon Tax Court; appeal procedure
294.463	Transfers of appropriations within fund or between funds
294.466	Appropriation of pass-through revenues
294.468	Loans from one fund to another; commingling cash balances of funds
294.471	Supplemental budget in certain cases; no increase in property taxes permitted
294.473	Procedure when supplemental budget changes estimated expenditures by more than 10 percent
294.476	Local option tax approved after adoption of budget; supplemental budget
294.478	School or community college district expending federal or state funds in emergency
294.481	Authorization to receive grants or borrow or expend moneys to respond to public emergency
294.490	Department of Revenue not to interfere with fiscal policy of municipal corporation
294.495	Department of Revenue to construe Local Budget Law; rules
294.500	Declaratory ruling by Department of Revenue as to its rules; rules
294.505	Division of Audits to issue notification of budgetary irregularities; Department of Revenue to advise municipal corporation of correct procedures
294.510	Order for revision of budgetary procedures; enforcement
294.515	Appeal by municipal corporation from Department of Revenue order
294.520	Priority of appeals under Local Budget Law
294.565	Failure to file copy of required budget, reports or other documents; effect

1. The research focus of *Citizen Involvement In The Josephine County Budget Process* was citizen involvement (CI) opportunities in the budget process, not the specific Josephine County, Oregon's budget appropriations (i.e., FTE

and costs) to programs nor levels of service (LOS). Understanding programs and LOS - Yes. Analysis or judgement of programs and LOS - No (see Chapter I Introduction/Purpose).

II. Oregon Administrative Rules: 150-294.175 to 150-294.920

Oregon Administrative Rules: 150-294.175 to 150-294.920

Full Text of Division 294, Local Budget (<http://www.hugoneighborhood.org/budgets.htm>)

The State Rulemaking Process. A "rule" is "any agency directive, standard, regulation or statement of general applicability that implements, interprets or prescribes law or policy, or describes the procedure or practice requirements of any agency" - ORS 183.310(9).

OAR Citations - Every OAR uses the same numbering sequence of a three-digit chapter number followed by a three-digit division number and a four-digit rule number. For example, Oregon Administrative Rules, chapter 150, division 294, rule 175 is cited as OAR 150-294.175

The following are the Oregon Administrative Rules (OAR) for Oregon Local Budget Law. Per the Exploratory Committee's reading of the rules, those identified in "**bold**" are the OAR applicable to citizen involvement in the local budget process versus the appropriations (i.e., accounting details of spread sheets of full time equivalent (FTE) and costs).¹

Excerpts from the following OAR in "**bold**" are the foundation of information in Section II.B of this paper.

- II. OREGON BUDGET LAW EXCERPTS
 - A. Oregon Revised Statutes: 294.305 to 294.565
 - B. Oregon Administrative Rules: 150-294.175 to 150-294.920

Oregon Administrative Rules: 150-294.175 to 150-294.920

150-294.175 Department of Revenue Review of the County Assessment, Appeal, Collection, and Distribution of Property Taxes

150-294.175-(B)	Expenditures for Assessment and Taxation
150-294.175-(C)	Definition: Certification of Compliance. Plan to Achieve Adequacy
150-294.175(2)-(A)	Contents of Grant Application
150-294.175(2)-(B)	Estimates of Expenditures for Assessment and Taxation
150-294.175(6)	Certification
150-294.181	Alternative Method for Certification
150-294.187	Turnovers from the CATF to the CAFFA Account
150-294.187(1)(c)	Calculation of Interest on Late Payments
150-294.311	Definition of Taxing Authority
150-294.311(6)	Definition of Budget Document
150-294.311(31)	Definition of Taxing Authority (Definition of Organization Unit)
150-294.338(2)	Budgeting Grants, Gifts, Bequests, and Devises
150-294.346	Establishing a Financial Reserve Fund
150-294.346-(A)	"Reserved for Future Expenditure" Requirement

150-294.358	Detail Sheets for Biennial Budgets
150-294.361(1)-(A)	Resources Are Not Required to Be Budgeted
150-294.361(1)-(B)	Negative Resources
150-294.361(2)	Budget Resources
150-294.368(2)	Estimating Tax Revenue for Biennial Budgets
150-294.388	Proposed Expenditures-Required Presentation
150-294.388(1)-(A)	Governmental Fund Definitions
150-294.388(7)	General Operating Contingencies
150-294.398	Unappropriated Ending Fund Balance
150-294.414	Quorum Necessary to Hold Meeting
150-294.426(8)	Charging for Budget Document Copies
150-294.438	Reporting Historical Data for Published Budget Summaries
150-294.453(1)	Quorum Necessary to Hold Meeting
150-294.456(1)-(A)	Property Taxes Certified
150-294.456(1)-(C)	Publishing of Amended Budget Document
150-294.456(3)	Manner of Appropriations
150-294.458(3)-(A)	Documents to File When Certification Cannot Be Certified By July 15
150-294.458(3)-(B)	Budget Certification Document to Be Submitted
150-294.463(3)	Transfers of Appropriations
150-294.471	Supplemental Budget Procedures
150-294.900	Councils of Governments Subject to Certain Budgetary Requirements
150-294.905(2)	Members of the Budget Committee: Governing Body and Appointees. Definition of Representatives of the Services Provided for a Council of Government
150-294.905(4)	Restrictions on Appointive Budget Committee Members for a Council of Government
150-294.915	Duties of the Budget Committee of a Council of Government
150-294.920	Duties the Governing Body of a Council of Government

1. The research focus of *Citizen Involvement In The Josephine County Budget Process* was citizen involvement (CI) opportunities in the budget process, not the specific Josephine County, Oregon's budget appropriations (i.e., FTE and costs) to programs nor levels of service (LOS). Understanding programs and LOS - Yes. Analysis or judgement of programs and LOS - No (see Chapter I Introduction/Purpose).

III. LOCAL BUDGETING MANUAL

Oregon's Local Budget Law, per the "*Local Budgeting Manual*", is found in Oregon Revised Statutes (ORS) 294.305 to 294.565. The full text of these statutes can be found on the Oregon Legislature web site at www.leg.state.or.us. (LBM, p. 5).

The law sets out several specific steps that must be followed during the budgeting process. The process must **begin far enough in advance that it can be followed** (emphasis added) and the budget adopted before June 30 of the current fiscal year (LBM, p. 5).

A. Introduction, *Local Budgeting Manual*

1. Purpose of Local Budget Law (LBM, p. 5). Budgeting is not simply something a local government does once every year or two. **It is a continuous process, taking 12 or 24 months** (emphasis added) to complete a cycle. The budgeting process has four parts. The budget is: 1) prepared, 2) approved, 3) adopted, and 4) executed. After adopting the budget, the governing body makes the necessary appropriations and certifies to the county assessor the tax to be imposed.

Oregon's Local Budget Law has several important objectives (ORS 294.321):

- To establish **standard procedures for the preparation** (emphasis added), presentation, administration and appraisal of budgets of municipal corporations;
- To provide for a brief **description of the programs** (emphasis added) of a municipal corporation and the fiscal policy which is to accomplish these programs;
- To provide estimates of revenues, expenditures and proposed taxes;
- To provide **specific methods for obtaining public views in the preparation of fiscal policy** (emphasis added);
- To provide for the control of revenues and expenditures for the promotion of efficiency and economy in the expenditure of public funds; and
- To **enable the public, taxpayers and investors to be apprised of the financial policies** (emphasis added) and administration of the municipal corporation in which they are interested.

2. Citizen Involvement (LBM, p. 5). To give the **public ample opportunity to participate in the budgeting process**. Local Budget Law requires that a budget officer be appointed and that a budget committee be formed that includes voters from the district. The budget officer draws together necessary information and prepares the proposed budget. The budget committee reviews and may revise the proposed budget before it is formally approved. After the budget committee approves the budget, the governing body publishes a summary of the budget and **holds a public hearing, at which any person may appear for or against any item in the budget**. These requirements encourage public participation in budget making. They also give public exposure to budgeted programs and fiscal policies before the governing body adopts the budget.

Citizen involvement in the budget cycle varies from one community to another (emphasis added). It is up to each local government to prepare a budget that **clearly outlines its fiscal policies for the patrons of the district** (emphasis added). **If a budget is clear and concise, taxpayers have a better understanding** (emphasis added) of what services their tax dollars are buying. Local governments may find citizen input informative and rewarding.

The major steps of the budgeting process are outlined in Chapter 3. A more complete outline of the budget process, with cites to specific Oregon Revised Statutes and Oregon Administrative Rules, is in Appendices A3I and A3II.

B. Chapter 1, *Local Budgeting Manual* – Who Is Involved In The Budget Process?
(pps. 7 - 11)

Many state and local agencies and organizations are involved in the budget process. This chapter provides an overview of the duties and responsibilities of each.

The Oregon Department of Revenue The authority of the Department of Revenue for its oversight role in the budgeting process is found in ORS 294.485 to ORS 294.510. ORS 294.495 gives to the department sole authority to interpret and administer Local Budget Law and to issue administrative rules for compliance. This statute also gives the department authority to ensure compliance with all other laws relating to the imposition of property taxes. However, ORS 294.490 prohibits the department from interfering with the fiscal policy of any local government. Local Budget Law is complex and ever-changing. It is important that local governments stay informed of law changes and other requirements. Anyone with questions about these laws can contact the Department of Revenue for help at 503-945-8293 or by e-mail at finance.taxation@dor.state.or.us.

Administrative Rules When a statute is unclear or does not provide sufficient detail for the smooth functioning of the property tax system, the department sometimes adopts an Oregon Administrative Rule (OAR).

C. Chapter 3, *Local Budgeting Manual* - The Budget Process (pps. 13 - 18)

Budget Basics A budget is a financial plan that includes estimates of expenditures and revenues for a single fiscal year or biennium. The **local budgeting process provides procedures** (emphasis added) for evaluating a local government's needs and identifying revenue sources to meet those needs. A completed budget provides a means of controlling expenditures and a justification for imposing property taxes.

A local government's **budget is a public document** (emphasis added). Anything connected with the budget is subject to **public inspection** (emphasis added). The budget is a **guide to the financial management of the local government** (emphasis added). It provides **information that encourages public participation in government** (emphasis added). Temper the detail of the budget with common sense to make the document as informative and uncomplicated as possible.

Any change in the basis of accounting must be **explained in the budget message** (emphasis added) for the year in which the change is planned. You must explain the reasons for the change and its effect on the fiscal operations of the district. Once a basis of accounting is adopted, that basis must be used throughout the fiscal year or biennium for which the budget was prepared [ORS 294.333(2), renumbered from 294.445(2)].

*“The governing body of each municipal corporation shall, unless otherwise provided by county or city charter, designate one person to serve as budget officer. The budget officer, or the person or department designated by charter and acting as budget officer, shall **prepare or supervise the preparation of the budget document**. The budget officer shall act under the direction of the executive officer of the municipal corporation (emphasis added), or where no executive officer exists, under the direction of the governing body.”*

Budget Message A budget message is prepared annually by the executive officer of the district. If there is no executive officer, the budget message is prepared by the presiding officer of the governing body (ORS 294.403, renumbered from 294.391). The executive officer or presiding officer may delegate the preparation of the budget message to the budget officer. The extent of the budget message depends upon the size and complexity of the budget, and any changes in fiscal policy or financial position since the preceding year. The budget message must:

- **Explain** (emphasis added) the budget document.
- Include a brief **description of the proposed financial policies** (emphasis added) for the coming fiscal year.
- **Describe the important features** (emphasis added) of the budget document in connection with the **financial policies** (emphasis added) of the local government.
- Explain the reason for changes from the previous year in appropriation and revenue items.
- Explain the major **changes in financial policy** (emphasis added).

Any change in the basis of accounting must be explained in the budget message for the year in which the change is planned [ORS 294.333(2), renumbered from 294.445(2)]. **The budget message is delivered to the budget committee at its first meeting** (emphasis added). The budget message must be in writing, since it is a **part of the complete budget document** (emphasis added). The message can be delivered by anyone the executive officer or presiding officer appoints.

Budget committee meets (ORS 294.426, renumbered from 294.401). The **budget message is delivered at the first budget committee meeting** (emphasis added). The **budget message** (emphasis added) explains the proposed budget and any significant changes in the local government’s fiscal policy or financial position. After the initial meeting, the budget committee may meet as many times as needed to revise and complete the budget. **At least one meeting must provide the opportunity for questions and comments from any interested person** (emphasis added). The budget committee is allowed to meet for training and advisory reviews throughout the year, but the budget may not be deliberated before the first meeting for which notice is published. All meetings are subject to Oregon’s Public Meetings Law (ORS Chapter 192).

The budget officer may make the **proposed budget available** (emphasis added) to the members of the budget committee at any time before the first meeting, or may distribute the budget at the first meeting. At the time the budget is given to the committee, a copy must be filed in the office of the district. The **budget becomes a public record at this point and must be made available to anyone who is interested in viewing it** (emphasis added).

Public meeting law: ORS 192.610 to 192.690 The Public Meeting Law policy statement (ORS 192.620) states:

“The Oregon form of government requires an informed public aware of the deliberations and decisions of the governing bodies and the information upon which such decisions were made. It is the intent of ORS 192.610 to 192.690 that decisions of governing bodies be arrived at openly.”

Local Budget Law meetings fall within the Public Meeting Law. Take a few moments to review these statutes. Follow the Public Meeting Law for all budget meetings where deliberations toward a decision are made. The *“Attorney General’s Public Records and Meetings Manual”* is available for a fee from the Oregon Department of Justice, 1162 Court Street NE, Salem OR 97301 or online at http://www.doj.state.or.us/pdf/public_records_and_meetings_manual.pdf.

D. Chapter 8, *Local Budgeting Manual* - The Budget Committee and Approving the Budget (pps. 44 - 46)

Budget Committee Members The budget committee is a local government’s **fiscal planning advisory committee** (emphasis added). The governing body of each local government must establish a budget committee (ORS 294.414, renumbered from 294.336). **The budget committee is composed of the governing body and an equal number of electors appointed by the governing body** (emphasis added). An elector is a qualified voter who, for example, has the right to vote for a ballot measure submitted by the local government.

Appointive members of the budget committee are appointed for three-year terms.

Appointed budget committee members may be reappointed for additional terms, at the discretion of the governing body.

All members of the budget committee have **equal authority**. **Each member’s vote counts the same** (emphasis added). Any member can be elected by the committee as its chair.

Budget committee **members should develop a general understanding** (emphasis added) of the **budget process** (emphasis added), the **departments or programs** (emphasis added) included in the budget document, and the legal constraints imposed on the local government’s tax levy after budget committee approval. *“Local Budgeting in Oregon”* (150-504-400) is recommended as a good resource for budget committee members for information on the basics of taxation and budget law. This publication can be found at <http://www.oregon.gov/dor/ptd/pages/localb.aspx>. You can also request copies of the booklet by calling the Finance and Taxation analysts at 503-945-8293.

Duties of the Budget Committee The budget committee meets publicly to review the **budget document as proposed** (emphasis added) by the budget officer. **The committee receives the proposed budget and the budget message** (emphasis added) and holds **at least one meeting in which the public may ask questions about and comment** (emphasis added) on the budget. Notice of the first meeting held for these purposes must be published in a specific way (See “*Chapter 9 – Publication Requirements*”). The committee must eventually approve the budget and, if ad valorem property taxes are required, approve the amount of tax or the rate per \$1,000 of assessed value for each levy that will be certified to the assessor.

The budget committee may meet from time to time throughout the year at the governing body’s discretion for purposes such as training (emphasis added). All of these **meetings are open to the public** (emphasis added) and notice of the meeting must be given in the same manner as notice for meetings of the governing body, or through one of the local budget law publication methods [ORS 294.428(2), renumbered from 294.406(2)]. Take care not to discuss specifics of the ensuing year’s budget at these informal meetings until the notice requirements for the first budget committee meeting have been satisfied.

Copies of the Budget The budget officer **may make the proposed budget available to the budget committee at any time before the first budget committee** (emphasis added) meeting advertised in the notice. Alternatively, the budget officer may choose to **make the budget available at the first budget committee meeting** (emphasis added)[ORS 294.426(6)(b), renumbered from 294.401(6)(b)]. Immediately following the release of the proposed budget to the budget committee, the budget officer must file a copy of the budget in the office of the governing body. This **copy becomes a public record** (emphasis added). The governing body must provide copies of this budget, or a **means of quickly duplicating it** (emphasis added), to any interested person. A local government may charge a fee for the copy [OAR 150-294.401(7), implementing ORS 294.426].

Budget Committee Meetings The budget **committee elects a presiding officer** (emphasis added) from among the members at the first meeting [ORS 294.414(9), renumbered from 294.336(9)]. The budget committee also **hears the budget message at its first meeting** (emphasis added). One of the committee’s **most important duties is to hear and consider any testimony presented by the public about the budget** (emphasis added).

The budget committee reviews and, if a majority of the committee feels it is necessary, **revises the proposed budget submitted by the budget officer** (emphasis added). The committee generally studies the budget by comparing the two previous years’ actual data, the current budgeted data, and the figures proposed by the budget officer. The **budget committee may reduce or increase** (emphasis added) the estimates of resources and requirements proposed by the budget officer.

The committee must ultimately **balance each fund and approve the budget** (emphasis added). Committee members may not discuss or deliberate on the budget outside of a public meeting.

The committee **may ask questions of the executive officer or other staff, and request additional information** (emphasis added). The committee is **entitled to receive any information it needs** (emphasis added) to make decisions about the budget (ORS 294.428, renumbered from 294.406).

Any budget committee action requires the affirmative vote of a majority of the total budget committee membership [OAR 150-294.336-(B), implementing ORS 294.414]. For example, if only six members of a 10-member committee are present, they have the quorum necessary to meet, but they all must vote in favor of any proposed action to achieve the required majority.

The budget **committee may approve the budget at the first meeting** (emphasis added). However, it **could take several meetings** (emphasis added) to do so. When the budget officer prepares the budget calendar, several budget committee meetings can be scheduled. The public notice then can include the date, time and place of each of the meetings. If more meetings are needed than were scheduled, give notice of those meetings in the same manner as notice of meetings of the governing body or by one or more of the publication methods used for the initial budget committee meetings [ORS 294.428(2), renumbered from 294.406(2)].

Approving the taxes Once the budget committee has approved the budget, it has completed all of the duties required of it by Local Budget Law (emphasis added). However some local governments have a policy of including the budget committee in other parts of the process, such as adopting a supplemental budget. These are **local policy decisions** (emphasis added) that are up to the discretion of the governing body.

After the budget committee approves the budget (emphasis added), it is turned over to the governing body and the process **enters into the adoption stage** (emphasis added). The governing body has the final responsibility for allocating the resources of the budget to the programs and departments of the local government. This authority is part of the responsibility given the governing body to adopt the budget and to make the appropriations by which the budget is administered [ORS 294.456(1), renumbered from 294.435(1)]. Chapter 11 has more details on adopting the budget and making appropriations.

If any changes are necessary after the budget committee approves the budget, the governing body may make the revisions after the budget hearing and before adopting the budget.

E. Chapter 9, *Local Budgeting Manual* - Publication Requirements (pps. 47 - 51)

Publishing **meeting notices and a financial summary of the budget are some of the most important parts of the budget process** (emphasis added). The budget officer must be familiar with the statutes governing publication of the meeting notices and the budget summary (ORS 294.426, renumbered from 294.401; 294.438, renumbered from 294.416; and 294.448, renumbered from 294.421). This chapter explains the statutory publication requirements for fiscal year budgets. For biennial budgets, also see Chapter 14.

Notice of budget committee meeting Notice of the first meeting of the budget committee held for the purpose of receiving the budget message and budget document, and the first meeting at which questions and comments from the public will be heard must be published in one of four ways.

The budget officer must publish a “*Notice of Budget Committee Meeting*” by:

- Printing it two times in a **newspaper** of general circulation within the boundaries of the local government, or
- Printing it once in a **newspaper** of general circulation and posting it on the local government’s **website**, or
- Mailing it by **first-class mail** through the U.S. Postal Service to each street address, PO Box, and rural route number within the boundaries of the local government, or
- **Hand delivery** to each street address within the boundaries of the local government.

Narrative Publication—an Alternative As an alternative to the publication forms discussed above, Local Budget Law permits the use of a narrative publication (ORS 294.438, renumbered from 294.416). **The purpose of a narrative is to give meaning to the budget figures while highlighting significant features in the budget** (emphasis added). It must provide all the same information used in the LB-1 form, including notice of budget hearing, information about where the complete budget document can be inspected by the public during business hours and where copies of the complete budget document may be obtained.

The narrative must include a statement that the same basis of accounting was used as in the current operating year; or, if the basis of accounting was changed, explain the change and its effects.

The narrative must also include:

- A financial summary of the budget resources approved by the budget committee.
- A financial summary of the budget requirements approved by the budget committee, by object classification.
- A financial summary of the budget requirements approved by the budget committee, by organizational unit or program including the number of employees in each unit or program.
- A narrative statement of the prominent changes from the current year in the activities and financing of the major organizational units or programs.
- A summary of the property tax levies.
- A statement of indebtedness.

In addition to this information, a narrative publication can include any other information the governing body wants to provide, in any form or format.

The manner of publication and publication time requirements are the same for the narrative publication as they are for the standard financial summary publication described earlier in this chapter (ORS 294.438, renumbered from 294.416).

F. Chapter 11, *Local Budgeting Manual* - The Budget Hearing and Adopting the Budget (pps. 55 - 57)

After the budget committee has approved the budget, the governing body must hold a public hearing on that budget and then adopt the budget.

Budget hearing One of the most important steps in the budget process is publishing a **summary of the budget** (emphasis added) that has been **approved by the budget committee** (emphasis added) and a notice of the budget hearing. For information on how to publish this notice of the budget hearing and financial summary, see “*Chapter 9 – Publication Requirements.*”

After the “*Notice of Budget Hearing*” is published, the budget hearing must take place at the time and place published or the hearing must be rescheduled and a new notice published. The governing body conducts the hearing and **receives testimony from any person present** (emphasis added) (ORS 294.453, renumbered from 294.430). **It gives consideration to matters discussed at the hearing** (emphasis added) (ORS 294.456, renumbered from 294.435). **Keep careful minutes of the budget hearing proceedings to document your compliance with these requirements** (emphasis added).

The budget committee is **not required by law** (emphasis added) to be present at the budget hearing. However some local governments make it their **policy to ask the budget committee to participate** (emphasis added).

The hearing must be held on the budget that was approved by the budget committee, even if the governing body intends to modify that version of the budget before adopting it. The **published financial summary** (emphasis added) should also reflect the **version of the budget that was approved by the budget committee** (emphasis added).

G. Appendix A. *Local Budgeting Manual* – Glossary (pps. 78 - 82)

Activity. That portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram, or any convenient division of these [ORS 294.311(2)].

Adopted budget. Financial plan that is the basis for appropriations. Adopted by the governing body (ORS 294.456, renumbered from 294.435).

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body [ORS 294.311(3)].

Approved budget. The budget that has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing (ORS 294.428, renumbered from 294.406).

Audit. The annual review and appraisal of a municipal corporation’s accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State (ORS 297.425).

Audit report. A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders and regulations.

Budget. Written report showing the local government's comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year [ORS 294.311(5)].

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district (ORS 294.414, renumbered from 294.336).

Budget message. Written explanation of the budget and the local government's financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body (ORS 294.403, renumbered from 294.391).

Budget officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget (ORS 294.331).

Encumbrance. An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(13)].

Fund. A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

Fund balance. The fund equity of government funds.

Fund type. One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve [OAR 150.294.352(1)-(A)].

General fund. A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund [OAR 150.294.352(1)-(A)].

General government category. The category for taxes used to support general government operations other than schools that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(2)].

Governing body. County court, board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit [ORS 294.311(20)].

Grant. A donation or contribution of cash to a governmental unit by a third party which may be made to support a specified purpose or function, or general purpose [ORS 294.311(21)].

Interfund loans. Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.468, renumbered from 294.460).

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one department or agency to other departments or agencies on a cost-reimbursement basis (ORS 294.343, renumbered from 294.470).

Levy. (v) To impose a property tax. (n) Ad valorem tax certified by a local government.

Local government. Any city, county, port, school district, education service district, community college, special district, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission; a municipality or municipal corporation under ORS 294.311(26).

Local option tax. Voter-approved taxing authority that is in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose or capital projects. It is limited to five years unless it is for a capital project, then it is limited to the useful life of the project or 10 years, whichever is less [Art. XI, section 11(4)].

Ordinance. A formal legislative enactment by the governing board of a municipality.

Organizational unit. Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions (such as a department, office or division) [ORS 294.311(31)].

Program. A group of related activities to accomplish a major service or function for which the local government is responsible [ORS 294.311(33)].

Program budget. A budget based on the programs of the local government.

Property taxes. Ad valorem tax or another tax on property certified to the county assessor by a local government unit.

Proposed budget. Financial plan prepared by the budget officer. All funds must balance. It is submitted to the public and the budget committee for review.

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resource. Estimated beginning funds on hand plus anticipated receipts (ORS 294.361).

Special revenue fund. A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes [OAR 150.294.352(1)-(A)].

H. Local Budgeting Manual – Statutory and Administrative Rule References

	New ORS/OAR	Old ORS/OAR
I. Time of making budget	294.408	294.396
A. Budget message.	294.301	294.391
II. Budget officer		
A. Appointed by the governing body.	unchanged	294.331
B. Under supervision of executive officer or governing body.	unchanged	294.331
C. Prepares or supervises preparation of budget.	unchanged	294.331
D. Publishes notice of meeting of budget committee including notice of where a copy of the budget is available.	294.426(5)	294.401(5)
If published only in a newspaper of general circulation, the notice is published twice, between five to 30 days before the meeting.		
If published once in a newspaper of general circulation, the notice is also published on the district’s website, and the website address is included in the newspaper publication. If published by mailing or hand delivery, the notice is published not later than 10 days before the meeting.		
E. Provides copy of budget to committee.	291.401(2)&(6)	294.401(2)&(6)
F. Files copy of budget in office of governing body immediately following presentation of budget to committee.	294.426(7)	294.401(7)
III. Budget document		
A. Coming year budget shown:	294.358	294.376
1. Proposed		
2. Approved		
3. Adopted		
B. Current year budget shown.	294.358	294.376
C. First preceding year actual resources and expenditures.	294.358	294.376
D. Second preceding year actual resources and expenditures.	294.358	294.376
E. Each fund to contain estimates of expenditures for:	unchanged	150-
		294.352(1)
1. Personal services	294.388	294.352
2. Materials and services	294.388	294.352
3. Capital outlay	294.388	294.352
4. Special payments and interfund transfers	294.388	294.352
5. General operating contingencies	294.388	294.352
	unchanged	150-
		294.352(8)

	New ORS/OAR	Old ORS/OAR
IV. Budget resources		
A. Estimate of beginning cash balances for the ensuing year.	unchanged	150- 294.361(1)
B. Estimate for delinquent tax collection included if fund has been tax-supported.	unchanged	294.361(2)
C. Transfers budgeted as requirements in other funds.	unchanged	294.361(2)
D. Resources must be equal to requirements.	294.352(1)	150- 294.352(1)(B)
E. Excess of actual revenues over actual expenditures in second preceding year must equal the beginning balance in first preceding year.		
V. Debt service fund		
VI. Budget committee		
A. A budget committee is established by each local government subject to Local Budget Law.	294.414(1)	294.336(1)
B. Committee shall consist of the members of the governing body and an equal number of qualified electors.	294.414(2)	294.336(2)
C. Committee shall at its first meeting elect a presiding officer from its members.	294.414(8)	294.336(8)
D. The purpose of the budget committee is to receive the budget document and budget message, and to provide the public with an opportunity to ask questions and comment on the budget.	294.426(1)	294.401(1)
E. Duty of the committee to review, or revise and approve the budget document.	294.428(1)	294.406(1)
F. Committee may compel any official or employee of the municipality to furnish information regarding the budget.	294.428(3)	294.406(3)
VII. Financial summary		
A. Publish Financial Summary, LB-1, UR-1, CC-1 or ED-1 five to 30 days prior to the public hearing.	294.438(1)	294.461(1)
B. Summary of indebtedness is shown on Form LB-1, UR-1, or ED-1.	294.438(7)	294.416(7)
VIII. Publication of notice of budget hearing		
A. Notice of budget hearing advertised five to 30 days prior to hearing.	294.448(2)	294.421(2)
B. If budget requirements do not exceed \$100,000 and no newspaper is published in district, the financial summary and notice of hearing can be posted for at least 20 days prior to the hearing.	294.448(1)	294.421(1)

IX. After public hearing of budget

X. Certify tax to assessor by July 15

XI. Supplemental budgets

XII. Other

IV. LOCAL BUDGETING IN OREGON

Local Budgeting in Oregon (LBIO is a supplement to the *Local Budgeting Manual* (150-504-420), hereafter called the *Manual*. This booklet will introduce you to the requirements of Oregon's Local Budget Law, but it is not a substitute for the *Manual*. Before you take any formal action in the budget process, consult the *Manual* (LBIO, p. 1). The following are excerpts from LBIO applicable to citizen involvement in the preparation of the budget, and understanding fiscal policies, program purposes, and the budget message.

Look at Oregon's Local Budget Law (You'll find it in Chapter 294 of the Oregon Revised Statutes). The law does two important things (LBIO, p. 1):

1. **It establishes standard procedures for preparing** (emphasis added), presenting, and administering the budget.
2. **It requires citizen involvement in the preparation of the budget** (emphasis added) and public disclosure of the budget before its formal adoption.

Many people rely on you, as an elected or appointed official, to see that the annual budget is prepared correctly. State officials check to see that the budget is prepared and administered according to law, and citizens in your district check to see that programs they want and need are adequately funded. This makes budgeting in Oregon a joint effort **between the people affected** (emphasis added) by the budget and the appointed and elected officials responsible for providing the services (LBIO, p. 1).

To **give the public ample opportunity to participate** (emphasis added) in the budgeting process, local budget law requires that a budget officer be appointed and a budget committee be formed. The budget officer draws together necessary information and prepares the first draft of the budget. The budget committee then reviews and revises the proposed budget before it is formally approved. Notices are published, budgets are made **available for public review** (emphasis added), and **at least two opportunities for public comment** (emphasis added) are provided. These requirements **encourage public participation in the budget-making process and give public exposure to budgeted programs and fiscal policies** (emphasis added) before their adoption (LBIO, p. 1).

Naturally, citizen involvement varies from one community to the next. If the patrons in your district are active and involved, you may find citizens asking for information not specifically required under local budget law. **It is up to your local government to prepare a budget that clearly outlines its fiscal policies and is satisfactory to the voters of the district** (emphasis added). If you can make your budget clear and concise, you'll find that taxpayers have a **better understanding of the purposes** (emphasis added) for which their tax dollars are spent. You may also find the citizen input informative and beneficial (LBIO, p. 1).

Besides outlining programs for the coming year, the budget controls the local government's spending authority. Since the **budgeting process encourages citizen input** (emphasis added), the budget is also a vehicle for **obtaining public opinion about proposed programs and fiscal policies** (emphasis added) of your district (LBIO, p. 1).

The Budget Cycle: The Nine Steps (LBIO, pps. 2 - 3).

Preparing the Budget

- Step 1. Budget Officer Appointed.
- Step 2. Proposed Budget Prepared.

Approving the Budget

- Step 3. Budget Officer Publishes Notice.
- Step 4. Budget Committee Meets.
- Step 5. Committee Approves Budget.

Advertising and Holding Hearings

- Step 6. Budget Summary and Notice of Budget Hearing Published.
- Step 7. Budget Hearing Held.

Adopting the Budget

- Step 8. Budget Adopted, Appropriations Made, Tax Levy Declared, and Categorized.
- Step 9. Budget Filed and Levy Certified.

Budgeting is not something you do once a year. It's a continuous operation, and it takes 12 months to complete a cycle (LBIO, p. 2).

Preparing the Budget (LBIO, p. 2)

1. **Budget officer appointed.** Each local government must have a budget officer, either appointed by the governing body or designated in the local government's charter. The budget officer is under the supervision of either the executive officer or the governing body (LBIO, p. 2).

2. **Proposed budget prepared.** The budget officer is responsible for preparing or supervising the preparation of the proposed budget for presentation to the budget committee (LBIO, p. 2).

Approving the Budget (LBIO, p. 2). At least one meeting must be held to 1) receive the **budget message** (emphasis added) and budget document, and 2) hear the public (LBIO, p. 2).

When the budget is given to the budget committee, it becomes a **public record and must be made available to the public** (emphasis added) (LBIO, p. 2).

All budget discussions must be held at public meetings. At the budget committee meeting, the budget message is delivered. The **budget message** (emphasis added) explains the proposed budget and significant changes in the local government's financial position. At this meeting, the budget committee may provide members of the public the opportunity to ask questions about or comment on the budget. If public comment is not allowed at this meeting, the budget committee must provide the public with the opportunity at subsequent meetings (LBIO, p. 2).

Advertising and Holding Hearings (LBIO, p. 2)

Adopting the Budget (LBIO, p. 3). All budgets must meet certain minimum requirements, outlined here. For specific examples consult the Manual (LBIO, p. 3).

Under local budget law the budget must follow a basic format (LBIO, p. 3).

The Local Budget Process Chart (LBIO, p. 6). The nine step budget process is shown on the chart.

Step 1.	Budget Officer Appointed.
Step 2.	Proposed Budget Prepared (emphasis added).
Step 3.	Budget Officer Publishes Notice.
Step 4.	Budget Committee Meets.
Step 5.	Committee Approves Budget.
Step 6.	Budget Summary and Notice of Budget Hearing Published.
Step 7.	Budget Hearing Held.
Step 8A.	Tax Levy Declared, and Categorized.
Step 8B.	Budget Adopted, Appropriations Made,
Step 9.	Budget Filed and Levy Certified.

What is a budget committee? The budget committee is the district’s fiscal planning advisory committee. The committee consists of the elected governing body members and an equal number of qualified district voters appointed by the governing body (LBIO, p. 9).

What are the rules about budget committee meetings? Minutes of each meeting are kept. The minutes are the official record of budget committee meetings. It is important that minutes are accurate. **The budget process is required by law and districts may need to document that the process was in compliance with state statutes** (emphasis added) (LBIO, p. 10).

What happens at the first budget committee meeting? Generally, the budget committee elects a chair and other officers, **receives the budget message, hears patrons** (emphasis added), sets dates for future meetings, and adopts rules of order (LBIO, p. 10).

What happens at subsequent budget meetings? At least one meeting must provide the opportunity for the public to ask questions and make comments about the budget (LBIO, p. 10).

How is the material that is presented by the budget officer at the first meeting prepared? The budgeting process is a continuous cycle that generally begins long before the budget committee meets. Each district has its own procedures for budget review and development. In larger districts, each part of the organization may have its own budget preparation process, in which funding requests for the upcoming fiscal year are developed and then “rolled up” into the total agency budget requirements. By the time the budget committee receives the **budget message** (emphasis added) and budget document, many hours of work have been put into budget development. The budget officer coordinates these efforts with district staff and other administrators (LBIO, p. 10).

May I ask questions other than at budget committee meetings? It could be very helpful and a courtesy to other budget committee members if inquiries are not restricted to committee meetings. **Checking with the administrator and/or budget officer between meetings allows members to explore budget items of interest in greater detail than might be practical during committee meetings** (emphasis added). Questioning also assists the administration/ budget officer by giving an indication of concerns, making it possible to highlight issues that may be of interest to the entire budget committee (LBIO, p. 11).

Can I consult with other budget committee members about details in the budget other than at budget committee meetings? Discussion of the budget committee must always take place in the forum of a public meeting. One of the reasons Oregon uses the budget committee process is to ensure public comment and full disclosure of budget deliberations. It is much better to abide by the spirit of the law and hold **all** discussions at budget committee meetings (LBIO, p. 11).

Can the budget committee add or delete programs or services? Generally, the budget committee's role is not to directly establish or eliminate specific programs or services. **Standards and budget parameters established by the governing body give the budget officer and administrative staff general guidelines for budget development** (emphasis added). The budget officer then prepares a budget which reflects the governing body's parameters. This proposed budget is what the budget committee considers during its meetings. Budget committee influence on programs and services is most often exerted at a higher level, when it approves the overall budget and establishes the tax levy. Having said all that, if a majority of the budget committee agrees, it can add or delete funding for specific services. Public participation at budget committee meetings may influence budget committee decisions. However, final authority for administration rests with the governing body. The governing body can make changes after the budget committee has approved the budget, although they may have to re-publish the budget and hold another public hearing to do so (LBIO, p. 11).

After the budget is approved by the budget committee and recommended to the governing body, what action does the governing body take? The governing body must publish a financial summary of the budget that was approved by the budget committee. The notice of the budget hearing is also published with the financial summary. At the **public hearing, the governing body hears any citizen input** (emphasis added) on the approved budget (LBIO, p. 12).

Glossary (LBIO, pps. 13 - 14)

Adopted budget. The financial plan adopted by the governing body which forms a basis for appropriations (LBIO, p. 13).

Appropriation. Based on an adopted budget, an authorization for spending specific amounts of money for specific purposes during specific periods of time. Presented in a resolution or ordinance adopted by the governing body (LBIO, p. 13).

Budget. Written report showing the local government's comprehensive financial plan for one fiscal year. Must include a balanced statement of actual revenues and expenditures during each of the last two years, estimated revenues and expenditures for the current and upcoming year (LBIO, p. 13).

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters from the district (LBIO, p. 13).

Budget message. An explanation of the budget and local government's financial priorities. Prepared by or under the direction of the executive officer or presiding officer of the governing body (LBIO, p. 13).

Budget officer. Person appointed by the governing body to assemble budget material and information, prepare the proposed budget, and oversee the budget process (LBIO, p. 13).

Fund. A division in a budget segregating independent fiscal and accounting requirements. An entity within a government's financial plan designated to carry on specific activities or to reach certain objectives (LBIO, p. 14).

Governing body. County court, board of commissioners, city council, school board, board of trustees, board of directors, or other governing board of a local government (LBIO, p. 14).

Ordinance. Written directive or act of a governing body. Has the full force and effect of law within the local government's boundaries, provided it does not conflict with a state statute or constitutional provision. See also "Resolution." (LBIO, p. 14)

Organizational unit. Any administrative subdivision of a local government, especially one charged with carrying on one or more specific functions (such as a department, office, or division). (LBIO, p. 14)

Program. A group of related activities to accomplish a major service or function for which the local government is responsible (LBIO, p. 14).

Proposed budget. Financial and operating plan prepared by the budget officer, submitted to the public and budget committee for review (LBIO, p. 14).

Resolution. A formal expression of will or intent voted by an official body. Statutes or charter will specify actions that must be made by ordinance and actions that may be by resolution. See "Ordinance." (LBIO, p. 14)

Resources. Estimated beginning fund balances on hand at the beginning of the fiscal year, plus all anticipated revenues (LBIO, p. 14).

Revenues. Monies received or anticipated by a local government from either tax or nontax sources (LBIO, p. 14).

Appendix B. ORS 294.403 Budget Message

OregonLaws.org

<http://www.oregonlaws.org/ors/294.403>

Accessed June 14, 2016

ORS 294.403¹ Budget Message

A budget message shall be prepared by or under the direction of the executive officer of the municipal corporation or, where no executive officer exists, by or under the direction of the presiding officer of the governing body. The budget message shall be delivered at a meeting of the budget committee as provided in ORS 294.426 (Budget committee meeting). The budget message shall:

- (1) Explain the budget document;
- (2) Contain a brief description of the proposed financial policies of the municipal corporation for the ensuing year or ensuing budget period;
- (3) Describe in connection with the financial policies of the municipal corporation, the important features of the budget document;
- (4) Set forth the reason for salient changes from the previous year or budget period in appropriation and revenue items;
- (5) Explain the major changes in financial policy; and
- (6) Set forth any change contemplated in the municipal corporations basis of accounting and explain the reasons for the change and the effect of the change on the operations of the municipal corporation. [Formerly 294.391]

Annotations §§ 294.305 (Sections constituting Local Budget Law) to 294.520 (Priority of appeals under Local Budget Law).

Notes of Decisions Tax court properly invalidated sanitary authority's proposed tax where authority had sufficient federal grant and other funds available to meet payments due on its bonds without tax. *Bashaw, Dept. of Rev. v. Bear Creek Valley San. Auth.*, 287 Or 113, 597 P2d 822 (1979).

Atty. Gen. Opinions Budgeting deferred compensation assets and liabilities, (1976) Vol 37, p 1284; exclusion of municipal financial activities with respect to urban renewal agency projects, (1977) Vol 38, p 1062.

Related Related Statutes³ ORS 294.426. Budget committee meeting.

Footnotes

1. Legislative Counsel Committee, CHAPTER 294—County and Municipal Financial Administration, https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2013ors294.html External_link_icon(2013) (last accessed Apr. 27, 2014).
2. Legislative Counsel Committee, Annotations to the Oregon Revised Statutes, Cumulative Supplement - 2013, Chapter 294, https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2013ano294.html External_link_icon(2013) (last accessed Apr. 27, 2014).
3. OregonLaws.org assembles these lists by analyzing references between Sections. Each listed item refers back to the current Section in its own text. The result reveals relationships in the code that may not have otherwise been apparent.

ORS 294.408¹ Time of making budget message and document

The budget message and budget document shall be prepared a sufficient length of time in advance to allow the adoption of the budget by the close of the current fiscal year or current budget period [Formerly 294.396].

Annotations §§ 294.305 (Sections constituting Local Budget Law) to 294.520 (Priority of appeals under Local Budget Law).

Notes of Decisions Tax court properly invalidated sanitary authority's proposed tax where authority had sufficient federal grant and other funds available to meet payments due on its bonds without tax. *Bashaw, Dept. of Rev. v. Bear Creek Valley San. Auth.*, 287 Or 113, 597 P2d 822 (1979).

Atty. Gen. Opinions Budgeting deferred compensation assets and liabilities, (1976) Vol 37, p 1284; exclusion of municipal financial activities with respect to urban renewal agency projects, (1977) Vol 38, p 1062.

Appendix C. Josephine County Budget Process – Budget Calendar Examples

The following JO CO budget documents are web published on the Exploratory Committee’s web page.

EXAMPLE BUDGET CALENDAR FY 2016-17
EXAMPLE BUDGET CALENDAR FY 2015-16
EXAMPLE BUDGET CALENDAR FY 2014-15
EXAMPLE BUDGET CALENDAR FY 2013-14

Budgets: Josephine County, Oregon

Exploratory Committee
Hugo Neighborhood Association & Historical Society
<http://www.hugoneighborhood.org/budgets.htm>

EXAMPLE BUDGET CALENDAR FY 2016-17

Budget Calendar FY 2016-17.

- Proposed Budget 2016-17*
- Proposed Budget 2016-17 (Introduction, but no identified "Budget Message")*
- Proposed Budget 2016-17 (Budget Import Documents)

Budget Calendar FY 2016-17*

???	Standards and budget parameters (S&BP) established by the governing body and provided to the budget officer and administrative staff general guidelines for budget development.
March 11, 2016.	Completed Budgets to Finance.
March 28, 2016.	Week of JO CO BCC review with Finance and Individual Departments.
April 19, 21, 26, 2016.	Budget Committee Meeting, 4 to 6 p.m. (Other meetings may be added or removed at first meeting).
May 18, 2016.	Hold Budget Hearing.
June 1, 2016.	Adopt and Certify Tax.
By July 15, 2016.	LB-50 Property Tax Form to County Assessor

EXAMPLE BUDGET CALENDAR FY 2015-16

April 16:	Budget Workshop •] Budget Committee (4 to 5 p.m.)
March 13, Friday:	Completed Budgets to Finance
March 30, Week of:	BCC review with Finance and Individual Dept.
April 30, May 7, 14, 21, 28, Thursday:	Budget Committee Meeting, 4 to 6pm (Others meetings may be added or removed at first meeting)
June 17th, Wednesday:	Hold Budget Hearing and Adopt Budget & Certify Tax
By July 15th:	LB-50 Property Tax Form to County Assessor

BUDGET CALENDAR 2014-15

April 1:	Budget Workshop - Budget Committee (3 to 5 p.m.)
April 11, Friday:	Completed Budgets to Finance
April 21, Week of:	BCC review with Finance and Individual Dept.
May 8, 15, & 22, Thurs	Budget Committee Meeting, 4 to 6 p.m. (Others meetings may be added)
June (TBA):	Hold Budget Hearing and Adopt Budget & Certify Tax
By July 15th:	LB-50 Property Tax Form to County Assessor

EXAMPLE BUDGET CALENDAR FY 2013-14

April 1:	Budget Workshop - Budget Committee (3 to 5 p.m.)
March 29, Friday:	Completed Budgets to Finance
April 8, Week of:	BCC review with Finance and Individual Dept.
May 7, 14, 21, 28, Tuesday:	Budget Committee Meeting, 4 to 6 p.m. (Others meetings may be added)
June 19th, Wednesday:	Hold Budget Hearing and Adopt Budget & Certify Tax
By July 15th:	LB-50 Property Tax Form to County Assessor

Appendix D. Oregon's "Local Interference" Laws

"Local interference" laws, prevent local governments from setting higher standards than state law.

While the state plays an important role in setting baseline standards, cities have historically had the power to enact higher standards in the best interest of their residents. Just as states can go beyond federal minimum standards, cities and counties at times do the same for their communities.

Oregon cities and counties have historically had the power to enact higher baseline standards in the best interest of their residents.

Local Government Policy-Making Process

- Municipal Research & Services Center (MRSC) of Washington. February 1999. *Local Government Policy-Making Process*. State of Washington, Report No. 45. Seattle, WA. (MRSC 1999).

Many Forces That Impact Local Communities Are Beyond Local Control Local governments are subject to federal and state mandates. Local decision-makers may have limited ability to influence an important community issue (MRSC 1999, p. 8).

Legislative Bodies City, town, and county council members and county commissioners are legislators. Together they constitute a legislative body which is given authority by the state constitution and state law to make local law. **Local legislative authority is generally limited to what the state specifically grants to counties, cities and towns.** However, code cities, charter cities and charter counties have **"home rule" powers which permit them to exercise authority not specifically granted; provided that the state has not specifically prohibited that local authority** (MRSC 1999, p. 11).

Councils and commissions have the **powers to enact laws and policies consistent with state law**, usually through the enactment of ordinances and resolutions (MRSC 1999, p. 18).

On some issues the community may have **no choice but to act because of federal or state requirements** like the Endangered Species Act and the Growth Management Act. On other issues, there may be local discretion to address them or not (MRSC 1999, p. 22).

Oregon "Local Interference" Laws In determining whether a local government enactment has been preempted by state law, we examine the relevant statutes to determine whether the local enactment is incompatible with legislative policy, either because it cannot operate concurrently with state law or because the legislature intended state law to have preemptive effect. *City of LaGrande/Astoria v. PERB*, 281 Or 137, 148-49, 576 P2d 1204, adhered to on reh'g 284 Or 137, 586 P2d 765 (1978).

Whether local government enactment has been preempted by Oregon state law.

CITY OF LA GRANDE v. PUBLIC EMP. RETIREMENT BD. 576 P.2d 1204 (1978)

CITY OF LA GRANDE v. PUBLIC EMP. RETIREMENT BD. 576 P.2d 1204 (1978) 281 Or. 137
Supreme Court of Oregon, In Banc.
Argued and Submitted July 12, 1977.
Decided January 31, 1978.

"Home Rule" for Cities and Towns The issues in these cases arise from two provisions of the Oregon Constitution that together provide "home rule" for cities and towns.[2] Enacted together by initiative amendment in 1906, they appear in two places in the constitution. The pertinent part of article XI, section 2, provides:

The Legislative Assembly shall not enact, amend or repeal any charter or act of incorporation for any municipality, city or town. The legal voters of every city and town are hereby granted power to enact and amend their municipal charter, subject to the Constitution and criminal laws of the State of Oregon. In article IV, section 1a (now 1(5)), the statewide initiative and referendum powers "reserved" to the people by amendment of article IV, section 1, in 1902 were "further reserved to the qualified voters of each municipality and district as to all local, special and municipal legislation of every character in or for their municipality or district." [3]

The relationship between the authority of the legislature and that of local governments under these provisions during the past 70 years has occupied this court in more than 75 cases. As might be expected, the court has employed a variety of formulations in explaining these decisions. This is only proper, since that relationship presents a number of distinct issues rather than a single issue. In any given case, it is necessary to **distinguish whether it involves (1) the validity of a local act in the absence of a contrary state law; [4] (2) the validity of a state law in the absence of a contrary local act; [5] (3) the validity of a local act said to conflict with a state law; [6] or (4) the validity of a state law said to conflict with a local act.** [7] To reduce the effect of the amendments on local authority and their effect on the state's authority to a single formula would only obscure the fact that these are two different questions.

Oregon Legislature Meant its Law to Be Exclusive Outside the context of laws prescribing the modes of local government, both municipalities and the state legislature in many cases have enacted laws in pursuit of substantive objectives, each well within its respective authority, that were arguably inconsistent with one another. **In such cases, the first inquiry must be whether the local rule in truth is incompatible with the legislative policy, either because both cannot operate concurrently or because the legislature meant its law to be exclusive** (emphasis added). It is reasonable to interpret local enactments, if possible, to be intended to function consistently with state laws, and equally reasonable to assume that the legislature does not mean to displace local civil or administrative regulation¹⁸ of local conditions by a statewide law unless that intention is apparent. See, e.g., *Terry v. City of Portland*, 204 Or. 478, 269 P.2d 544 (1954); *City of Portland v. Duntley*, 185 Or. 365, 203 P.2d 640 (1949); *City of Coos Bay v. Aerie No. 538*, 179 Or. 83, 170 P.2d 389 (1946); *Lyons v. City of Portland*, 115 Or. 533, 235 P. 691 (1925). However, **when a local enactment is found incompatible with a state law in an area of substantive policy, the state law will displace the local rule** (emphasis added). See, e.g., *Winters v. Bisailon*, 152 Or. 578, 54 P.2d 1169 (1936), holding that the State Motor Vehicle Act displaced local speed limits and overruling a prior holding that city authority is paramount;¹⁹ *Southern Pac. Co. v. Consolidated Freightways, Inc.*, 203 Or. 657, 281 P.2d 693 (1955) (same as to trains); *Lovejoy v. City of Portland*, 95 Or. 459, 188 P. 207 (1920) (licensing insurance agents); *City of Woodburn v. Public Service Comm'n*, 82 Or. 114, 161 P. 391 (1916) (utility rates); *City of Klamath Falls v. Oregon Liquor Control Comm'n*, 146

Or. 83, 29 P.2d 564 (1934) (liquor regulation); *Fischer v. Miller*, 228 Or. 54, 363 P.2d 1109 (1961) (hunting regulations). No state law in an area of substantive policy has ever been held subordinate to a contrary local rule since *Kalich v. Knapp*, note 19, was overruled.

Thus neither the form in which the local policy is cast, nor the "subject" of the state law, nor the existence of local boundaries can by itself **determine the validity of a statewide law. Instead, we conclude that the following principles for resolving a conflict between such a law and an inconsistent local provision for the conduct of city government are consistent with our past interpretations of the "home rule" amendments:**³⁰

When a statute is addressed to a concern of the state with the structure and procedures of local agencies, the statute impinges on the powers reserved by the amendments to the citizens of local communities. Such a state concern must be justified by a need to safeguard the interests of persons or entities affected by the procedures of local government.

Conversely, a general law addressed primarily to substantive social, economic, or other regulatory objectives of the state prevails over contrary policies preferred by some local governments if it is clearly intended to do so, unless the law is shown to be irreconcilable with the local community's freedom to choose its own political form.³¹ In that case, such a state law must yield in those particulars necessary to preserve that freedom of local organization.

As we have said, the statutes challenged by the cities in these cases are of the second, substantive kind. The provisions for financial security for police officers and firemen and their dependents in the event of retirement, disability, or death address a social concern with the living standards of these classes of workers, not with local governments as such. Various categories of employees are not placed beyond the reach of the state's social legislation merely because their occupational functions — here police and fire protection, elsewhere perhaps municipal transit or utility or library services — happen to be found in the public sector of local government. While the statewide retirement and insurance plans do displace other plans that local agencies have made, or might make, for these objectives, they are not irreconcilable with the freedom to charter their own governmental structures that are reserved to the citizens of Astoria and La Grande by article XI, section 2. Accordingly, the statutes are constitutional.

Ronald WILLIAMS, et al, Appellants, v. CITY OF ASTORIA

No. CC 76-211; CA 12601. Court of Appeals of Oregon. Argued and Submitted September 10, 1979. Decided December 24, 1979.

The leading case on the subject of resolving conflicts between state and local enactments is *LaGrande/Astoria v. PERB*, 281 Or. 137, 576 P.2d 1204, aff'd on rehearing 284 Or. 173, 586 P.2d 765 (1978). There, the cities of LaGrande and Astoria in a declaratory judgment suit challenged, **under the home rule amendments,**[2] the constitutionality of a statute requiring all municipal, county, and district police officers and firemen to be brought within state Public Employees Retirement System unless the public employer provided them with equal or better retirement benefits. The court held that these statutes did not unconstitutionally alter the cities' form of government, since the statutes were addressed to a statewide substantive, social objective rather than to any asserted concern with the modes of local government. The court established the following test for resolving conflicts, under the home rule amendments, between state and local enactments:

- "When a statute is addressed to a concern of the state with the structure and procedures of local agencies, the statute impinges on the powers reserved by the amendments to the citizens of local

communities. Such a state concern must be justified by a need to safeguard the interests of persons or entities affected by the procedures of local government.

- "Conversely, a general law addressed primarily to substantive social, economic, or other regulatory objectives of the state prevails over contrary policies preferred by some local governments if it is clearly intended to do so, unless the law is shown to be irreconcilable with the local community's freedom to choose its own political form. In that case, such a state law must yield in those particulars necessary to preserve that freedom of local organization." *414 281 Or. at 156, 576 P.2d at 1215.

Local Laws Preempted by State and Federal Law At issue in this case is the validity of a City of Eugene (city) ordinance that imposes various fees and regulatory requirements on telecommunications providers that offer telecommunications services in the city. AT & T Communications of the Pacific Northwest, Inc. (AT & T Communications), and AT & T Wireless Services of Oregon, Inc. (AT & T Wireless), complain that the ordinance is preempted by state and federal law. The trial court agreed and entered summary judgment declaring the ordinance invalid and enjoining the city from enforcing it. The city appeals, arguing that the trial court erred in concluding that the ordinance is preempted by either state or federal law. We agree and reverse and remand.

AT & T COMMUNICATIONS OF THE PACIFIC NORTHWEST, INC., a Washington corporation, and AT & T Wireless Services of Oregon, Inc., a Nevada corporation, Respondents, v. City of Eugene, an Oregon municipal corporation, Appellant. 16-98-12672; A105861
Court of Appeals of Oregon.
Argued and Submitted January 22, 2001.

Another Example for Pesticide Regulation - ORS 634.006(8)(h). In adopting the Act, the legislature made its preemptive intentions clear:

"The Legislative Assembly hereby determines that the citizens of this state benefit from a system of safe, effective and scientifically sound pesticide regulation. The Legislative Assembly further finds that a uniform, statewide system of pesticide regulation that is consistent, coordinated and comports with both federal and state technical expertise is essential to the public health, safety and welfare and that local regulation of pesticides does not materially assist in achieving these benefits."

Likewise, a local government ordinance cannot incorporate state statutes not yet enacted. *City of Salem v. Jungblut*, 83 Or App 540, 543, 732 P2d 919 (1987); *Brinkley v. Motor Vehicles Division*, 47 Or App 25, 27, 613 P2d 1071 (1980).

Oregon Budget Law provides for changes to adopted budgets through a ... frequencies were tested for local interference and local performance.

Oregon Budget Law tested for local interference and local performance.

Federal Constitution's Supremacy Clause Under the Federal Constitution's Supremacy Clause,' Congress has the power to preempt state and local laws, rendering them "null, void, invalid and inoperative.'" Congress often exercises this power by adopting statutory provisions that expressly preempt certain forms of state or local regulation. The traditional answer to whether federal preemption treats state law and local (city or county) law the same has been an unequivocal yes.

- Annie Decker. 2011. *Preemption Conflation: Dividing the Local from the State in Congressional Decision Making*

Mandates: Cases in State-Local Relations Another likely factor in the rise of mandating is that citizens expect governments to conform to much higher standards and to protect individual rights more extensively than was true in the past.

State and local governments might be permitted to set higher standards, but not lower ones.

Of course, mandates also stem from genuine deficiencies in local government performance. Where one or more local governments decline to remedy a problem, the state may be compelled to mandate a remedy. Local deficiencies may give rise to interest group activity and media coverage demanding state action.

Appendix E. Good Budget Policy & Guidelines To Improve Public Budget Process

The Authors were impressed with *Local Government Policy-Making Process*, and they tweaked some of its ideas on good policy, its limits, and how to improve citizen participation in the public budget process. Part of what was liked was its focus on writing in plain language, from a practical standpoint. It was intended to provide the reader with a better understanding of the roles and responsibilities of legislators as policy-makers. It discusses how local public policy is created and provides practical tips, based on experience, on how to make the policy-making process more productive and satisfying for participants.

- How To Recognize Good Budget Policy
 - Limits To Policy-Making
 - Guidelines To Improve Public Budget Process
-
- Municipal Research & Services Center (MRSC) of Washington. February 1999. *Local Government Policy-Making Process*. State of Washington, Report No. 45. Seattle, WA. (MRSC 1999).

HOW TO RECOGNIZE GOOD BUDGET POLICY

What is policy? **Formally adopted policy generally takes the form of a governing principle, plan, or course of action** (emphasis added). In the public sector it generally evolves from a deliberative process, and is adopted by an ordinance or resolution. Legislative bodies make public policy decisions; others perform the administrative task of implementing those policies.

The decisions could be the adoption of a vision for the community, a comprehensive plan, a budget, or a policy relating to a specific issue, such as allowing or prohibiting local gambling activities. Policy-making requires political wisdom, diplomacy, and prudence to bring diverse community interests together around a shared purpose. Common usage of the term "policy" also includes the wise and expedient conduct of management; thereby blurring the line between policy and administration and causing confusion in the roles of elected legislators.

The budget is considered one of the strongest policy-making tools.

Public policy is a combination of basic decisions, commitments, and actions made by those who hold authority or affect government decisions. The policy-making process weighs and balances public values. Often there is no "right" choice or correct technical answer to the issue at hand. Policymaking can be an adversarial process, characterized by the clash of competing and conflicting interests and viewpoints rather than an impartial, disinterested, or "objective" search for "correct" solutions for policy issues. The larger and more diverse the constituency, the more difficult policymaking becomes, particularly when addressing regional issues. Democracy is sometimes *messy*. **Since our government is a representative democracy, an effective policy-making process insures that all relevant viewpoints are heard** (emphasis added), and that the rights of individuals are protected.

Budgets and capital facilities' plans (emphasis added) address the allocation of scarce financial resources to achieve the community's vision, **accomplish goals and objectives** (emphasis added), implement the comprehensive plan, and provide services. **The budget is considered one of the strongest policy-making tools.** It defines the spending and service priorities for numerous other policy decisions. There is rarely enough money to do all the things that a community desires. Thus, budgets and capital facilities plans must *prioritize*. What gets funded? In what order? What does not get funded? How much will be spent to provide desired services? Long-term financial plan projections (5 to 6 years ahead) often help reveal some of the costs or consequences of seemingly "inexpensive" short-term policy decisions. The allocation of resources to competing needs is an important exercise of setting local policy. Deciding what *not* to do is also an important part of policy-making.

Since there is usually not a "right or wrong" budget policy, how are good budget policy decisions recognized? The following qualities may assist in defining "good public policy:"

- **There is Public Support** Usually policy adopted by a majority vote of a legislative body is "good" policy. A supermajority vote makes "great" policy. The council does not make policy in a vacuum. Councils rely on ideas from many sources, including staff, citizen's groups, advisory committees, chambers of commerce, and others. Strong council support for a policy is more likely if there is strong support in the community.
- **Policies Are Just** Good policy is fair and equitable; it does not impose disproportional impacts on interest groups. Policy decisions should be based upon due process that respects the constitutional rights of individuals. Policy-making is not always about what's popular. Sometimes it means protecting the legitimate interests of minority views too.
- **Sound Decisions Are Backed by Solid Analysis** **Good policy analysis starts with clear goals and objectives, considers a range of alternatives, expresses evaluation criteria, and assesses the impacts of alternatives with respect to these criteria** (emphasis added). Measure the consequences of policy decisions against the community's vision, values, and goals.
- **Policies Are Relevant** The decision addresses a problem or issue that is generally perceived as significant to the community.
- **Policy Can Be Implemented** The decisions are feasible for local government to implement. The adopted policy has a reasonable chance of working. There are clear assignments of responsibilities for implementation.
- **Results Are Monitored** There is always a risk that policy decisions have unintended consequences, or simply do not accomplish their goals. During the analysis phase it is useful to think about how a policy choice may fail. **Good monitoring systems** (emphasis added) may provide early warning about policy failures or unintended consequences. This would enable policy-makers to alter the policy to increase effectiveness, or abandon it completely.

LIMITS TO POLICY-MAKING

No one said that effective policy-making is easy. It is easier to second guess how something might have been done, than to determine *what* needs to be done. There are many challenges and hazards along the way. Public policy-making involves multiple interests, complex analysis, conflicting information, and human personalities. Listed below are some factors that make public policy a fascinating, sometimes frustrating, but absolutely essential exercise. These are listed to alert the reader about circumstances where extra care is necessary.

- Legitimate community interests have multiple and often conflicting goals. This is the essence of the policy-making challenge. For example, the business community may be motivated primarily by a profit goal in presenting its position on the comprehensive plan. Other community interests may place a higher priority on a goal of preserving as much of the natural environment as possible. These goals may conflict.
- With multiple interest groups and centers of power, there is a tendency to "take a step in the right direction" rather than commit to significant change. Some participants are frustrated because they believe that the policy-making process should produce more dramatic changes than it usually does. On the other hand, seemingly minor changes in the short-term can have enormous long-term impacts.
- Failure to have the right information can impede decision-making. Elected officials are often faced with information overload. Too much information can create uncertainty and weaken decisiveness. When this occurs, all information becomes diluted in its persuasiveness. Decision-makers may then resort to less rationally defensive but more personally satisfying methods of decision-making. Concise, well-organized data and analyses can facilitate the decision-making process.
- Some interest groups may use analysis to rationalize choices they have already made. Research can be politicized. Some people are skilled in using statistics to prove anything. Close inspection of their analysis, however, may reveal serious flaws.
- Many forces that impact local communities are beyond local control. **Local governments are subject to federal and state mandates** (emphasis added). Income levels of individual jurisdictions depend upon job creation and retention throughout the region. Traffic congestion and air pollution transcend local community borders. Local decision-makers may have limited ability to influence an important community issue.
- It is not always clear or obvious how to implement good policy, even when there is a high level of agreement about a desired direction.
- Resources to implement policy may be limited.
- Mediation may be required to resolve issues where communities are polarized.

GUIDELINES TO IMPROVE PUBLIC BUDGET PROCESS

Formal public hearings are part of the vocabulary of public process in America. While it is necessary to conduct public hearings to meet legal requirements, **these hearings should by no means be the only opportunity for citizen involvement on important policy issues** (emphasis added).

The formal public hearing setting can create a theater atmosphere, especially if the session is videotaped for community broadcast. Legislators and interest group representatives make speeches to the camera for the benefit of those watching at home. Formal hearings often bring out the most extreme positions. Interest group leaders often feel that they need to present a harder position than they might actually be willing to accept. They have to look like strong leaders, and their "opponents" will be making equally strong statements for contrary positions.

At a hearing, there is usually little, if any room for reasonable discussion, give or take, or response to prior testimony. Usually there is a parade of speakers who come to read their prepared statements. Interest groups often feel that it is necessary to pack the place with supporters of their positions to influence legislators politically.

If this is the only means of public process, there is a high risk that the process will fail (emphasis added). On important public issues, there has to be solid public process before a hearing is scheduled, if there is to be any hope of reaching a solution that has a high level of community support. There are a number of techniques that can be helpful. Newsletters and other mailings can inform the community about issues, options, and the process of decision-making. Surveys can be used to assess community views and opinions about important issues. Community meetings can be structured to maximize opportunities for dialogue on important matters.

There is no one right method or one single set of techniques that guarantee success. A genuine willingness to be open, to listen, and to explore options and issues identified by the community will instill faith in the process. **Citizens can sense very quickly whether their participation is really welcome** (emphasis added). It is also important to structure and facilitate community meetings in a way that truly permits participation of interested parties.

The following guidelines can help to design a *public participation* process that has a strong chance of being effective (emphasis added):

- For public meetings, including hearings, prepare and distribute a printed agenda showing the purpose and objectives of the meeting, an outline of subjects to be covered, time limits, and rules for participation.
- Citizen participation purpose of meeting and hearings is to provide an opportunity for citizens to give oral and written testimony, to be heard and to receive a response to their comments (authors).
- Provide formal comment period for entire budget process from its start to the final adoption hearing, and/or individual comment periods on the three budgets: 1. Proposed budget, 2. Approved budget, and 3. Adopted budget (authors).

- Change physical setting of the meeting room to reduce feelings of separation and "power differences" between public officials and citizens. Sit around a table if possible.
- **Involve interested parties in the process of generating alternative solutions and approaches. Do this early in the process so that promising new alternatives can be fairly addressed** (emphasis added).
- Make sure there is plenty of opportunity for people to receive answers to questions. **This usually does not happen at a hearing** (emphasis added). Some agencies have successfully used informal "open houses" where there is ample opportunity for community members to view illustrations of alternatives, discuss the potential impacts of alternatives, and receive answers to specific questions.
- Use small groups to involve participants. Many people are hesitant to speak out in large groups and may hold back good ideas.
- Consider the use of portable microphones and a "talk show" or town hall format.
- Listen to what participants are saying. Ask clarifying questions. Repeat what you heard to confirm the message. Use a recorder to write comments and suggestions on large sheets of paper that can be posted on the walls.
- Use good graphics and handouts to illustrate and summarize the proposal(s).
- Use a comfortable setting. Regulate room temperature so that the room is not too hot or cold.
- Schedule meetings at times and places that are convenient to those you want to involve.
- Use trained facilitators to conduct meetings if issues are especially controversial.
- And finally, provide food! There is research showing that people are less likely to express anger if fed. You need to be careful, however, about the use of public funds. It is best if you can pay for food out of a fund generated from private donations.

Conducting an effective public participation process is hard work. **And it can be frustrating, especially if you think you already have all the analysis and information you need to make a decision** (emphasis added). There can be tension between the goals of democracy and the desire to make decisions quickly and efficiently. However, a truly participatory process can be very rewarding. Decisions are far more likely to be supported, even by those who might prefer a different outcome. Good will generated by the process can provide momentum to implement a difficult decision. Your community will gain experience, knowledge, and skill at working together to create the future.

One-time documents that would be valuable for all participants (i.e., public, governing body, and staff) include the following.

- Develop a formal **budget handbook** (Authors).
- Develop a formal **citizen guide to the budget** (Authors).
- Develop a formal **public budget participation plan** (Authors).

Appendix F. Using The Correct Terms – Shall, Will, Should

Using the correct terms – Shall, Will, Should

Posted on: October 9th, 2012 by Lou Wheatcraft

Requirements Experts

<http://reqexperts.com/blog/2012/10/using-the-correct-terms-shall-will-should/>

- Wheatcraft, Lou. Posted on: October 9th, 2012; Viewed June 28, 2016 *Using the correct terms – Shall, Will, Should*. Requirements Experts. <http://reqexperts.com/>.

I received a request to address the correct use of terms when writing requirements.

“Lou,

Here is a question for you and your blog readers: Customers have been known to want to include “non-mandatory” requirements in their specs. One person even referred to them as “non-requirement requirements”. They used the verbs “should”, “may” and “will”, among others. Some customers do state that such “non-mandatory” requirements will not need to be verified. What is your take on any statement other than a “shall” being referred to, or used, as a requirement?

Using the correct terms in your requirement document

I have seen requirement documents with a variety of terms used: shall, will, should, must, and yes...may. Often the terms are used interchangeably, especially shall and must, with no definition of what either means. The three terms I have seen used most often in requirement documents are “shall”, “will”, and “should”.

The fact is that many international standards, including International Organization for Standardization (ISO), **use the shall, will, should convention** (emphasis added). So, I recommend that you limit your use to these 3 terms in your requirement document. **Make sure to define these terms at the beginning of your document so everyone knows exactly what is meant** (emphasis added). Another reason you should stick to the shall, will, should convention is that these have attained acceptance in both the international and United States court systems.

Requirements are complicated enough – we advise that when writing requirements, stick to the basics.

Shall – Requirement: Shall is used to indicate a requirement that is contractually binding, meaning it must be implemented, and its implementation verified. Period! Don’t think of “shall” as a word, but rather as an icon that SCREAMS: “This is a requirement.” If a statement does not contain the word “shall” it is not a requirement.

In know...I know, “shall” is rather stilted and you probably don’t use it that often when talking with your pals, but use it when writing requirements. Remember, we are trying to communicate and it is much easier if we agree on the terms.

Facts or Declaration of Purpose. Will is used to indicate a statement of fact. Will statements are not subject to verification. For example: if I want to tell you something about another system I will use “will”. “The XYZ system will have the timing as defined in an ICD 1234.” Or if I am giving a description of something that exists today, I will use “will”. “This report will contain this data...” In a

statement of work (SOW) or task order for a vendor or supplier, I use will to communicate something I will do for or provide to the vendor or supplier.

Should – Goals, non-mandatory provisions. Should is used to indicate a goal which must be addressed by the design but is not formally verified (emphasis added).

Why include should (goal) statements in your requirement document? Because you may have a very important issue that you want to communicate to the developers, but can't think of a way to do so in the form of a verifiable requirement. For example, NASA was developing a jet pack called SAFER and one of the requirements read "The SAFER shall not impede crew mobility". Well anything but a decal will probably impeded crew mobility so how am I going to verify that statement if it is written as a requirement? I can't. So, now that I recognize this, I change the statement from a requirement "shall" to a goal "should" and then I ask my designers and developers at every subsequent review, "how are you going to design the jet pack so that it does not impeded crew mobility"?

The commercial sector may use goals in their product specs as a way for Marketing to communicate extra "bells and whistles" that could make the product more attractive to the consumer. I have seen some organizations treat goals such that they are expected to be met unless the design team has a good reason for not doing so.

You can also use "should" if you want to communicate design criteria (emphasis added). For example, rather than saying "The system shall minimize life cycle costs" which is not verifiable, you make it a goal using "should" instead of "shall".

Another use for goals is in minimum/maximum or threshold/goal situations (emphasis added). Example: "The system shall have a threshold response time of less than or equal to 1.0 seconds, with a goal of less than or equal to 0.25 seconds." The requirement that must be verified is the first value, however I have communicated to the developer I would like better performance – if it doesn't have a large impact on cost and schedule. Of course any value in between the threshold and goal is acceptable.

You always want to keep your goals in front. Not buried in the requirements, but in the same specification. Remember, these goals will be part of the design review, and using my examples, at each design review, I will ask the designers what have they done to reduce my life-cycle costs, what have they done to minimize impact on crew mobility, or how close to "Y" were they able to get?

Must – Don't use must because no one has defined how must is different from shall. Also, shall has held up in court, must has not (emphasis added). Granted, must does sounds stronger, right? I mean, if your boss tells you that you "must" do something, well you are going to do it. But, when writing requirements, keep things simple and just use shall.

If you have any other questions on requirements, feel free to ask your question on our "Ask the Experts" page and we will do our best to provide a timely response.

Observation by Authors: The authors agree with this article by Requirements Experts. Their agreement is based on 15 years in the land use business having to interpret Josephine County's comprehensive plan and zoning ordinance (i.e., Josephine County Rural Land Development Code).

It appears the Josephine County Assessor position is on similar lines concerning the meaning of “shall” and “may.”

Assessor

Josephine County

Viewed September 18, 2016

<http://www.co.josephine.or.us/SectionIndex.asp?SectionID=103>

The majority of services & duties of the Assessor's Office are mandated by Oregon statutes .

The phrase "assessor shall" indicates a mandate; "assessor may" allows discretion.

*The phrase "assessor shall" occurs approximately 250 times,
while "assessor may" occurs approximately 30 times in Oregon statutes.*

Appendix G. Obtaining High-Quality, High-Turnout Citizen Input on Local Government Budgets

The parent document for the title and subject of Appendix G is a good citizen participation document for voters of Josephine County, Oregon to consider. Its a 2011 public management bulletin from North Carolina.

- Stephens, John B. June 2011. *Creating Effective Citizen Participation in Local Government Budgeting: Practical Tips and Examples for Elected Officials and Budget Administrators*. Public Management Bulletin No. 6, School of Government, The University of North Carolina. Chapel Hill, NC. (Stephens 2011).

The following are only a two ideas from *Creating Effective Citizen Participation in Local Government Budgeting: Practical Tips and Examples for Elected Officials and Budget Administrators* that the authors' wished to highlight.

- Obtaining High-Quality, High-Turnout Citizen Input on Local Government Budgets
- Scholarship and Experience Base for this Bulletin

Obtaining High-Quality, High-Turnout Citizen Input on Local Government Budgets (Stephens 2011, pps 10 - 12)

Effectively involving citizens in the local government budgeting process can be a real challenge. Some key roadblocks faced by government officials can be summarized as follows:

- People **may not be especially well-informed** on budgeting issues. This can cause any number of problems, including
 - citizens might misunderstand what services are provided by cities or counties in North Carolina;
 - incorrect assumptions could be made regarding the handling of the public debt; and
 - confusion could arise about separate accounting for enterprise funds (such as those for solid waste, water, and wastewater programs and services) and funding for other programs and services.
- **Participation** by citizens can be **episodic** and take place **late** in the budget process, causing, perhaps, a perception that public opinion is not being “heard” or valued.
- **Limited citizen focus**. Frequently, members of the public will emphasize only certain services or programs and will mobilize to oppose or support a particular item without considering or offering alternatives. As a result, the full budget picture may not be taken into account, and decisions may be made in a vacuum.
- Elected officials, top administrators, and citizens may have **different goals and expectations** about budgeting matters, making decision making (and maybe even discussion) difficult.

Many officials and administrators have worked to engage more and more people in budgeting matters and to tackle the issue of limited citizen focus (Beckett and King 2002). However, these efforts at outreach have failed to consistently attract groups that reflect the makeup of the wider community.

The best overview of theory and research on citizen participation in budgeting finds critical gaps in knowledge, along with three familiar “practical participation problems”:

1. The **design of an “involvement process”** (emphasis added) (involving things such as when a participatory event is held, how people are expected to contribute their time and opinions, etc.) affects who participates in it. Each design tends to attract certain kinds of participants but rarely a representative group;
2. **Particular mechanisms for involvement** (emphasis added) foster one-way communication—productive two-way communication is elusive;
3. Public officials and administrators **rarely set clear goals for citizen input** (emphasis added) in the budgeting process (Ebdon and Franklin 2006).

Researchers (e.g., Berner, Amos, and Morse 2011; Franklin, Ho, and Ebdon 2009; Ebdon and Franklin 2006; Ebdon and Franklin 2004; Ebdon 2002) studying the issue of citizen input on budget matters have looked at different methods for communicating with and drawing into the process as many people as possible, and these methods include **public meetings, focus groups, simulations, surveys, and citizen committees** (emphasis added). Unfortunately, the research does not coalesce into findings on which strategies are effective under what circumstances. An illustration of this point comes from a 1999 survey of North Carolina city and county officials that found that the citizen involvement method perceived as being most effective and the one considered least effective were one and the same: public hearings (Berner, Amos, and Morse 2011).

Translating what is suspected to work into practical guidance for local officials has occurred only rarely. The authors of a guide designed for local officials (Marois et al. 2010, 3) outlined the following six approaches for engaging the public in the budgeting conversation:

1. Education and Outreach.
2. Surveys.
3. Advisory Committees.
4. Workshops.
5. Deliberative Forums.
6. Relationships with Existing Neighborhood Councils and Committees.

Public officials and administrators rarely set clear goals for citizen input in the budgeting process

This guide is extremely useful. Each of the approaches is described briefly, there are “Key Elements” and “Keep in Mind” sections that are clear and interesting, and brief illustrations are provided.

In my experience, each of the various participation tools has both plusses and minuses. For example, public meetings, as a rule, are relatively low cost, open to all citizens, and offer an easy way for more motivated residents to have their say. However, such meetings often do not reach a wide segment of the community and tend to offer varied and far-ranging topics without any ranking, comparison, or suggested compromises. Surveys provide a more structured way to gather specific information from the public, but they can be costly to conduct and do not allow for direct communication (involving both interaction and education), as public meetings do (Ebdon and Franklin 2006, p. 440).

The basic question underlying the research on public input on budget issues—not to mention running through the information presented in this bulletin—is precisely what constitutes *effective* participation by citizens? The answer to this question depends on who, exactly, is judging the goals and methods for participation. Maureen Berner, Justin Amos, and Ricardo Morse (2011) offer a good, North Carolina–focused study of the different stakeholders involved in the area of public participation in budget matters. The stakeholders identified there were citizens, high-level public administrators, and members of elected boards. The researchers asked each group what it thought “effective participation on local government budgeting” meant. The expectations of each constituency differed. For example,

. . . **elected officials tend to define effective public participation** (emphasis added) by reflection and a lack of citizen complaints. For staff, [this same term] means providing information to the public and encouraging them to act as macro-level community advocates[,] . . . thus making informed citizens a valuable resource to get other members in the community to understand tough, controversial, or pressing decisions made by local officials. [Staff members] want citizens to be advocates for the organization out in the community as much as they want to hear from citizens what “the community” thinks.

Citizens view effective participation through a different lens (emphasis added). Overall, [they] believe an effective participation system should include two-way communication (between all three stakeholder groups), more opportunity to be heard earlier in the process (not in late May at the budget public hearing), and involvement in honest dialogue with staff and elected officials regarding the budget and [the citizens’] role in the process” (Berner, Amos, and Morse 2011, 158–59).

Some of the variation between the three groups’ **interpretations of what effective participation looks like reflects the tension of competing democratic values** (emphasis added) – that is, citizens working through representatives

(where the latter tries to best judge and balance the various opinions, and interests of the former) versus grassroots engagement and control coupled with observable impact on budget decisions (Callahan and Yang 2009).

Appendix 2: Scholarship and Experience Base for this Bulletin (Stephens 2011, pps 23 - 25)

In putting together this bulletin, I looked primarily to three sources:

- a. Guidance documents drawing from the citizen participation literature and reports on particular citizen participation projects on budget and other matters (e.g., Creighton 2005; Marois et al. 2010, and resources from the International Association for Public Participation (or iap2; see www.iap2.org/).
- b. My teaching and advising experience with North Carolina public officials on managing difficult public hearings and my work on projects as a designer and/or facilitator for citizen–public official problem-solving. In October 2010, Dr. Rick Morse joined me to present a workshop on local government budgets and citizen participation to N.C. city officials. About forty people attended, and the ideas of a “basic budget information template” and “community meeting template” were received with generally positive response. Since 1998, I have taught two to four workshops each year (involving an estimated 200 public officials) on planning for and managing strong emotions in public hearings or meetings convened by local government officials. I have offered techniques for informing citizens and addressing public concerns. I have benefitted greatly from the experience and reflections of participants in those workshops.
- c. North Carolina city and county efforts (and a few examples from outside the state) on budget development and adoption, undertaken with the goals of informing citizens and responding to their concerns.

In General While the public administration research on citizen participation can be helpful, much of it is fairly removed from the near-term interests of, and the barriers encountered by, local government officials who are addressing budgeting and citizen participation issues.

Contributions from peer-reviewed journals and academic or other studies are important. However, we are far from having definitively identified conditions and goals for public participation, from a uniform application of techniques, and from the achievement of predictable results. The following summarizes some recent key that endeavor to address these issues.

- Berner, Amos, and Morse (2011) provide an exploratory study of the understanding of “effectiveness” for public involvement in local government budgeting. While clearly being relevant to this bulletin, the study’s data come from four North Carolina cities where interviews were conducted with elected officials, administrators, and citizens. **Effectiveness of public participation was found to have different meanings** (emphasis added) for these three sets of stakeholders, as is discussed at page 11, above.
- **Performance Budgeting for State and Local Government** (2010), a general text on local government budgeting by Janet M. Kelly and William C. Rivenbark, addresses citizen input on evaluating services and in budget development. The authors discuss the normative basis for citizen involvement and note the weaknesses of budget hearings coming late in the process. They also note Kolby’s 2009 research finding that simplified or “popular” reports on local budgets may not improve citizen engagement. Kelly and Rivenbark think that it may take time for popular reporting to have impact. Moreover, while it may enhance transparency and accountability, it may not spur higher participation (pp. 169–70). The authors close with a case study of Fairfax County, Virginia, which addresses large-scale community meetings in the face of limited revenue options, a significant need for cuts, and concerns felt by public officials about how citizens would respond (pp. 171–73).
- A 2010 report by William Saintamour and Tom Huggler aimed at a practitioner audience frames its discussion in terms of “customer and product” and relies on **satisfaction surveys to measure budget preferences and priorities** (emphasis added). The report’s use of short cases from four communities may be of interest to practitioners because it is clear and specific about goals and activities. The authors rely on outside consultants for conducting and evaluating survey data, however.
- Two symposia within the last ten years in the *Journal of Public Budgeting, Accounting and Financial Management (JPBAFM)* have addressed citizen participation concerns. Beckett and King (2002) provide the overview article of a 2002 *JPBAFM* collection. **These authors focus on better, improved participation across varied methods and goals** (emphasis added). They emphasize: “The short story here is that people/citizens are participating in budgeting and fiscal matters. The problem is that this participation is typically uninformed and note made in *engagement* with those who have the expertise to ensure that decisions

being made are informed decisions” (Beckett and King 2002, 467). Other articles in the 2002 collection address who participates, when and where participation occurs in budgeting, and particular ways of “expanding” participation in the budget context. For readers interested in particular techniques, Beckett and King offer a nice list of some creative and ongoing efforts to include citizens in local government budget decisions “that expand on the indirect strategies typically used” (Beckett and King 2002, 477). **“How are participation approaches determined to be a success?” is the big question** (emphasis added) Beckett and King address. They offer a **range of easily measured, short-term indicators** (emphasis added). Other sorts of measures discussed are cognitive (“education and knowledge building”) and evaluative (“support for government actions”). Although, given citizens’ interest in engagement and their influence on the process and content of budgeting, the authors point to potentially “unmeasurable” but essential elements:

If the processes of citizen participation include allowing questions, discussion and an exchange of ideas as part of the democratic responsibility of government, then other measures may be needed. The type of public process envisioned in participation serves an essential purpose that the best designed empirical research may not capture. It provides opportunity for comments and response that are not preconceived by the researcher (Beckett and King 2002, 481).

- In the 2009 *JPBAFM* symposium, Callahan and Yang frame the question for their collection of articles as “[T]o **what extent should citizens be involved in the budgetary decision process?**” (emphasis added) (Callahan and Yang, 2009, 248)
- Carol Ebdon, Aimee Franklin, and their various co-authors have made good contributions to the field (see Franklin, Ho, and Ebdon 2009; Ebdon and Franklin 2006; Ebdon and Franklin 2004; Ebdon 2002). Their research identifies four **general elements of citizen participation in budgeting – environment, process design, mechanisms, and goals and outcomes** (emphasis added) – as well as variables within each element (Ebdon and Franklin 2006). **The researchers conclude with an Impact Model, which shows a continuum from least supportive to most supportive of citizen participation** (emphasis added). They also align different goals and outcomes with more short-term (and easier to measure) outputs and more long-term (harder to measure) impacts.
- On the “high end” of significant learning, exchange, and depth of citizen involvement, a variety of academic contributions and practical tools could be relevant for application to local government budgets. Descriptions of significant engagement efforts on public budgeting are reported by Leighninger (2006); case analysis is undertaken by Weeks (2000); and data are summarized by Ebdon and Franklin (2006, 440–41). Short illustrations make up the majority of the work by Marois and colleagues (2010).

Additional Information Cases (often stories or short reports), projects, collections of techniques and tools are offered by the Participatory Budgeting Project (www.participatorybudgeting.org/); the National Coalition for Dialogue & Deliberation (<http://ncdd.org/>); and the Deliberative Democracy Consortium (www.deliberative-democracy.net).

Participatory budgeting was initiated in 1989 as a means of neighborhood-level control of specific infrastructure or services in Porto Alegre, Brazil. It values large-scale, direct deliberation and decision making. Pinnington, Lerner, and Schugurensky (2009) summarize previous research/reports on uses of such participatory budgeting in hundreds of cities in Brazil, Latin America, Europe, Africa, and India. They report on one of the first North American experiments, in Guelph, Ontario, Canada, which took place between 2003 and 2007. The one U.S. participatory budgeting case comes from a Chicago alderman who in 2009–10 used large-scale group deliberation and decision making regarding \$1.3 million dedicated to his ward. (For details, go to the Participatory Budgeting Project’s website, at www.participatorybudgeting.org/, select the tab called “Projects,” then choose “Chicago’s 49th Ward” from the pull-down menu.)

Appendix H. Public Participation and Organizational Performance: Evidence from State Agencies

The parent document for Appendix H is an interesting citizen participation document for voters of Josephine County, Oregon to consider. It is a 2012 study which was a first on the citizen participation practices used by all 50 U.S. state transportation agencies.

- Neshkova, Milena I., and Hai David Guo. 2012. "Public Participation and Organizational Performance: Evidence from State Agencies." *Journal of Public Administration Research and Theory* 22.2: 267-288. (Neshkova 2012)

Abstract: Citizen participation in administrative decision making has been widely advocated by both theorists and practitioners of public administration. Despite the importance of citizen engagement, the lack of systematic data has limited the research on its impact upon public service delivery. Is public input only normatively desirable or it has a real value attached to it? We draw on data from state transportation agencies across the country, collected within the Government Performance Project (GPP) project, to test the relevance of two theoretical perspectives about the effect of citizen participation. According to the first theoretical expectation, there is a trade-off between democratic and administrative decision making. According to the second perspective, citizen input provides policy implementors with information about consequences of governmental actions and thus contributes to more effective public programs. **We find strong support for the hypothesis that citizen involvement lead to better policy outcomes** (emphasis added). Our results demonstrate that there is no necessary trade-off between the values of democracy and bureaucracy and have clear implications for the theory and practice of democratic governance. (Neshkova 2012, p. 1).

The following are only a three ideas from *Public Participation and Organizational Performance: Evidence from State Agencies* that the authors' wished to highlight.

Reconcile the Values of Bureaucracy and Democracy (Neshkova 2012, pps. 2-3)

The question whether it is possible to reconcile the values of bureaucracy and democracy has long been puzzling students of public administration (Waldo 1948, 1977, Kirlin 1996, Gawthrop 1997, Gormley and Balla 2004, Meier and O'Toole 2006). As Gawthrop notes, **'The engines of bureaucracy and democracy run on different tracks , leaving from different stations and heading for different destinations'** (1997, 205). **Indeed, while democracy emphasizes participation and decision making that goes from the bottom to the top, bureaucracy values efficiency, hierarchy, and a top-down decision making** (emphasis added) (Denhardt and Denhardt 2006).

The increasingly complex nature of public policies necessitates that administration possesses technical knowledge to successfully implement them. Over the tenure of their careers bureaucrats develop expertise in their areas of specialization, which allow them to know more about policies than the broader public or its elected representatives (Meier 2000). However, bureaucrats are appointed, they operate with delegated power, and lack accountability. How can citizens be certain that their interests will be taken into account by bureaucrats who judge on the narrow basis of their specialized knowledge? One such mechanism is the direct public participation in the process of administrative decision making. Although not a panacea, inclusion of citizens in the policy process has been advocated by democratic theorists (e.g. Dahl 1992), critical theorist (e.g. Habermas 1996), new governance scholars (see for a review Bingham, Nabatchi and O'Leary 2005, Sirianni 2009) and public sector practitioners (Ebdon and Franklin 2004, 2006). Public administration literature is abundant of studies examining specific instances of public involvement, as well as of recommendations on dos and don'ts in participatory process. Although extensive, previous research has been mainly focused on qualitative analyses from a small number of case studies (Robbins et al 2008, Ebdon and Franklin 2004, Halvorsen 2003, Crosby et al 2000, Weeks 2000, Kathlene and Martin 1991). What is missing is a systematic analysis relating public involvement to the greater purpose of public administration – to deliver public services in as efficiently and effectively as possible. This research attempts to fill this gap.

We explore here to what extent public managers of states agencies utilize citizen input when setting budget priorities of their agencies and whether public involvement affects organizational performance measured in terms of efficiency and effectiveness of public service delivery. To test the effect of citizen participation on the outputs and outcomes of public sector, we draw on the practices used by state transportation agencies across the 50 states.

Citizen Involvement Lead to Better Policies (Neshkova 2012, p. 4)

We find strong support for the hypothesis that citizen involvement lead to better policies. **This finding demonstrates that there is no trade-off between the values of democracy and values of bureaucracy** (emphasis added). No matter how citizen input is operationalized – as an additive index or a weighted index – it is positively and significantly associated higher organizational performance. This result has important implications for the theory and practice of democratic government. The evidence presented here indicates that citizen participation can generate not only benefit for the participants in the process – both administrators and citizens – but also has a broader social value as it enhances program performance. Such finding endorses the efforts of theorist and practitioners of public administration to seek citizen input when deciding on budgetary priorities in the development and implementation of public programs.

Conclusions (Neshkova 2012, pps. 19-20)

Citizen participation in administrative decision making has been advocated by both theorists and practitioners of public administration. Theoretical research on citizen involvement argues that **engaged citizenry should solve a range of problems related to widespread distrust in government and also bring some second-order benefits for the participants in the process, such as educating the public about the intricacies of policies and increasing the understanding on where both citizen and administrators stand on issues** (emphasis added). This study goes further by asking whether citizen participation has a real value for public programs' performance besides the normative desirability of having more engaged public. The extant research has focus on the benefits of participatory process, but does not discuss the effect of citizen participation on the results achieved by public programs. This study attempts to fill this gap. More specifically, we examine if citizen involvement have effect on the organizational performance in terms of both outputs and outcomes. The literature formulates two opposite expectations about the direction of this effect. According to the first theoretical expectation, there should be a negative association between the two because democratic and administrative decision making stems from different rationalities and their values not compatible. The second view argues that citizen engagement should lead to smarter policies because participants can provide administrators with information about the possible negative consequences of public programs and thus contribute better policies.

The evidence presented here indicates that there is no necessary trade-off between democracy and bureaucracy and citizens involvement leads, in fact, to better organizational performance. Drawing on data from state transportation agencies across the country, we were able to examine the effects of citizen inclusion on a large scale. Although there might be some occasional difficulties associated with public participation, we find that on average higher citizen involvement is strongly and significantly related to better organizational performance. In other words, state transportation departments utilizing more input from citizenry when setting their budget priorities and doing so in a more active manner achieve higher results in terms on efficiency and effectiveness. This result has important implications for the theory and practice of democratic governance. The inclusion of citizens not only contributes to more trust and understanding on the part of citizens toward government affairs, but also has broader social value related to the performance of public programs. In this sense, these findings substantiate the theoretical expectation set in Irvin and Stansbury (2004) that the benefits from public involvement should be both process-related and outcome-related. Finally, our results demonstrate that collaborative governance works in practice and can serve as an acknowledgement for the long standing efforts to allow those that are affected by government programs to meaningfully participate in their formulation and implementation.

This study presents one of the first large-scale empirical examinations of the broader effect of citizen involvement on program performance measured in terms of both efficiency and effectiveness.

Appendix I. Transparency From Third-Party Intermediation

The parent document for Appendix I is the potential role of “Third-Party Intermediation” for voters of Josephine County, Oregon to consider. It is a 2009 study which addresses the barriers to citizen involvement for average voters making a living.

Practicalities Practical challenges to effective (meaning that at least one of the several desired outcomes is achieved) citizen involvement in budgetary decision making are legion, of course. Many are generic barriers to citizen involvement in public administration, and a few are specific to budgeting. Generic challenges include (a) the “barriers of everyday life” such as time and attention constraints, the demands of job and family, insecurities and discrimination grounded in class and educational backgrounds, and cultures that lack a sense of personal or group efficacy; (b) administrative (and elected) officials’ resistance or indifference; and (c) poor process design and mechanism choices that can undermine even well intentioned efforts by officials to involve citizens (King et al., 1998). Also generic is the competition among some of the process design criteria, for example openness, representativeness, and the need for participants to be well informed about what choices are feasible and what their implications are (Justice 2009, pps. 259-260).

- Justice, Jonathan B., and Cumhuri Dülger. "Fiscal transparency and authentic citizen participation in public budgeting: The role of third-party Intermediation." *Journal of Public Budgeting, Accounting & Financial Management* 21.2 (2009): 254. (Justice 2009).

The following discussion elaborates on the significance and characteristics of transparency and the role of third-party intermediation in achieving it.

Transparency (Justice 2009, pps. 263-265) **Effective fiscal transparency entails the intelligibility and usability as well as availability of budget and financial information, to nonspecialists (most citizens and many public officials) as well as to budget analysts and other specialists and budget-process insiders** (emphasis added). It also entails the existence of an attentive and comprehending audience,⁵ which for purposes of democratizing budgeting would have to include non-specialists. The intelligibility and usefulness of financial information for supporting decision making by a particular audience help to distinguish effective from illusory fiscal transparency (Heald, 2003). We cannot expect reliable and valid preference formation, deliberation, and revelation unless participants first understand their fiscal situation, options and the likely tradeoffs and other consequences associated with their choices (Robbins et al., 2004). That is, **there can be no authentic participation in budgeting without effective transparency** (emphasis added). Participation is meaningless if not well informed, and participants can only be well informed if there is effective transparency. At the same time, it does not seem reasonable to expect participants – particularly non-specialists – to have unlimited time and attention to devote to comprehending and making use of relevant information.

Thus, transparency needs to be achieved in such a way that understanding and acting on the information provided does not divert too much scarce attention (Simon, 1978) from the rest of the decision-making effort or increase the costs of participation and knowledge so much that ignorance and nonparticipation become the rational choices of citizens without already salient personal interests or expertise in budget analysis⁶ (emphasis added). For proponents of developmental models of democracy at least as much as for more protectively oriented advocates of democratic administration, the openness and representativeness criteria indicate that one key design objective for budget processes and mechanisms is to expand the attentive public by transforming the inattentive public. In the case of public budgeting and financial management specifically, the challenges presented by bounded rationality, costly information, rational ignorance, and information asymmetries

can be compounded by non-specialists' all too common aversion to dealing with budget and financial information and tradeoffs.⁷

This in turn implies that a central institutional-design consideration is how to achieve transparency in a way that does not unduly diminish the autonomy of citizen participants.⁸ One solution, reflected in much of the practitioner as well as scholarly literature advocating greater citizen involvement in (or at least attention to) resource allocation, is to have public officials take steps toward greater transparency by making information more readily available and comprehensible to citizens (Boydston & Aaron, 2004; Justice et al., 2006; Lun, 2004; Simonsen & Robbins, 2000). **This is an excellent idea, make no mistake about it** (emphasis added). It is also an incomplete solution. Among the obstacles to participatory budgeting, Miller and Evers (2002) call out three in particular as being especially nettlesome: non-negotiable issues (conflicts over broad community norms regarding allocation choices), the inherent complexity of budget issues, and the implicit assumptions built into budget processes and contents. All three, to some degree, are likely to be exacerbated by the institutionalized, taken-for-granted beliefs of even the most well intentioned budget insiders and others among the usual suspects of attentive publics (Miller, Justice, & Iliash, 2004). Thus, transparency from within the system, as it were, is extremely valuable, but may be biased. This suggests the appropriateness of providing genuinely independent analysis, to excavate and challenge assumptions, and to generate alternative ones, in budgeting as in other arenas (Fischer, 1993; Lindblom, 1990; Miller & Evers, 2002, p. 267). Thus **it may be desirable to foster citizen action from the outside as well as citizen involvement on the inside of government** (emphasis added). And of course, many protective as well as developmental theorists of democracy would suggest that relying on administrators' unchecked discretion and judgment is an inherently anti-democratic approach in any event.

Finally, assuming all or most of the forgoing challenges are dealt with successfully still leaves a further problem: will the resources actually be used in accordance with the intent inscribed in the adopted budget? Corruption is one concern that leads to the promotion of citizen involvement in resource allocation by international organizations and local civil-society groups, of course. But even without any corrupt misappropriation of funds, simple carelessness or the gray area of rebudgeting can lead to actual uses of funds that vary from the adopted budget (Barlett & Steele, 2007; Forrester & Mullins, 1992; Rubin, 1996). **Expenditure monitoring, financial reporting, and various kinds of audits** (emphasis added) are of course solutions widely employed by managers and other insiders as well as some attentive outsiders. However, at least in the U.S., these processes and mechanisms tend not to be designed for or widely used by individual citizens (Jones, Scott, Kimbro, & Ingram, 1985; Kahn, 1997). Practically speaking, we suggest, **this means that some degree of third-party fiscal-information intermediation is needed, to improve transparency by reducing the expertise, time, and attention demands of participation, and by helping citizens to understand what fiscal information is important** (emphasis added).

Footnotes: 5-8.

5. In this case, if a tree falls in the forest but nobody is there to hear, we can conclude that it did not make a sound (see Heald, 2003, 2006; O'Neill, 2006).

6. For one general explication of the "rational ignorance" idea, see Downs (1960).

7. This phenomenon—call it "eyeshade aversion"—is probably quite familiar to most teachers of the budgeting/ financial management course required in the standard U.S. Master-of-Public-Administration curriculum.

8. The Robbins and Simonsen dynamic survey method represents one solution to this design problem: relying on neutral academics to structure a semi-closed-ended instrument that seeks to offer neutral structuring and simplification of the analytic judgments required as the basis for adequately informed preference formation and revelation by a sovereign citizen/consumer.

Appendix J. Why Is Josephine County A Crucial Case In Group Engagement Theory?

- Davis, Nathan. Presented June 10, 2016, Commencement June 11, 2016. *Citizen Perceptions of Public Safety Levies in Josephine County, Oregon: A Test of Group Engagement Theory*. Masters of Public Policy (MPP) Essay, Submitted to Oregon State University In partial fulfillment of the Requirements for the degree of Master of Public Policy. Corvallis, OR. (Davis 2016).

Why Is Josephine County a Crucial Case (Davis 2016, pps. 28 - 30)? In order to be considered a crucial case, the facts of the case must be central to the confirmation or disconfirmation of a theory (Gerring, 2007). To test this prediction offered by Group Engagement Theory, a crucial case in which citizen perceptions and engagement decisions can be measured is necessary. In order to truly test the theory, a unique enough case must be selected to see if the theory retains validity in the most difficult circumstances. The case of Josephine County provides an example of an instance where both citizen perceptions and engagement decisions can be measured in an atmosphere that would provide for a least likely case.

Also, as the literature review suggests, there are particular individual characteristics that can heavily influence citizen perceptions and engagement decisions. These differences vary by ability to measure public service value/tax burden (Ostrom & Ostrom, 1977), tax instruments used (Wenzel, 2002), perceived peer groups (Elkins, 2006), relationships with decision makers (Chingos, et al., 2012), locality of decision-making (Vetter, 2007), and political ideologies (Foster, 2012). Josephine County is unique in that a particular policy instrument, a property tax, was being used to provide funding for public safety at a local level. This took place in **a county that was very unique in terms of political ideology and demographic statistics** (emphasis added).

The situation in Josephine County is particularly unique because of the demographics of the population that resides in the county. Josephine County is a large, but sparsely populated county with a land area larger than Rhode Island but a population of only 83,021 (U.S. Census Bureau, 2010). The population of Josephine County is much older than the rest of the state, with an average age of 47 (compared to 39 for the state of Oregon) (U.S. Census Bureau, 2010). This number is inflated due to the higher number of retirees in the County, with 47.65% of households collecting some form of Social Security Income (compared with 31.58% for the entire state) (U.S. Census Bureau, 2010). The higher number of retirees is likely, in part, a result of the lower cost of living and lower property tax rates in the county and the county's reputation as a good place to retire. Josephine County residents are also less well off than those in other parts of the state, with a median household income from 2010-2014 of \$31,890 (in 2006 dollars) compared to \$43,024 for the entire state. **The end result of these statistics is that most Josephine County residents live on a fixed income, making an increase in property taxes undesirable for much of the population** (emphasis added).

Josephine County is also unique because it is politically conservative in comparison to the rest of Oregon and to the rest of the country (emphasis added). There is a significant conservative, tea party, and libertarian movement within the county. This can be observed in the voting history of the county. The last time that non-Republican presidential candidate was able to secure the county's vote was in 1936 when Josephine County supported Franklin Roosevelt.

In 2016, 41% of county voters were registered Republicans while only 27% were registered as Democrats (Oregon Secretary of State, 2016). This contrasts greatly with the rest of the state where only 29% of voters are registered Republicans, and 41% are registered Democrats (which also contrasts with a 27% Republican, 30% Democrat breakdown amongst registered voters nationwide) (Gallup 2016).

This effect of ideology on Josephine County resident's decisions to support or oppose tax measures can be seen in the County's vote on state tax initiatives. Josephine County has a history of rejecting tax measures that would traditionally be deemed politically progressive. In 2010, the county voted against the rest of the state on Oregon Measures 66 and 67. Measure 66 sought to increase taxes on household income above \$250,000 while reducing income taxes on unemployment benefits. Oregon voters supported this measure, with 54% of voters voting in support; Josephine County residents opposed this measure with 55% of Josephine County residents voting in opposition. Measure 67 sought to increase corporate taxes. Again, Oregon voters supported this measure 53-47, but only 44% of Josephine County residents supported this tax measure. Similarly, a 2012 measure to phase out estate taxes was opposed by state voters but supported by county voters. **Based on these results, ideology can be considered a determinant of tax measure support in the County** (emphasis added).

What this implies for the county is that Josephine County voters will be more likely to view taxation and larger government as inherently unfair (Foster, 2012). **Both the ideology of voters in Josephine County and the demographics of the population suggest that individuals will likely be opposed to the levy on the basis of the levies' perceived fairness** (emphasis added). This will likely skew results towards distributive justice arguments. This would counter the prediction that most individuals make decisions based on procedural justice grounds. Because of these factors, Josephine County can be utilized as a crucial case to test the validity of Group Engagement Theory.

Recommendation For Researching JO CO Citizens' Preferences And Priorities

The JS&PSS Exploratory Committee, Hugo Neighborhood Association & Historical Society, recommends that the Josephine County Board of County Commissioners (JO CO BCC) aggressively address the lack of trust issue in government. Improving public trust over the long-term should be covered by formal public policy on many fronts and with many strategies by the BCC, as this is the key to the county public safety issue and other public issues. For example, the BCC should strongly demonstrate sincerity in seeking to understanding why the majority of voting citizens do not trust JO CO government (i.e., you can't meaningfully fix the unknown). The BCC should also identify what the citizen preferences and priorities are for budget allocations with meaningful public displays, written and oral, that the citizens know they have been heard). In summary, it would be prudent for the BCC to take Davis (2016) up on his challenge for future research to test his conclusions about public trust in government and citizen preferences with several citizen participation mechanisms (e.g., surveys, standing JO CO Budget Committee, focus groups, JO CO Fiscal Advisory Committee, workshops, etc.).

Davis wrote: Josephine County residents appear to want certain policies from their County government. Supporters would like to see proper funding for law enforcement, opponents would

prefer that a property tax not be used to raise that funding, and opponents would also like a more trustworthy process for making a delivering policy. Josephine County should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services. Many Josephine County residents oppose the levy proposed by the County, but that is not the problem that Josephine County faces. Some residents resent the decisions made by the County government because they feel disconnected from the process of policymaking and policy delivery and distrust the officials in charge of making policy decisions. If the County wants to resolve issues regarding citizen disenfranchisement from County processes, the County should seek to incorporate more citizen voices into the decision-making process (Davis 2016, p 48).

Davis wrote: The current system in Josephine County is very similar to the traditional model. Josephine County residents have some control over budgeting as it concerns property tax issues, but for the most part, decisions are made by the County Commissioners. Since this system appears to be inadequate at ensuring procedural justice, Josephine County should seek to change its mechanisms of service provision to allow for more citizen voices (Davis 2016, p 48).

Davis wrote: Opposition mistrust of government is a clear obstacle to ensuring citizen engagement with government. If Josephine County wishes to ensure the funding of County law enforcement, the County will have to overcome any barriers to citizen trust. This paper's recommendation is that the County should seek to gain trust through increased citizen involvement in policy planning and delivery through co-production policies (Davis 2016, p 51).

Davis wrote: Future Research - This research provides a first take at documenting the views of the citizens of Josephine County and placing them within a framework to understand how County residents make decisions to engage with government. This was not meant to completely understand all of the opinions held by Josephine County residents, nor was the theoretical framework used the only way to look at citizen opinions. Research utilizing a completely different framework could result in different results. Further research should look to apply other theories of public opinion to the Josephine County case to further understand where citizen opinions come from and how these opinions inform behavior (Davis 2016, p 50).

More research should also be done to determine the viability of the policy recommendations made within this paper. Approaches to coproduction should be analyzed, weighed, and sorted by applicability to the Josephine County model of government. From there, further research could look into the amount of citizen engagement that Josephine County residents would be interested in possessing. This research should then point to possibilities of coproduction of policy within Josephine County (Davis 2016, p 51).

The Committee agrees with Miller and Evers (2002) when they suggested that *the government must want to seek participation as much as the participants want to give it, and citizens are less likely to participate if the political environment is not positive and accepting of input.*

1. Davis, Nathan. Presented June 10, 2016, Commencement June 11, 2016. *Citizen Perceptions of Public Safety Levies in Josephine County, Oregon: A Test of Group Engagement Theory*. Masters of Public Policy (MPP) Essay, Submitted to Oregon State University In partial fulfillment of the Requirements for the degree of Master of Public Policy. Corvallis, OR (Davis 2016).

Appendix K. Public Involvement And/Or Citizen Participation In Oregon Local Budget Law

Public involvement and/or citizen participation is a means to ensure that citizens have a direct voice in public decisions. and has long been a component of the democratic decision-making process. The terms "citizen" and "public," and "involvement" and "participation" are often used interchangeably even though there are questions about their different meanings. This paper uses them interchangeably to indicate a process through which citizens have a voice in public policy decisions.

I. Citizen Participation

Citizen Participation (Participation citoyenne)

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- André, Pierre. with the collaboration of P. Martin and G. Lanmafankpotin (2012). "Citizen Participation," in L. Côté and J.-F. Savard (eds.), *Encyclopedic Dictionary of Public Administration*, [online], www.dictionnaire.enap.ca

Citizen participation may be defined as a process in which ordinary people take part – whether on a voluntary or obligatory basis and whether acting alone or as part of a group – with the goal of influencing a decision involving significant choices that will affect their community (emphasis added). Such participation may or may not take place within an institutional framework, and it may be organized either by members of civil society (for example, through class action, demonstrations citizens' committees, etc.) or by decision makers (for example, through referendums, parliamentary commissions and mediation, etc.).

This brief definition covers the diverse contexts in which ordinary people may participate. The mechanisms of **obligatory institutionalized participation** (emphasis added) are defined by law, and citizens must take part in them or risk a penalty, generally in the form of fines or imprisonment. This is the case, for example, under a number of jurisdictions when it comes to elections, referendums, censuses and court summons. **The mechanisms of voluntary institutionalized participation are defined by law or by an administration: they invite people to take part in a given process but do not oblige them to do so** (emphasis added). Such mechanisms are exemplified by parliamentary commissions, public discussions, commissions of inquiry and public hearings. Finally, the mechanisms of **non-institutionalized participation** (emphasis added) take less rigid forms and involve individuals acting on their own or as part of an organized group or spontaneous gathering. Examples include participation in a citizens' committee, an interest group or a demonstration.

As used today, the word "participation" has the general sense of being involved or associated with others in some activity (emphasis added). According to Webster's Third New International Dictionary, the word derives from the Middle English participacioun, which first appeared in the 14th century as the equivalent of the Late Latin participatio, a substantive related to the Latin verb participare, meaning to share. The Oxford English Dictionary gives the earliest meaning as the sharing of the substance, quality or nature of some thing or person. By the 17th century, the word "participation" was being used to mean a taking part, association or sharing with others in some action or matter. Its modern sense of "the action or state of taking part with others in an activity" was clearly present in a speech given in 1858 by British parliamentary reformer John Bright, who proclaimed, "I am afraid to say how many persons... are by the present constitution of this country shut out from any participation in political power" (Speeches on Questions of Public Policy by John Bright, quoted in the Compact Edition of the Oxford English Dictionary, 1971).

It might be asked which citizens are referred to in the term citizen participation. The concept appeared in the U.S.A. in the 1950s and 1960s in the context of urban renewal and anti-poverty programs.[1] Cunningham (1972) felt that

citizen participation was defined by three essential elements (emphasis added): 1) ordinary people, or common amateurs[2] – that is, members of a community who have no formal source of power except for their numbers; 2) the exercise of power by these people, who lead their community to think and act as they do; 3) decisions involving significant and substantial choices related to the affairs of the community.[3] More recently, Hardina (2008) has defined citizen participation as the process whereby those with the least resources – people on the margins of society – are involved in decisions about the services they receive on the part of those that represent them, namely, the government and not-for-profit organizations. Hardina emphasizes the benefits that result when these groups of people react to their economic and social oppression by taking local control of decisions affecting them. Those referred to in the term citizen participation are thus specifically ordinary people, whose sources of power are limited.

In practice, however, the concept of citizen participation takes on a number of connotations that distance it from the defining characteristics given by Cunningham and Hardina. Several other authors hold that citizen participation has various senses that can be classified according to the degree to which citizens are involved in the decision-making process, the direction of information flow between participants or the status of those who have taken the initiative. An example of a typology based on citizen involvement is the now classic model developed by Arnstein (1969). She proposed a **“ladder of participation”** (emphasis added) with eight levels, or rungs, corresponding to increasing degrees of citizens' power in decision making. At the bottom of the ladder are two rungs, Manipulation and Therapy, which Arnstein categorized as Nonparticipation. The middle rungs 3, 4 and 5, identified respectively as Informing, Consultation and Placation, belong to the category of Tokenism. At the top of the ladder, rungs 6, 7 and 8 correspond to Partnership, Delegated Power and Citizen Control respectively and are classified as Citizen Power. The higher up the ladder an instance of citizen participation can be placed, the more citizens can be sure that their opinions will be integrated into decision making and applied in the interest of their community. As Arnstein herself pointed out, the eight-rung ladder is a simplification and should not be considered exhaustive, but it nonetheless illustrates the significant gradations of citizen participation (Arnstein, 1969).

II. Citizen Involvement

Citizen participation should be distinguished from public involvement (emphasis added). While the concepts overlap, the former is broader in scope than the latter. **Public involvement has gained importance since the late 1970s. Several of its objectives tend towards values other than the sharing of power and decision making with ordinary people** (emphasis added) (Rowe and Frewer, 2005; André et al. 2006, 2010). The key methods used for public involvement are public communication, public consultation and public participation. **If, as specified at the outset, citizen participation includes power sharing and influence over major decisions in a community, this participation is situated in the upper rungs of Arnstein's ladder**[4] (emphasis added) and corresponds to true public involvement as described by Gauvin and Abelson (2006).[5] Furthermore, public involvement is often defined as the action of taking part in collective decisions within a government, a public institution or a civil society organization (Thibault, Lequin and Tremblay, 2000). **According to this definition, public involvement does not encompass forms of citizen participation, such as voting in elections, class actions and public demonstrations, through which people seek to influence a decision. Citizen participation thus goes farther than simply taking part in decision making within formal participatory mechanisms** (emphasis added).

Despite all the positive values associated with citizen participation, its implementation raises a number of issues. With cynicism towards leaders on the rise and voter turnout generally declining, the limitations of representative government are coming more clearly into view, some authors have argued (Rosenvallon, 2008). Citizen participation is one avenue in the search for a democratic model that involves ordinary people more closely and, in this sense, approaches something like participatory democracy. Both locally and internationally, the concept has a central and ever-growing role in development agendas, notably in those of the World Bank and the International Monetary Fund; citizen participation is being used as a tool. However, as emphasized by McEwan (2005), **policies constructed around citizen participation can produce ambiguous results** (emphasis added). It is possible, for example, that more radical manifestations of citizen involvement are not accepted as participation. In this way, official practices of citizen participation may lead to new forms of governmentality, to use Foucault's term. Participatory processes may well end up strengthening the position of the vocal few in a society and marginalizing the poorest (McEwan, 2005, p. 8). In light of this observation, policies promoting citizen participation should not be viewed as a panacea for redressing a democratic deficit. Attention should also be given to forms of political action that exist outside official instances in which citizens can express themselves.

What are the strengths and weaknesses of current mechanisms of citizen participation? How does citizen participation fit in with representative democracy? What constitutes an effective process of citizen participation, and how should it be assessed? These are some of questions that remain to be answered by today's researchers (emphasis added) .

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[1] When imposed by the state, citizen participation must be implemented through a bureaucracy; this leads Krause (1969) to speak of "citizen participation" as a bureaucratic ideology."

[2] For a discussion on the concept of ordinary persons, see Blondiaux (2007).

[3] This is in keeping with the recent sense given to citizen juries and citizens' assemblies.

[4] This corresponds to the third method defined by Rowe and Frewer as well (2005).

[5] The discussion in the Primer on Public Involvement by Gauvin and Abelson for the Health Council of Canada (2006) is largely based on Rowe and Frewer (2005).

III. Public Involvement And/or Citizen Participation In Oregon Local Budget Law

Public involvement is a means to ensure that citizens have a direct voice in public decisions. The terms "citizen" and "public," and "involvement" and "participation" are often used interchangeably even though there are questions about their different meanings. This paper uses them interchangeably to indicate a process through which citizens have a voice in public policy decisions.

- Citizen participation is a process which provides private individuals an opportunity to influence public decisions and has long been a component of the democratic decision-making process.

Nevertheless, the basic purpose of the 2015 *Study Design* is to promote citizen involvement (CI) and citizen participation (CP) for informed decision-making.

The purpose of the proposed JS&PSS Study is to provide grass roots opportunities to county citizens for active citizen involvement (CI), accessibility to information and education, and to better understand the JS&PSS Issue as the decision-makers. In a nut shell the proposed study's design basis is based on formal inventories and an impact methodology model which promotes informed decision-making through a unique decision process where the citizens are the decision-makers.

(1) Oregon Revised Statutes: 294.305 to 294.565 (Section II.A; Section V.C.3.b)(1)(a))

Oregon imposes certain legal budget requirements of local governments. Most of the statutes are not about citizen involvement (CI) or citizen participation (CP) in the budget process as nowhere in the ORS can the reader find citizen involvement and/or citizen participation identified (i.e., CI is introduced later, but not in the Oregon Administrative Rules, much later CI is introduced in the "introduction" of the Oregon Local Budgeting Manual (*Manual*). The "public" is identified in the ORS - OLBL 43 times.

- citizen Zero (0) times used in Oregon Local Budget Law - ORS 294.305 to 294.565.
- citizen involvement Zero (0) times used in OLBL.
- citizen participation Zero (0) times used in OLBL.
- involvement Zero (0) times used in Oregon Local Budget Law (OLBL).
- participation Zero (0) times used in OLBL.
- public 43 times used in OLBL.
- public involvement Zero (0) times used in OLBL
- public participation Zero (0) times used in OLBL

The word “public” as used in Oregon Local Budget Law - ORS 294.305 to 294.565 with number counts, by topic in the order of most to least, follows.

Public “Topics”	Number of Times Topic Identified
Hearings & Meetings	12
Public Utility	7
Public Comments	6
Public	4
Public Money	4
Public Emergency	3
Public Bodies	2
Public Record	2
Public Health	1
Public Corporations	1
Public Schools	<u>1</u>
Total	43

The word “public” as used in Oregon Local Budget Law - ORS 294.305 to 294.565 with number counts, by topic in the order of most to least (with some description), follows.

Hearings & Meetings - 12

- meeting is a **public** meeting where deliberations of the budget committee will take place.
- governing body shall holding a **public** hearing on the budget document as approved by the budget committee.
- tax supervising and conservation commission to conduct the **public** hearing.
- a **public** hearing pursuant to ORS 294.453(3).
- a **public** hearing to be called and conducted by the tax supervising and conservation commission.
- tax supervising and conservation commission . . . for a **public** hearing.
- After the **public** hearing . . . and consideration of matters discussed at the **public** hearing.
- another **public** hearing is held.
- After a **public** hearing.
- for another **public** hearing and for recommendations or objections of the commission.
- governing body shall meet with the taxpayers of the municipal corporation at a **public** hearing.
- the governing body shall hold a **public** hearing on the supplemental budget.
- date of **public** hearing.
- budget document to tax supervising and conservation commission before date of **public** hearing.
- to the tax supervising and conservation commission before the date of the **public** hearing.
- to conduct the **public** hearing . . . at least 20 days before the date of the **public** hearing.

Public Utility - 7

- **public** utility or a dock commission
- “**Public** utility” means
- “**Public** utility” means.
- Municipal **public** utilities
- **public** utility operation of such city
- municipal corporations operating **public** utility.
- operations of each **public** utility

Public Comments - 6

- **public** views
- **public** with an opportunity to ask questions about and comment on the budget.
- provide members of the **public** with an opportunity to ask questions about and comment on the budget document
- the budget committee must provide the **public** with the opportunity at a subsequent meeting.
- At the meeting any person [public] may appear for or against any item in the approved budget document.
- meeting at which the budget committee will receive questions and comments from members of the **public**.

Public - 4

- **public**
- All meetings of the budget committee shall be open to the **public**.
- general **public**.
- complete budget document is available for inspection by the general **public**
- complete budget document is available for inspection by the general **public**

Public Money - 4

- **public** funds.
- **public** money.
- **public** money may not be made for any purpose in an amount greater than the amount appropriated.
- expenditure of **public** money.

Public Emergency - 3

- Authorization to receive grants or borrow or expend moneys to respond to **public** emergency.
- expenditure of funds from any available source to respond to a threat to **public** health or safety.
- Any **public** calamity.

Public Bodies - 2

- **public** bodies.
- compel such municipal corporation, **public** officer or employee to comply with such order.

Public Record - 2

- The copy is a **public** record.
- prevent such irregularities from happening in the future. Such order shall be a **public** record.

Public Health - 1

- **public** health.

Public Corporations - 1

- all other **public** or quasi-**public** corporations.

Public Schools - 1

- instruction of the pupils attending the **public** schools or college.

The word “public” as used in Oregon Local Budget Law - ORS 294.305 to 294.565 follows.

ORS 294.311(20) municipally owned **public** utility or a dock commission.

ORS 294.311(26) all other **public** or quasi-**public** corporations.

ORS 294.311(34) “**Public** utility” means.

ORS 294.311(35) making information or documents available to members of the general **public**.

ORS 294.316(7) Municipal **public** utilities operating under separate boards or commissions.

ORS 294.321(4) To provide specific methods for obtaining **public** views in the preparation of fiscal policy.

ORS 294.321(5) expenditure of **public** funds.

ORS 294.321(6) To enable the **public**, taxpayers and investors to be apprised of the financial policies.

ORS 294.338(3)(b)(B)(iii) expenditure of **public** money for any specific purpose or purposes.

ORS 294.338(5)(a) by **public** bodies, as defined in ORS 287A.001.
ORS 294.373 receipts from any **public** utility operation of such city.
ORS 294.393 municipal corporations operating **public** utility.
ORS 294.393(3) operations of each **public** utility.
ORS 294.426(1)(b) Providing . . . **public** with an opportunity to ask questions about and comment on the budget.
ORS 294.426(2)(b) provide . . . **public** with an opportunity to ask questions about and comment on the budget document at the first meeting, the budget committee must provide the **public** with the opportunity.
ORS 294.426(4)(b) meeting is a **public** meeting where deliberations of the budget committee will take place.
ORS 294.426(4)(c) meeting at which the budget committee will receive questions and comments from members of the **public**, that any person may ask questions about and comment on the budget document at that time.
ORS 294.426(7) The copy is a **public** record of the municipal corporation.
ORS 294.428(2) In addition to the meetings held under ORS 294.426 (1), the budget committee may meet from time to time at its discretion. All meetings of the budget committee shall be open to the **public**.
ORS 294.431 before date of **public** hearing.
ORS 294.431 budget document to tax supervising and conservation commission before date of **public** hearing.
ORS (1) a **public** hearing pursuant to ORS 294.453(3) shall submit its approved budget document to the tax supervising and conservation commission in the county at least 30 days before the date of the **public** hearing.
ORS 294.625(2) to conduct the **public** hearing . . . at least 20 days before the date of the **public** hearing.
ORS 294.438(8)(b) State the place where the complete budget document is available during regular business hours for inspection by the general **public** and where and when copies of the complete budget document may be obtained;
ORS 294.444 functions related to assessment and taxation, community corrections, district attorneys, juvenile corrections and probation, **public** health.
ORS 294.448(2) tax supervising and conservation commission to conduct the **public** hearing.
ORS 294.448(2)(b) complete budget document is available . . . for inspection by the general **public**.
ORS 294.453(1) the governing body . . . shall meet at the time and place designated in the notice of meeting required under ORS 294.438 for the purpose of holding a **public** hearing on the budget document as approved by the budget committee. At the meeting any person may appear for or against any item in the approved budget document.
ORS 294.453(2) a **public** hearing to be called and conducted by the tax supervising and conservation commission.
ORS 294.453(3) tax supervising and conservation commission . . . for a **public** hearing. The governing body shall meet with the taxpayers of the municipal corporation at a **public** hearing.
ORS 294.456(1)(a) After the **public** hearing . . . and consideration of matters discussed at the **public** hearing.
ORS 294.456(1)(c) another **public** hearing is held.
ORS 294.456(2)(a) After a **public** hearing.
ORS 294.456(2)(e) for another **public** hearing and for recommendations or objections of the commission.
ORS 294.456(6) **public** money may not be made for any purpose in an amount greater than the amount appropriated.
ORS 294.473(1)(a) the governing body . . . shall hold a **public** hearing on the supplemental budget.
ORS 294.478(1)(a)(A) expenditure of **public** money.
ORS 294.478(2) instruction of the pupils attending the **public** schools or college.
ORS 294.481 Authorization to receive grants or borrow or expend moneys to respond to **public** emergency.
ORS 294.481(2) expenditure of funds from any available source to respond to a threat to **public** health or safety.
ORS 294.481(3)(d) Any **public** calamity.
ORS 294.505(2) prevent such irregularities from happening in the future. Such order shall be a **public** record.
ORS 294.510(3) compel such municipal corporation, **public** officer or employee to comply with such order.

The word “public” as used in Oregon Local Budget Law in expanded text - ORS 294.305 to 294.565 follows.

ORS 294.311(20) “Governing body” means the city council, board of commissioners, board of directors, county court or other managing board of a municipal corporation including a board managing a municipally owned **public** utility or a dock commission.

ORS 294.311(26) “Municipal corporation” means any county, city, port, school district, union high school district, community college district and all other **public** or quasi-**public** corporations including a municipal utility or dock commission operated by a separate board or commission. “Municipal corporation” includes an intergovernmental entity or council of governments that proposes to impose or imposes ad valorem property taxes.

ORS 294.311(34) “**Public** utility” means those public utility operations authorized by ORS chapter 225.

ORS 294.311(35) “Publish” or “publication” means any one or more of the following methods of giving notice or making information or documents available to members of the general **public**:

ORS 294.316(7) Municipal **public** utilities operating under separate boards or commissions, authorized under ORS chapter 225 and city charters, and people’s utility districts organized under ORS chapter 261, both operating without ad valorem tax support during the ensuing year or ensuing budget period.

ORS 294.321 Purposes. The purposes of ORS 294.305 to 294.565 are:

ORS 294.321(4) To provide specific methods for obtaining **public** views in the preparation of fiscal policy;

ORS 294.321(5) To provide for the control of revenues and expenditures for the promotion of efficiency and economy in the expenditure of **public** funds; and

ORS 294.321(6) To enable the **public**, taxpayers and investors to be apprised of the financial policies and administration of the municipal corporation in which they are interested.

ORS 294.338 Compliance with Local Budget Law required prior to expenditure or tax certification; exceptions.

ORS 294.338(3)(b)(B)(iii) Receives a request for services or facilities, the cost of which is supplied by a private individual, corporation or company or by another governmental unit necessitating a greater expenditure of **public** money for any specific purpose or purposes than the amount budgeted in order to provide the services for which the governing body of the municipal corporation was responsible.

ORS 294.338(5)(a) Expenditures of funds received from the sale of conduit revenue bonds or other borrowings issued for private business entities or nonprofit corporations by **public** bodies, as defined in ORS 287A.001, or the State of Oregon or to pay debt service on the bonds;

ORS 294.373 Reserving receipts from revenue-producing property or facility; deposit in special fund. (1) Any port or dock commission may reserve any portion of the receipts from any revenue-producing property or facility. Any city may reserve any portion of the receipts from any **public** utility operation of such city.

ORS 294.393 Preparation of estimates by school, education service and community college districts and by municipal corporations operating **public** utility or hospital.

ORS 294.393(3) Notwithstanding ORS 294.388 (2), each municipal corporation that operates a **public** utility or hospital shall prepare estimates for the operations of each **public** utility or hospital in accordance with:

ORS 294.426 Budget committee meeting; notice; receipt of budget message and document; provision of copies of document. (1) The budget committee established under ORS 294.414 shall hold one or more meetings for the following purposes:

ORS 294.426(1)(b) Providing members of the **public** with an opportunity to ask questions about and comment on the budget document.

ORS 294.426(2)(b) If the budget committee does not provide members of the **public** with an opportunity to ask questions about and comment on the budget document at the first meeting, the budget committee must provide the **public** with the opportunity at a subsequent meeting.

ORS 294.426(4) The notice required under subsection (3) of this section must state:

ORS 294.426(4)(b) That the meeting is a **public** meeting where deliberations of the budget committee will take place; and

ORS 294.426(4)(c) If the meeting described in the notice is a meeting at which the budget committee will receive questions and comments from members of the **public**, that any person may ask questions about and comment on the budget document at that time.

ORS 294.426(7) The budget officer shall file a copy of the budget document in the office of the governing body of the municipal corporation immediately following presentation of the budget document to the members of the budget committee under subsection (6) of this section. The copy is a **public** record of the municipal corporation.

ORS 294.428 Budget committee hearings; approval of budget document.

ORS 294.428(2) In addition to the meetings held under ORS 294.426 (1), the budget committee may meet from time to time at its discretion. All meetings of the budget committee shall be open to the **public**.

ORS 294.431 Submission of budget document to tax supervising and conservation commission before date of **public** hearing.

ORS 294.431 Submission of budget document to tax supervising and conservation commission before date of **public** hearing.

ORS (1) A municipal corporation that has a population not exceeding 200,000, is located in a county having a tax supervising and conservation commission, has not made an election under ORS 294.625(2) and has not submitted its approved budget document to the tax supervising and conservation commission for a **public** hearing pursuant to ORS 294.453(3) shall submit its approved budget document to the tax supervising and conservation commission in the county at least 30 days before the date of the **public** hearing in accordance with ORS 294.453.

ORS 294.625(2) A municipal corporation that has a population exceeding 200,000, or a municipal corporation that has a population not exceeding 200,000, has not made an election under ORS 294.625 (2) and requests the tax supervising and conservation commission to conduct the **public** hearing described in ORS 294.453, shall submit its approved budget document to the tax supervising and conservation commission in the county at least 20 days before the date of the **public** hearing in accordance with ORS 294.453.

ORS 294.438 Publication of notice of meeting, financial summary and budget summary; requirements of financial summary and notice of meeting; rules.

ORS 294.438(8)(b) State the place where the complete budget document is available during regular business hours for inspection by the general **public** and where and when copies of the complete budget document may be obtained;

ORS 294.444 County budget summary of revenues and expenditures funded in part by state resources. County budgets must contain a summary of revenues and expenditures for major programs funded in part by state resources. The summary must include, at a minimum, functions related to assessment and taxation, community corrections, district attorneys, juvenile corrections and probation, **public** health, mental health and chemical dependency, veterans' services, roads and economic development.

ORS 294.448 Manner of publication; alternative requirements in certain cases.

ORS 294.448(2) Notwithstanding ORS 294.438, a municipal corporation having a population exceeding 200,000 and located in a county having a tax supervising and conservation commission or a municipal corporation having a population not exceeding 200,000 that has not made an election under ORS 294.625 (2) and that requests the tax supervising and conservation commission to conduct the **public** hearing described in ORS 294.453 shall, not less than five days and not more than 30 days before the date of the meeting required under ORS 294.453, publish a notice stating:

ORS 294.448(2)(b) The place where the complete budget document is available during regular business hours for inspection by the general **public**;

ORS 294.453 Hearing by governing body on budget document as approved by budget committee; alternative procedure in certain cases.

ORS 294.453(1) Except as provided in subsections (2) and (3) of this section, the governing body of a municipal corporation shall meet at the time and place designated in the notice of meeting required under ORS 294.438 for the purpose of holding a **public** hearing on the budget document as approved by the budget committee. At the meeting any person may appear for or against any item in the approved budget document.

ORS 294.453(2) A municipal corporation having a population exceeding 200,000 and located in a county having a tax supervising and conservation commission shall submit its budget document to the tax supervising and conservation commission of the county under ORS 294.431 (2). The governing body of the municipal corporation or its representatives shall meet with the taxpayers of the municipal corporation at a **public** hearing to be called and conducted by the tax supervising and conservation commission.

ORS 294.453(3) A municipal corporation that has a population not exceeding 200,000 and is located in a county having a tax supervising and conservation commission may submit its approved budget document to the tax supervising and conservation commission of the county under ORS 294.431 (1) for a **public** hearing. The governing body of the municipal corporation or its representatives shall meet with the taxpayers of the municipal corporation at a **public** hearing to be called and conducted by the tax supervising and conservation commission.

ORS 294.456 Governing body to adopt budget, make appropriations, declare and categorize property tax amount or rate; amendment of budget estimates, appropriations and tax amounts or rates limited; requirements for appropriations and tax amounts or rates.

ORS 294.456(1)(a) After the **public** hearing required under ORS 294.453(1) and consideration of matters discussed at the **public** hearing, the governing body of a municipal corporation shall enact the ordinances or resolutions necessary to adopt the budget, to make the appropriations, to determine, make and declare the ad valorem property tax amount or rate to be certified to the assessor for either the ensuing year or each of the years of the ensuing budget period and to itemize and categorize the ad valorem property tax amount or rate as required under ORS 310.060.

ORS 294.456(1)(c) Notwithstanding paragraph (b) of this subsection, unless the amended budget document is republished pursuant to ORS 294.438 or 294.448 in the same manner as the original budget and another **public** hearing is held pursuant to ORS 294.453 (1), or except to the extent ad valorem property taxes may be increased under ORS 294.476:

ORS 294.456(2)(a) After a **public** hearing under ORS 294.453 (2) or (3)

ORS 294.456(2)(e) Notwithstanding paragraph (d) of this subsection, unless the amended budget document is resubmitted to the tax supervising and conservation commission for another **public** hearing and for recommendations or objections of the commission, or except to the extent ad valorem property taxes may be increased under ORS 294.476:

ORS 294.456(6) Except as provided in ORS 294.338, 294.463, 294.466, 294.471, 294.473 and 294.478, after the governing body has enacted the ordinances or resolutions necessary to adopt the budget as required under this section, an expenditure, or encumbrance if encumbrance accounting is used, of **public** money may not be made for any purpose in an amount greater than the amount appropriated.

ORS 294.473 Procedure when supplemental budget changes estimated expenditures by more than 10 percent.

ORS 294.473(1)(a) If the amended estimated expenditures contained in an individual fund that is being changed by a supplemental budget made under ORS 294.471 differ by more than 10 percent from the expenditures in the budget as most recently amended prior to the supplemental budget, the governing body of the municipal corporation shall hold a **public** hearing on the supplemental budget.

ORS 294.478 School or community college district expending federal or state funds in emergency.

ORS 294.478(1)(a)(A) Declares the existence of an emergency necessitating a greater expenditure of **public** money for one or more of the purposes described in subsection (2) of this section;

ORS 294.478(2) A school district or a community college district may appropriate an emergency expenditure under this section for the specific purposes of providing, maintaining and operating school or college facilities, supplies and personnel for the instruction of the pupils attending the **public** schools or college in the district during the remainder of the budget year.

ORS 294.481 Authorization to receive grants or borrow or expend moneys to respond to **public** emergency.
ORS 294.481(2) If a meeting of the governing body of a municipal corporation is not practical in an emergency situation, the chief executive officer of the municipal corporation may, by written order, authorize the immediate expenditure of funds from any available source to respond to a threat to **public** health or safety.
ORS 294.481(3) As used in this section, “emergency situation” means:
ORS 294.481(3)(d) Any **public** calamity.

ORS 294.505 Division of Audits to issue notification of budgetary irregularities; Department of Revenue to advise municipal corporation of correct procedures.

ORS 294.505(2) If the Department of Revenue finds from the information submitted by the Division of Audits pursuant to subsection (1) of this section that ORS 294.305 to 294.565 have not been followed, the Department of Revenue shall order the municipal corporation to correct its procedures in the preparation of its subsequent budgets. The order shall set forth the irregularities and the steps necessary to prevent such irregularities from happening in the future. Such order shall be a **public** record. [1963 c.576 §34a]

ORS 294.510 Order for revision of budgetary procedures; enforcement.

ORS 294.510(3) If the municipal corporation or officer or employee thereof neglects or refuses to comply with the department order, the department may apply to the judge of the Oregon Tax Court for an order returnable within five days from the date thereof, to compel such municipal corporation, **public** officer or employee to comply with such order or to show cause why the order should not be complied with.

In summary, citizen participation should be distinguished from public involvement. While the concepts overlap, the former is broader in scope than the latter. Several of public involvement’s objectives tend towards values other than the sharing of power and decision making with ordinary people. The key methods used for public involvement are public communication, public consultation and public participation.

Oregon Revised Statutes: 294.305 to 294.565 – Oregon imposes certain legal budget requirements of local governments. Most of the statutes are not about citizen involvement (CI) or citizen participation (CP) in the budget process as nowhere in the ORS can the reader find citizen involvement and/or citizen participation identified (i.e., CI is introduced later, but not in the Oregon Administrative Rules, much later CI is introduced in the “introduction” of the Oregon Local Budgeting Manual (*Manual*). The “public” is identified in the ORS - Oregon Local Budget Law (OLBL) 43 times.

The most important CI ORS - Oregon Local Budget Law (OLBL), is ORS 294.321 Purposes. The purposes of ORS 294.305 to 294.565 are:

- ORS 294.321(4) To provide specific methods for obtaining public views in the preparation of fiscal policy;
- ORS 294.321(6) To enable the public, taxpayers and investors to be apprised of the financial policies and administration of the municipal corporation in which they are interested.

The specific legal Oregon methods for obtaining public views in the preparation of fiscal policy are the minimal meetings/hearings public input format of apprising the public (i.e., informing the public). The word “public” occurs 12 times out of 43 times in the ORS - OLBL. The word “public” as used in the ORS with number counts, by topic in the order of most to least, follows.

Public “Topics”	Number of Times Topic Identified
Hearings & Meetings	12
Public Utility	7
Public Comments	6
Public	4
Public Money	4
Public Emergency	3
Public Bodies	2
Public Record	2
Public Health	1
Public Corporations	1
Public Schools	<u>1</u>
Total	43

If, as specified at the outset, citizen participation includes power sharing and influence over major decisions in a community, this participation is situated in the upper rungs of Arnstein's ladder and corresponds to true public involvement. Furthermore, public involvement is often defined as the action of taking part in collective decisions within a government, a public institution or a civil society organization. According to this definition, public involvement does not encompass forms of citizen participation, such as voting in elections, class actions and public demonstrations, through which people seek to influence a decision. Citizen participation thus goes farther than simply taking part in decision making within the formal CI participatory mechanisms of ORS - Oregon Local Budget Law's apprise/inform.

According to this view ORS 294.305 to 294.565 - Oregon Local Budget Law is citizen involvement (CI), not citizen participation (CP). If this is true, what saves Oregon Local Budget Law is its legal potential for CP, as expressed in the law, to practice more than the minimalist meetings/hearings format starting with the budget message meeting of the local government's budget committee (Appendix D). For example, LBL permits the use of a alternative narrative publication (ORS 294.438). The purpose of a narrative is to give meaning to the budget figures while highlighting significant features in the budget.

A narrative publication can include any other information the governing body wants to provide, in any form or format (LBM, p. 50). For example, the *Budget Manual for Local Governments in Multnomah County* clarified that statutory requirements of LBL dictates what must be included in the budget document and that, surprisingly, the requirements are quite minimal. Multnomah County Districts are encouraged to add material to the budget that provide more in depth information for the public (TSCC 2008 p. 17). Clatsop County's budget process begins in late fall of each calendar year. Its full Budget Committee meets to review current financial information and refine budget priority direction to guide staff in preparing the budget. The entire budget is based upon these policies and directions, which are incorporated into a comprehensive book of budget instructions known as the "Budget Preparation Manual". These enhanced CP strategies are being practiced by several local governments in Oregon (Appendix L).

Appendix L. Selected Oregon Local Governments' Budget Processes

Oregon Counties

Baker	Douglas	Lake	Sherman
Benton	Gilliam	Lane	Tillamook
Clackamas	Grant	Lincoln	Umatilla
Clatsop	Harney	Linn	Union
Columbia	Hood River	Malheur	Wallowa
Coos	Jackson	Marion	Wasco
Crook	Jefferson	Morrow	Washington
Curry	Josephine	Multnomah	Wheeler
Deschutes	Klamath	Polk	Yamhill

Selected Oregon Local Governments' Budget Processes

Counties

Josephine County, Oregon
Clackamas County, Oregon
Clatsop County, Oregon
Budget Manual for Local Governments in Multnomah County, Oregon

Cities

City of Eugene, Oregon's Budget Committee
Budget Manual, City of Portland, Oregon: Fiscal Year 2016-17
City of West Linn, Oregon
City of Milwaukie, Oregon

Other

Seal Rock Water District

CLATSOP COUNTY, OREGON

Clackamas County, Oregon FY 2015-16: Executive Summary of Adopted Budget

By Clackamas County Budget Committee

<http://www.clackamas.us/finance/documents/executivesummary.pdf>

Viewed July 12, 2016

Budget Adoption Process

September	Quarterly Budget Committee planning session (emphasis added)
November	December Board of County Commissioners meets to discuss budget priorities and goals and establish budget calendar; Quarterly Budget Committee planning session (emphasis added)
January	Budget Office prepares revenue estimates, calculates department cost allocations and personnel costs
February	Budget workshop for departments
March - April	Quarterly Budget Committee planning session (emphasis added); Budget reviews with departments, proposed budget finalized
May	Budget Committee holds public meetings and approves budget
June	Board of County Commissioners adopts Budget

The County maintains extensive budgetary controls. The objective of these controls is to ensure **compliance with legal provisions embodied in Oregon Revised Statutes, Chapter 294** (emphasis added) which prescribes the format and content of local government budgets in the state. All of the General Fund, special revenue funds, enterprise funds, internal service funds, capital projects funds, fiduciary funds and debt service funds are included in the annual appropriated budget of the County.

The County's **budget process begins in late fall of each calendar year** (emphasis added) with the generation of cost allocation numbers for central services to be distributed to operating departments. This cost allocation is designed to recover the costs of technology, human resources services, records management, financial and accounting, and facilities management costs, - among others - provided to county departments and component unit operations. The cost allocation system is applied in a manner consistent and compliant with rules about grant-funded activities.

The Budget Committee is composed of the County Commissioners and an equal number of appointed citizen members serving staggered terms. The citizen members are recruited through press releases and County newsletters whenever openings exist. Any vacancies on the Committee are filled.

The full Budget Committee meets to review current financial information and refine budget priority direction to guide staff in preparing the budget (emphasis added). The entire budget is based upon these policies and directions, which are incorporated into a comprehensive book of budget instructions known as the Budget Preparation Manual. A budget workshop is held to distribute manuals to those staff members charged with preparation of the upcoming year's budget. At that meeting, new policies and guidelines are discussed, as are any changes in procedure. Departments then spend the next several weeks compiling their budget requests for the upcoming year.

Each department submits its completed budget package to the Budget Office (emphasis added). The budget staff reviews the information to verify that all required documents are included; that anticipated revenues balance with expenditures in all funds outside the General Fund; and that any proposed increase

in personnel is accompanied by the appropriate new position request/justification. The Budget Manager then reviews all materials and conducts preliminary analysis prior to review by the County Administrator, the designated Budget Officer.

The County Administrator reviews all budget submissions, proposes revisions where necessary, determines recommended levels of General Fund support and balances the budget. A meeting is then scheduled with each department head to discuss the budget and any proposed changes.

The Budget Committee is given the responsibility of convening public hearings during which they receive the budget message and budget document, hear public testimony and approve a budget for the County (emphasis added). The County Administrator **presents his budget message during the first meeting** (emphasis added). At the public meetings, each department head speaks briefly about his or her department and summarizes the budget request being submitted. The Budget Committee has the opportunity to ask any questions about the requests prior to making decisions on funding levels for each department. Public testimony is heard and the Budget Committee agrees upon an approved budget.

Prior to adoption by the Board of County Commissioners, the budget and a notice of the adoption hearing are published in a newspaper of general circulation in the County. **At the public hearing, the budget is officially adopted by Resolution and Order** (emphasis added). This adoption must take place prior to July 1 of the fiscal year, in order for the County to have appropriation authority for the coming year. Oregon Budget Law provides the Board authority to amend the budget approved by the Budget Committee in any fund by up to 10% provided the source of any additional revenue does not affect the tax levy amounts approved by the Budget Committee. The adopted budget document is then finalized, printed and distributed for use as a fiscal plan for the upcoming year.

CLATSOP COUNTY, OREGON

Fiscal Year 2015-2016 Budget In Brief Clatsop County, Oregon

Clatsop County, Oregon

https://www.co.clatsop.or.us/sites/default/files/fileattachments/budget_amp_finance/page/1875/budget_in_brief-2015.pdf

This year's budget is approximately 500 pages. While the entire budget document is available to view, county management is hoping that by providing this **Budget in Brief** (emphasis added) which summarizes the most essential elements of the County's budget, we can provide an abbreviated document for convenience. We hope you find it useful.

Budget Process The process followed in the preparation of the budget complies with Oregon Local Budget Law established by Oregon Revised Statutes. County management seeks and welcomes public input, participation, and deliberation throughout the process. **Budget Committee meetings are open to the public** (emphasis added) and are advertised on the County's website and in the Daily Astorian newspaper. The Proposed Budget – submitted to the Budget Committee in May – and the Approved Budget – submitted to the Board of Commissioners in June – **are available to the public prior to each meeting** (emphasis added).

County Departments work with the Budget & Finance Department to compile their budget requests and capital projects information between November and March of each year. Then, this information is reviewed by County management. During this same time frame, Finance and County management review revenue and expenditure forecasts, as well as financial environmental trends. All of this information is compiled, prepared and presented to the Budget Committee as the Proposed Budget. After the Budget Committee reviews and deliberates over the Proposed Budget and makes any appropriate changes, the Committee then recommends and forwards to the County Commissioners an Approved Budget. After a public hearing, the Commissioners take action on any final changes deemed appropriate, and adopts the budget in late June. The Adopted Budget becomes effective July 1. The final Adopted Budget is available on the County's Website, at all four libraries within the County, and available to citizens upon request.

- Budget Preparation (Nov - Jan)
Budget Calendar
Forecasts Updated
Assumptions Developed
Potential Issues Identified
Financial Trends Analyzed
- Budget Requests (Jan - March)
Departments Prepare and
Submit Budgets
CIP Reviewed and Updated
Forecasts Updated
- Proposed Budget (March - April)
Department Budget
Meetings with Management
Prepare Proposed Document
Forecasts Updated
- Approve Budget (May)
Submitted to Budget Committee
Budget Committee Meetings
Budget Committee Budget Approval
- Adopted Budget (May - June)
Final Budget Changes
Budget Hearing
Approve Budget Adopted by County
Commissioners
Budget Becomes Effective July 1st
- Post Adoption
Quarterly Amendments
Quarterly Reports

BUDGET MANUAL FOR LOCAL GOVERNMENTS IN MULTNOMAH COUNTY

- Tax Supervising and Conservation Commission (TSCC). December 2008. *Budget Manual for Local Governments in Multnomah County*. <https://multco.us/file/28042/download>
Viewed July 11, 2016

Citizen Involvement (TSCC 2008 p. 5). One of the bedrocks of local budget law is the principal of not only allowing for citizen involvement but also **requiring citizens to be involved** (emphasis added). This progressive ideal is found throughout the process, from public notification requirements to appointing citizens with an equal vote to the Budget committee to limiting changes to the budget without additional public notification and citizen input. Citizens can even initiate challenges to the budget process and the levying of property taxes as noted below.

Budget Calendar (TSCC 2008 p. 9). **While it is not required by local budget law** (emphasis added), a budget calendar is an invaluable tool and it is strongly recommended. The calendar is based on the sequence of steps in preparing the budget, allowing sufficient time to complete the entire budget process before June 30. ORS 294.396.

Statutory Requirements (TSCC 2008 p. 17). Local Budget Law dictates what must be included in the budget document. Surprisingly, the requirements are quite minimal. **Districts are encouraged to add material to the budget that provide more in depth information for the public** (emphasis added).

The Budget (TSCC 2008 p. 17). The style of budget selected by the local government is a policy decision made by the governing body. However, the budget must comply with all the requirements of local budget law and the format established by the Department of Revenue.

The Proposed Budget Document (TSCC 2008 pps. 37-38). The budgeting process provides procedures for evaluating local government needs and identifying revenue sources to meet those needs. The completed budget also provides the justification for imposing ad valorem taxes.

The style of budget selected by the local government is a policy decision to be made by the governing body. Regardless of the type or size all budgets must comply with all the requirements of local budget law, including the format of the budget detail sheets as mandated by the Oregon Department of Revenue. The budget will be the guide to the management of the local government. It also provides information and encourages public participation in the governmental process. The goal should be to develop a document that is:

- Informative,
- As uncomplicated as possible, and
- Understandable by the reader.

A single proposed budget should be prepared. If the budget officer wants to present different options in terms of resources and requirements, these should be detailed in “change memos” rather than completed, competing proposed budgets. Each fund must be balanced with resources equaling requirements. OAR 150-294.352(1)-(B).

The Completed Proposed Budget Document (TSCC 2008 p. 40). The local government can determine the policy it will use for making the budget document available. The budget officer can make the proposed budget available to members of the budget committee at any time before the first meeting. If the budget document is released prior to the first meeting, it must also be made available to the public at the same time. Once the document is given out it is a public record of the district. Anything connected with the budget is subject to public inspection.

Budget Committee (TSCC 2008 p. 41). **All members of the budget committee have equal authority** (emphasis added). No member of the budget committee may receive any compensation for services as a member of the committee. ORS 294.336(3).

Purpose of the Budget Committee (TSCC 2008 p. 42). The budget committee meets publicly to review the budget document as proposed by the budget officer. **The budget committee receives the budget document and budget message and provides an opportunity for the public to ask questions about and comment on the budget**

(emphasis added). The committee also approves the budget document and specifies an amount or rate of ad valorem taxes for all funds that receive property taxes.

Notice of Budget Committee Meeting (TSCC 2008 p. 42). **Publishing budget information is one of the most important steps in the budget process** (emphasis added). The notification of the budget committee meeting provides the public the opportunity to be involved in the process. Local budget law expands the public meeting laws by specifying what must be included in the publication of notification of the budget committee meeting. **It sets the number of times the notice must be published and the number of days that a notice must be published before a budget committee meeting.** (emphasis added). The notice must contain the purpose, dates, times and locations of the scheduled budget committee meetings and where the public can inspect the budget document. It must also state when questions and comments will be received from the public.

Budget Document Distributed (TSCC 2008 p. 43). The formal presentation of the budget is made at the first budget committee meeting. The budget officer is required to make the budget available no later than the first budget committee meeting. ORS 294.401(7). The budget officer **may make the proposed budget available to the budget committee members at any time before the first budget committee meeting** (emphasis added) advertised in the notice. **If the budget document is released before the budget committee meeting, the proposed budget is intended for the individual use of the members.** ORS 294.401(6). Committee members may not discuss or deliberate on the budget outside of a public meeting. Immediately following the release of the proposed budget to the budget committee, whether before or at the first meeting, the budget officer must file a copy of the budget in the office of the governing body. **This copy becomes a public record** (emphasis added). ORS 294.401(8).

BUDGET COMMITTEE MEETINGS - First Budget Meeting Requirements (TSCC 2008 p. 44).

Budget Message (TSCC 2008 p. 44) The budget message is delivered to the budget committee at its first meeting to deliberate on the budget. ORS 294.401(1). A budget message is prepared by the executive officer of the district. If there is no executive officer, the budget message is prepared by the presiding officer of the governing body. The budget officer may prepare the message under the direction of the executive officer or governing body presiding officer. The extent of the budget message depends upon the size and complexity of the budget. **Major changes in financial policies and/or in resources and requirements are required to be noted in the budget message** (emphasis added). ORS 294.391. Also, any change in the basis of accounting for the fiscal year or budget period in which the change is planned must be noted in the budget message. ORS 294.445(2).

It was once felt that the budget message had to real out loud at the budget committee meeting (emphasis added). More recent interpretations of “delivered” have opined that simply providing the budget committee members with a written copy of the budget message is sufficient. Of course district staff may want to give an oral report of the highlights of the budget message and the budget document for the benefit of the budget committee members.

Public Input Requirement (TSCC 2008 p. 44). One of the budget committee’s most important requirements is to **hear and consider any testimony** (emphasis added) presented by the public about the budget. This can be done at the first meeting and/or subsequent meetings. **The budget committee can establish procedures for taking testimony.** (emphasis added) Time limits can be set as long as all parties or sides on issues are treated equally.

Budget Committee Formal Actions (TSCC 2008 p. 45). **The method for approving the budget is discretionary** (emphasis added).

Majority Needed For Formal Action (TSCC 2008 p. 45). Any budget committee action must have the approval of a majority of its members, not just a majority of those present. To take action requires the affirmative vote of a majority of the total budget committee membership. OAR 150-294.336. If only six members of a 10 member committee are present, then all six must vote in the affirmative to approve a motion.

Other Budget Committee Meetings (TSCC 2008 p. 46). **After the budget process the budget committee may meet from time to time throughout the year at its discretion for purposes such as training** (emphasis added). **All of these meetings are open to the public** (emphasis added) and notice of the meeting must be given in the same manner as notice for meetings of the governing body, or through one of the local budget law publication methods. ORS 294.406(2).

CITY OF EUGENE, OREGON'S BUDGET COMMITTEE

City of Eugene, Oregon's Budget Committee

<https://www.eugene-or.gov/1154/Budget-Committee>

Viewed July 12, 2016

Budget Committee

Budget Committee Meeting Materials. View links to meeting materials, webcasts, minutes and agendas here.

Budget Committee Members. The Budget Committee is composed of an equal number of City Council members (8) and appointed citizen members (8).

Overview. The Budget Committee is a **standing committee** (emphasis added) that reviews the proposed operating and capital budget each fiscal year and makes a recommendation on the budget to the City Council for final enactment.

The Budget Committee reviews the City's annual budget **in accordance with Oregon's Local Budget Law** (emphasis added) and Oregon Administrative Rules. The **Committee makes recommendations** (emphasis added) to the City Council on the annual budget, the Financial Management Goals and Policies, and on specific issues as directed by the Council. **Budget Committee may also meet to discuss updates to long-range financial plans and policies** (emphasis added).

A Citizen Subcommittee comprised of appointed Budget Committee members also **meets to review performance measures and service profiles for City services** (emphasis added) in the fall of each year.

Throughout the fiscal year, the City Council may ask the citizen members of the Committee to study particular financial issues facing the City and develop recommendations for the Council (emphasis added). On a biennial basis, the Budget Committee also reviews and makes recommendations to the Capital Improvement Program (CIP).

Public Comments and Testimony. Public comment is an important component of the Budget Committee meetings. At most Budget Committee meetings, a period of time is set aside for public comment, and each speaker usually has up to three minutes to share his or her views on the budget. A Budget Committee public hearing is also held before the budget is approved.

How to Provide Comment or Testify Send a written statement addressed to the Budget Committee to:

City of Eugene Finance Division
100 W 10th Avenue, Suite 400
Eugene, OR 97401

Send your testimony via online form.

Speak to the Budget Committee or the City Council at the public comment times or at public hearings (emphasis added). If you have any questions or need more information on the Budget Committee work, please contact the Finance staff via email or by phone at 541-682-5512, or review our tips on how to testify before the Budget Committee.

Citizen representation on the Budget Committee (emphasis added) is an important part of the local government budgeting in Oregon. Oregon Revised Statutes (ORS 294) require that citizen representatives participate in the review of the budget and approve the property taxes that are needed to balance the budget.

BUDGET MANUAL, CITY OF PORTLAND, OREGON: FISCAL YEAR 2016-17

<https://www.portlandoregon.gov/cbo/article/510022>

Viewed July 12, 2016

- Scott, Andrew, Director, City Budget Office. 2016. *Budget Manual City of Portland, Oregon Fiscal Year 2016-17*. <https://www.portlandoregon.gov/cbo/article/510022>. City of Portland. Portland, OR. (Scott 2016).

User's Guide The Budget Manual is a general guide to budget development in the City of Portland (Scott 2016 p. 4).

What's in the Manual? This Budget Manual, along with the **BRASS Training Manual** (emphasis added), is written for City of Portland staff involved in budget development: both the City administrators and managers who have financial and budgetary oversight responsibilities, and the bureau staff responsible for the technical preparation and development of budget documents (Scott 2016 p. 4).

- Section 1 - New Information: provides direction on budget guidance, changes from the previous year's process, inflation assumptions, and the budget process calendar.
- Section 2 - Budget Development Process: is an overview of the City's budget process, including bureau and CBO responsibilities during each phase of the budget.
- Section 3 - Technical Instructions: provides step-by-step instructions regarding the entries in BRASS, required narratives in PatternStream, and other required submittal documents. The section also includes a style guide for narrative documents, a glossary of terms, and technical checklists for BRASS and PatternStream entry.

Section 1. Changes for FY 2016-17 (Scott 2016 pps. 5 - 9)

Budget Guidance. The Mayor released his budget guidance on November 19th (emphasis added). The detailed guidance, which includes direction for decision packages, can be found here: <https://www.portlandoregon.gov/cbo/article/554168>. (Scott 2016 p. 6).

Proposed Budget Document Starting in FY 2015-16, the Proposed Budget document was simplified to include shortened Word documents for each bureau and various budget tables from PatternStream. Updates to micro-documents in PatternStream are no longer required for the Proposed Budget (Scott 2016 p. 6).

Increased Focus on Performance Targets The requirements for the expected results narrative for Requested Budget decision packages, **performance measure values and characteristics, and program narrative** (emphasis added) have been updated to include **additional guidance for comparing program outcomes to established targets** (emphasis added). Please see info edit instructions for decision package and performance measures, and the Writers Guide to the Micro-Documents below for revised details. Additional direction for establishing program targets will be provided at <https://www.portlandoregon.gov/cbo/67112> (Scott 2016 p. 6).

Distributing the Requested Budget Bureaus are responsible for distributing ten paper copies and one **electronic PDF copy** (emphasis added) as follows: [list]. **All Requested Budget documents will be posted on the [City Budget Office] CBO website shortly after submittal.** (emphasis added)

Budget Process Calendar (Scott 2016 p. 8).

Nov	13	Deadline for P4 adjustments (reclassifications, extensions, creation, abolishment)
	18	General Fund overhead payments and Current Appropriation Levels distributed
	18	Budget kickoff
	18	Publishing system (PatternStream) is open
	19	Deadline for OM updates (changes to cost center, IT1018)
Dec	15	Deadline for master data (personnel action) adjustments to HR Operations
Jan	4	Final upload of position data from SAP to BRASS (based on Dec 17th payroll)
	15	All Requested Budget interagency agreements completed and balanced

Feb	1	Bureaus and PDC submit Requested Budget to CBO
	1	Special Appropriation requests for General Fund support due
Mar	7	CBO analysis on Requested Budgets distributed to Council
	15-31	Council budget work sessions
Apr	5 & 12	Public Hearings on Requested Budget
Apr	28	Mayor's Proposed Budget decisions released
May	10	Proposed Budget document released
	10	Budget Committee - Mayor's Message and Work Session
	11	Mayor convenes PDC Budget Committee to receive PDC Proposed Budget
	12	Budget Committee - Approved Budget Public Hearing (includes PDC)
	18	Budget Committee - Vote on the Approved Budget and PDC budget
	19	Approved Budget submitted to Tax Supervising & Conservation Commission
	19 & 25	Utility Rate Review - first and second reading
Jun	8	Tax Supervising & Conservation Commission hearing on Approved Budget
	9	Council vote on the Adopted Budget

Section 2 - Budget Development Process (Scott 2016 pps. 10 - 18)

Local Budget Law Most local governments in Oregon, from the smallest special district to the largest city, must prepare and adopt an annual or biennial budget. Schools, counties, cities, ports, rural fire protection districts, water districts, and special districts are **all subject to the same budget provisions under Oregon Revised Statutes chapter 294** (emphasis added). Oregon law does two important things:

- It establishes standard procedures for preparing, presenting, and administering a budget.
- It requires community involvement in the preparation of a budget and public disclosure before a budget's formal adoption.

Compliance with City Financial Policies and Other Planning Documents. **The City has many policies that interact with and provide direction in making budgetary decisions** (emphasis added). Many of these policies can be found on the Portland Policy Documents website.

Budget Officer and Budget Committee To give the public ample opportunity to participate in the budgeting process, **Local Budget Law requires that a budget officer be appointed and a budget committee be formed** (emphasis added). Under the direction of the Mayor, the budget officer draws together necessary information and prepares the first draft of the budget. The budget committee then reviews and revises the proposed budget before it is formally adopted. For the City of Portland, the director of the City Budget Office acts as the Budget Officer, and the Budget Committee consists of the members of the City Council.

Notices are published, budgets are made available for public review, and opportunities for public comment are provided during at least two points in the process (emphasis added). **These requirements** (emphasis added) [**Local Budget Law**] encourage public participation in the budget decision-making process and **give public exposure** (emphasis added) to budgeted programs and fiscal policies prior to adoption.

Overview of Budget Format An annual budget is a financial plan containing estimates of expenditures and revenues for a single fiscal year. For Portland, this is July 1 through June 30. In addition to outlining programs for the coming year, the budget controls the local government's spending authority. **Since the budgeting process encourages community input, the budget is also a vehicle for eliciting public opinion about proposed programs and fiscal policies** (emphasis added).

All budgets must meet certain minimum requirements. Under **Local Budget Law** (emphasis added), expenditures should be broken down by fund, organizational unit or program, and object classification.

Under **Local Budget Law** (emphasis added), resources and requirements must show . . .

BUDGET DEVELOPMENT PROCESS

Requested Budget Each bureau is responsible for development of its budget. As in prior years, bureaus are directed to include a **Budget Advisory Committee (BAC)** (emphasis added) in their budget development process. The bureaus, in concert with the Budget Office, are responsible for producing a technically balanced budget and the documents that present the budget.

Bureaus perform the following tasks for any budget version:

- Ensure that budget requests (emphasis added) properly address the Budget Office's guidance, the bureau's position, and Council priorities and direction
- . . .

Requests for Budget Notes Although it is not common practice, bureaus may request budget notes as part of their Requested Budget. The request should be included in the Requested Budget cover memo. The most common reason for a bureau to request a budget note is to request Current Appropriation Level target adjustments in future years for specific programs. The Mayor and other commissioners have the authority to add a budget note **during the Proposed, Approved, or Adopted budgets** (emphasis added), and the Budget Office adds these notes when directed to do so by an elected official. Council votes to approve the budget notes during the Approved and Adopted phases of the budget.

City Budget Office Review of Requested Budgets Upon receipt of a bureau's Requested Budget, the Budget Office staff confirms that submitted materials are complete, accurate, and comply with budget guidance. . . .

Based on the analysis of bureaus' Requested Budgets, the Budget Office prepares budget analysis reports for the Mayor and Commissioners. These reports summarize the Requested Budgets of the bureaus, and highlight issues that may be of particular concern to Council, the bureau, or the Budget Office. **The reports serve as a basis for discussion of the bureaus' budgets during budget work sessions** (emphasis added). Budget analyses typically include the following:

- A financial summary of the bureau's resources and requirements for the previous year, current year, and the budget year under development
- Summary discussion of major issues, status of budget notes and previous add package results, and performance trends
- Other budget issues, **such as information on how the budget responds to Council priorities and strategic issues** (emphasis added)
- Analysis and recommendations on any bureau decision packages
- Analysis of the bureaus Capital Improvement and Financial Plans

Approved Budget In **accordance with Local Budget Law** (emphasis added), the City Council is convened as the Budget Committee during the Approved Budget process. The Budget Committee meets to accomplish four actions:

- Receive the budget message and budget document
- Hear and consider public testimony
- Review and approve a balanced budget
- Approve the rate for property taxes

The Budget Officer may provide a **copy of the Proposed Budget to each member of the Budget Committee at any time prior to the first Budget Committee meeting** (emphasis added) as advertised in the notice. **The budget is a public record at this point** (emphasis added).

At the first Budget Committee meeting, the Mayor delivers the budget message. This message explains the Proposed Budget and significant changes in the City's financial position. At this first meeting, the Budget Committee **may provide members of the public the opportunity to ask questions about or comment on the budget** (emphasis added). If public comment is not scheduled at this meeting, the Budget Committee must provide the public with the opportunity at one or more subsequent meetings. Announcements advertising the Notice of Budget Committee Meeting are printed in local newspapers prior to the meeting. **The timing and frequency of the public notices are governed by Local Budget Law** (emphasis added).

After the initial meeting, the Budget Committee may meet as many times as needed to revise and complete the budget. If two or more meetings are held to take comment from the public, **the first meeting to do so must meet Local Budget Law publication requirements** (emphasis added). Notice of other meetings of the Budget Committee must be provided as required by **Oregon public meeting law** (emphasis added). All meetings are open to the public.

Adopted Budget Local Budget Law requires (emphasis added) that Council adopt a budget (appropriate funds) and approve the tax levies no later than June 30. **Local Budget Law also prohibits changes** (emphasis added) between the Approved and Adopted Budgets that would result in a fund's expenditures growing by more than 10%. Changes normally include technical adjustments and carryover amendments.

PUBLIC INVOLVEMENT IN THE BUDGET PROCESS Each year, bureaus are required to **include a public involvement component** (emphasis added) in developing their Requested Budgets. In addition, a panel of **community budget advisors** (emphasis added) is appointed to work with Council on reviewing Requested Budgets, **public budget forums** (emphasis added) are held around the city, and **budget hearings are held as prescribed by Local Budget Law before budget approval and adoption** (emphasis added). The City Budget Office website includes **information about how and when the public can be involved in the budget process** (emphasis added).

Public Testimony on the Budget The City hosts a number of opportunities for the community to provide testimony each year:

- **Community budget forums:** Budget forums provide an opportunity for members of the community to discuss services and priorities with the elected officials. This information provides Council with additional context as they move through the decision making process. **These forums may be scheduled prior to presentation of the Mayor's Proposed Budget but are always scheduled prior to Budget Committee approval of a budget** (emphasis added). The forums are held in the community, in the evenings and on weekends to increase attendance. Locations for the community budget forums are rotated around the city to ensure that neighborhoods in all geographic areas in Portland are visited.
- **Budget Committee public hearing** (emphasis added): This hearing takes place in the evening or on the weekend, and provides an **opportunity for community members to testify formally** (emphasis added) on the Proposed Budget, prior to the Budget Committee's vote on the Approved Budget.
- Utility rate hearing: **Public testimony is taken at a regular Council meeting** (emphasis added) when utility rates are brought forward for adoption.
- Budget Committee action to approve the City budget: **Public testimony is taken** (emphasis added) at the final meeting of the Budget Committee when the budget is approved.
- Tax Supervising and Conservation Commission public hearing: This is a **legally required hearing** (emphasis added) held by the Tax Supervising and Conservation Commission prior to the Council vote on the Adopted Budget.
- Council action to adopt the City budget: Council adopts the budget at a regular Council meeting **where public testimony** (emphasis added) is also accepted.

Bureau Budget Advisory Committees Each bureau is also required to have a **budget advisory committee** consisting of bureau staff, labor representation, and community members. In September, 2012, the City's **Public Involvement Advisory Council (PIAC)** developed guidelines for **Budget Advisory Committees (BACs)** which were approved by Council as binding City policy. Short descriptions of the guidelines are included below. The full report is included on the Office of Neighborhood Involvement's website.

1. Community and labor representation: Bureaus must establish a minimum of 50% community representation (non-City employees) on BACs. A minimum of two BAC members shall be City employees (one labor represented and one non-represented, non-management). Bureaus have until October, 2016 to comply with this guideline.
2. Creation of bureau BAC budget process websites: Every bureau **must maintain a website that includes pertinent BAC information such as meeting locations and dates, opportunities for participation, and significant budget documents** (emphasis added). For a complete list of the requirements, please visit the Office of Neighborhood Involvement's website.
3. Maintenance of contact information lists: Bureaus need to maintain a contact list where community members may sign up to receive budget related information such as meeting notices, handouts, and updates.

4. ADA and Limited English Proficiency accessibility: Bureaus are required to provide notices of availability of free language assistance and auxiliary aids/services in their outreach materials.
5. Handouts and presentation materials available to public: All handouts and presentation materials made available to BAC members shall be made available to any member of the public.
6. **Public comment allowed at all meetings** (emphasis added): All BAC meetings will have established times for public comment. Written comments will be allowed and reflected in summary notes.
7. **Minority budget reports** (emphasis added): Two or more BAC members have the opportunity to jointly write a minority report that will be included with the bureau's Requested Budget submission.

Section 3 - Technical Instructions (Scott 2016 pps. 19 - 46)

This section is mostly all about accounting policies and procedures (see original)

Building Your Budget in BRASS This manual provides a general overview of how to budget in BRASS. More specific instructions are available in the BRASS Training Manual posted on the CBO website. BRASS reports are explained in the Report Glossary, also on the CBO website. Technical assistance and training for BRASS is also available by contacting CBO staff.

Document Publishing System

Budget Document The Budget Office oversees the extraction of BRASS and SBFS data, narrative micro-documents, and other related information to produce the City of Portland's Adopted Budget.

The budget document as a communication tool The intent of these instructions is to help bureaus produce clear, concise text that succinctly describes their organizations, programs, budget decisions, and financial and performance information. Collectively, the City's Adopted Budget is an enormous publication. Given that context, staff preparing budget narrative should keep to the recommended micro-document lengths. In addition, adhering to the style guide aids the reader by providing a common presentation from bureau to bureau.

One tactic for good budget writing is to reduce the repetition of text within a bureau's narrative by keeping in mind their entire budget narrative while they are writing the individual micro-documents. Consider the following when writing:

- Stay focused on the purpose of each text section
- Use clear language and short, focused sentences
- **Avoid the temptation to start with last year's text and add to it** (emphasis added)

Writer's Guide to the Micro-documents

Bureau Mission
 Bureau Overview
 Strategic Direction
 Summary of Budget Decisions
 Capital Summary
 Capital Planning and Budgeting
 Capital Programs and Projects
 Division Narrative (OMF only)
 Programs
 Funds (see above)
 Project Detail Descriptions

Organization Chart The organization chart depicts the bureau's management and program structure. Bureau organization charts will be included in the published budget document.

Budget Advisory Committee Report Every bureau is required to submit a budget advisory committee report with its Requested Budget submittal. The report should include a summary of the recommendations of the committee and a committee roster that includes names and community affiliation (affiliations are needed only if the committee has reserved spots for specific community groups). Although not required, two or more BAC members also have the opportunity to jointly write a minority report. If completed, the report should be included with the Requested Budget submittal along with the majority report.

Glossary (Scott 2016 pps. 52 - 58)

Budget Advisory Committee (BAC): A committee, specific to a particular bureau, consisting of citizens appointed by the Commissioner-in-Charge to advise the bureau on its budget requests and to make recommendations to Council.

Budget Notes: A listing of policy or programmatic issues that the Council has determined require further study, analyses, action, or other directive.

Local Budget Law: Oregon Revised Statutes, Chapter 294, which prescribes budgeting practices for municipalities within Oregon.

Mission: A statement of an organization's overall purpose.

Objective: A desired result of a group of related activities performed by a bureau in which the achievement satisfies part or all of a bureau goal.

Performance Measure: An indicator that measures the degree of accomplishment of an objective.

The major types are as follows:

Key Performance Measure (KPM): An outcome indicator of core services delivery that provides bureau managers and Council with information to guide decision-making. KPMs are the most useful and selective of all performance measures, and should be clearly understandable, results-oriented, reliable, and comparable.

Effectiveness Measure: A qualitative and/or quantitative measure of the extent to which the performance of related tasks achieve a desired result or objective.

Efficiency Measure: The extent to which the process utilized by an organization to produce goods and/or services minimizes the use of resources. The ratio of a unit of goods and/or services produced to the amount of resources required to produce it.

Workload Measure: A quantity of work performed.

Program: A set of related activities and services that is designed to achieve bureau-level goals and objectives and has a clear link to the City mission and one or more City goals. A program will generally have a set of performance measures uniquely associated with it that demonstrates progress toward goals. The budget for a program is displayed in the City's budget document and is the functional unit about which City Council makes financial decisions during the budget process. A bureau's total budget is divided across one or more program budgets.

Project: An activity or group of activities with discrete beginning and ending dates and specific accomplishments or end products. It may be operating or capital.

Multnomah County, Oregon Budget Advisory Committees (CBACs)

Multnomah County Budget Advisory Committees are independent (emphasis added) citizen bodies that review and make recommendations on county departmental budgets and operations. CBAC recommendations have ranged from targeting services to special-needs populations to allocating funding to retain County properties' value. Although not all CBAC recommendations are adopted, committee members' input improves how the county uses revenue and delivers services to residents. Each year about 70 county residents serve on the nine CBACs. The only requirements for CBAC membership are (Multnomah County 2016 <https://multco.us/oci/citizen-budget-advisory-committees-cbacs>)

- that you live or work in Multnomah County;
- that you have an interest in the programs and budget process of the County;
- that you are available to attend meetings and participate in deliberations (most CBACs meet monthly, with more meetings during budget season).

Office of Citizen Involvement (OCI), Multnomah County, Oregon. February 1, 2016. *County Budget Advisory Committees: Be Heard!* Multnomah Cty Budget Advisory Committee Handbook 1-18-16.indd 1. Portland, OR. (Multnomah CO OCI 2016)

Office of Citizen Involvement, 501 SE Hawthorne, Suite 192, Portland, OR 97214.

(503) 988-3450; citizen.involvement@multco.us; Multco.us/oci: @ Office Of Citizen Involvement & @multco.oci.

What the Multnomah County Charter says about Citizen Involvement (adopted 1984) (Multnomah CO OCI 2016, p. 7).

- The Office of Citizen Involvement shall develop and maintain citizen involvement programs and procedures designed for the purpose of facilitating direct communication between the citizens and the board of county commissioners .
- A citizens' committee and the structure of the citizen involvement process shall be established by ordinance.
- The Board of county commissioners shall appropriate sufficient funds for the operation of the office and the committee.
- The citizens' committee shall have the authority to hire and fire its staff.

About the Office of Citizen Involvement

- It was created by a vote of the people in 1984.
- It is an independent agency providing staff support for the volunteer Citizen Involvement Committee (CIC).
- Its mission is to integrate the people of Multnomah County into policy and budget decision-making within County government.
- We are here to answer any questions that you may have about the CIC, this handbook, or Multnomah County.

There are a total of nine CBACs, one for each County department and a Multnomah County Non-Departmental Citizens Budget Advisory Committee. The Non-Departmental Citizen

Budget Advisory Committee (CBAC) is responsible for reviewing the budgets of various offices and programs, including centralized administrative functions (e.g., the Chair and Commissioners’ Offices, Auditor, County Attorney); Communications Office; Office of Diversity and Equity; Office of Emergency Management; Office of Government Relations; Office of Sustainability; independent agencies within the county (e.g., Citizen Involvement Committee, Tax Supervising and Conservation Council, Public Safety Coordinating Council); and additional areas in which the funding is essentially non-discretionary (e.g., the Business Income Tax pass through to the East County cities, facility costs for the State Courts, and accounting costs for various sinking funds outside the county’s General Fund). The remainder of the nondepartmental budget is composed of allocations to non-county agencies from which county residents benefit, such as Multnomah County school districts and the Regional Arts and Culture Council. The Non-Departmental CBAC reviews and vigorously discusses goals, priorities, and plans for responsibly allocating the county’s budget funds.

The CIC developed these independent advisory committees to review department operations and budgets, provide testimony, and give written recommendations. The CIC developed these independent advisory committees to review department operations and budgets, provide testimony, and give written recommendations.

Timeline and Phases of the Budget Process (Multnomah CO OCI 2016, pps. 16-17)

July–September:	Early Idea Exchange & Budget Discussions
October:	Department Budget Preparation
November–March:	Executive Budget Preparation
April–June:	Executive Budget, Public Hearings & Work Sessions
June:	Budget Review, Approval & Formal Adoption
Post-budget:	Budget Modification Resolutions (BUDMODS)

In summary, the Multnomah County Citizen Involvement Office is independent of the county government. The Office of Citizen Involvement shall develop and maintain citizen involvement programs and procedures designed for the purpose of facilitating direct communication between the citizens and the board of county commissioners. A citizens’ committee and the structure of the citizen involvement process was established by ordinance. The Multnomah County Board of County Commissioners appropriates sufficient funds for the operation of the office and the committee. The citizens’ committee has the authority to hire and fire its staff.

SEAL ROCK WATER DISTRICT

Seal Rock Water District: 2016-2017 Proposed Budget

<http://www.srwd.org/pdf/16-17%20Budget%20Proposed%20by%20BO.OneDoc.pdf>

Viewed July 11, 2016

Date: February 16, 2016

To: Budget Committee

From: Adam Denlinger, GM, Seal Rock Water District

RE: Budget Committee Meeting

Dear Budget Committee Member: Enclosed please find the budget calendar for the 2016-2017 budget process. We have scheduled the budget committee meeting for 6:00 pm on April 21, 2016. It is our intent to provide you with a **proposed budget document one week before this meeting.**

City of West Linn, Oregon

FY 2009 - City of West Linn, Oregon: GFOA Detailed Criteria Location Guide

- City of West Linn. 2009. *FY 2009 - City of West Linn, Oregon: GFOA Detailed Criteria Location Guide*. West Linn, OR.

(File: JSPSS_CI City of West Linn 2009 Public Engagement)

City of Milwaukie, Oregon

Budget Report For Budget Committee Meeting

City of Milwaukie

Clackamas County, Oregon

Proposed 2013-2014 Budget Q & A as of May 10, 2012

http://www.milwaukieoregon.gov/sites/default/files/archives/council/councilpackets/2010/budget_committee_q__a_may_17_2012.pdf

Viewed September 12, 2016

- City of Milwaukie. 2012. Proposed 2013-2014 Budget Q & A as of May 10, 2012. Milwaukie, OR.

(File: JSPSS_CI City of Milwaukie 2012 GFOA Award)

Mr. Jeff Klein: (City of Milwaukie 2012, p.

Q1. Is the city going to apply for the “Distinguished Budget Award” again this year or will we save the \$500? (emphasis added)

A1. Yes we will be applying for the GFOA budget award again. In the spirit of continuous improvement, constantly comparing and contrasting our financial documents up against the best in the nation is one way we plan on improving the communication of financial results to our citizens (emphasis added). The GFOA award programs are not ways for GFOA to raise money, but rather they distribute an applicant’s document around to Special Review committee members for determination of meeting minimum qualifications. Whether an award is given or not, the true value of this program is that it provides comments and improvement suggestions for applicants to work on with future documents, a process which we believe improves the transparency in communicating financial results back to our citizens. And finally, it is also one way to recognize the appreciation of the work performed by the Budget Committee and members of the Finance Department. (emphasis added)

Mr. Jeff Klein: (City of Milwaukie 2012, pp. 13-14)

Comment 3: Councilor, I was very critical of our budget last year but Casey and Richard said they were trying to win an award and to their credit they did. Here is a list of the "Winners" for the 2009 Distinguished Budget Award all 1,500 of them (give or take but who's counting). 2010 and 2011 have yet to be posted online.

Some interesting recipients of the award that year included Harrisburg, PA a 19 year winner and our neighbor to the south West Linn, OR, winner of 6 years.

It cost a city the size of Milwaukie \$565 (including membership) to submit your budget and if you don't win you can keep submitting until you do for free as long as your membership is current. It's a very distinguished award.

Response 3: There are more than 88,000 local governments in the United States that are eligible to apply for and receive the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). If 1,500 applied and received the award that is less than 2% of local governments in the United States. We believe that being in the top 2% of local governments is still a pretty impressive feat. Yes, if a City does not at first qualify for the award, it can reapply – and it can win – if it meets the approval criteria.

The purpose of this award program is to “encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA’s best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.” **For your reference, we have attached both the Award Criteria (Attachment #2) and Detailed Criteria Location Guide (Attachment #3) used to determine if a given document will receive the award or not** (emphasis added).

This award program does not purport to be a safe guard against bankruptcy (as in Harrisburg, PA’s case) as the link in this article suggest, but we can confirm that it helps against fraud (as in West Linn, OR’s case). As you may be aware, there are a plethora of requirements in municipal finance that are meant to avoid fraud and bankruptcy, all of which suggest that there needs to be adequate oversight of an entities financial reporting, appropriate internal controls and annual audits of financial statements. All of which the City of Milwaukie does. In West Linn’s case, the fraud referred to in the link happened between the 2000-2006 fiscal years. During these years, audits were not performed and their budgets were so “un-transparent” that even if they were submitted to the awards program, they would have certainly been denied. Program requirements such as the GFOA budget requirements, help facilitate the presentation of financial data in manners where financial information is as clear and transparent as possible. These programs also purport the presentation of information in standardized formats, all of which would have likely helped flush out this fraud for the West Linn community sooner rather than later. The West Linn fraud was discovered at the end of 2006, when under the leadership of a new City Manager and new Finance Director, the overhaul of their financial documents was underway. It was not until fiscal year 2008, after the fraud and subsequent arrest of Elma Magkamit that the City applied for and was awarded the Distinguished Budget Presentation Award. And from 2008 forward, the West Linn Finance Department has made continuous improvements every year with each of their leading financial documents to include, the budget, the audit, the annual report, the five-year forecast, quarterly reports, and their CIP.

The cost to the City of Milwaukie to apply for this award was \$330 for fiscal year 2012 and will be around \$425 for the 2012-13 biennium budget (saving \$235 over the two year period). The membership cost is the cost of an individual member, such as the Finance Director, who would hold a membership with the GFOA whether the City applied for this award or not. We believe this is a small and most worthy cost to pay to help improve the continuous improvement of communicating financial results to the community of Milwaukie.

Appendix M. Citizen Participation in the Budget Process: The Effect of City Managers

- Zhang, Y., and K. Yang, “Citizen Participation in the Budget Process: The Effect of City Managers,” *Journal of Public Budgeting, Accounting and Financial Management* 21:2 (Summer 2009): 289–317.

The following is selected information, from *Citizen Participation in the Budget Process: The Effect of City Managers* (<http://www.hugoneighborhood.org/justicesystemexploratorycommittee.htm>), compiled by the Authors, Mike Walker and Jon Whalen. The purpose of the selected sections is to support Section V.C.4, “Population And Density & Managers’ Characteristics.”

ABSTRACT. Much of the literature on citizen participation in the budget process links the council-manager form of government with higher levels of citizen participation, assuming the council-manager form represents professional administration. This is contradictory to the reality that different forms of government have “borrowed” features from each other and many now have mixed forms of government (i.e., adapted). The literature also contains ambiguities about city managers’ role in participatory budgeting. We review the literature and identify three competing theories about the role of professional managers in the budget process. We directly examine the effect of city managers in terms of their professional dimensions, institutional environment, and individual willingness to represent citizens. Using survey data from Florida, we demonstrate that managers’ professionalism, perceived political environment, and attitude toward citizen input are important factors explaining local governments’ adoption of participatory budgeting (Zhang & Yang 2009, p. 289).

INTRODUCTION Evidence is inconclusive as to why some local governments include citizen participation in the budget process while others do not. The question of what factors drive a local government to invite citizen participation deserves more attention. The controversy of the impact of the form of government reveals the necessity to investigate in-depth mechanisms and motivations within the local government context, especially the role of city managers in the decision process. What are the linkages between city managers and citizen participation in budgeting, examining whether and how city managers’ professional characteristics and attitudes affect local governments’ adoption of citizen participation in the budget process (Zhang & Yang 2009, p. 290).

THE AMBIGUITY IN THE LITERATURE Ebdon and Franklin (2006) developed an impressive typology of elements and variables that are important in describing and explaining citizen participation in the budget process in terms of its adoption, process design, mechanisms, goals, and outcomes (Zhang & Yang 2009, p. 290).

In the literature of citizen participation in general (as opposed to the literature in the budget process in particular), the form of government is treated as an important predictor (e.g., Cole, 1974; Greenstone & Peterson, 1971; Streib, 1992; Wang, 2001). However, empirical research has left ambiguities about the impact of government form on citizen participation. There are many potential solutions to deal with the ambiguities in the literature, but one alternative is to question whether the form of government is a strong predictor of government behaviors, especially when different forms of government have “borrowed” features from each other. Frederickson, Johnson, and Wood (2004) find that in the past twenty years mayor council cities have rapidly increased the use and the powers of chief administrative officers (CAO), powers similar to those of the city manager in the council-manager plan. They call this type of cities “adapted” ones or mixed forms of government. As they correctly observe, a majority of the cities are “adapted” and have a professional manager position. Thus, the claim that the council manager form is better fitting for citizen participation does not square with the reality of “adapted cities.” In addition, the underlying assumption for using the form of government as a predictor is that city managers, who are centralized professional executives in charge of local governments’ daily operation, have a distinct role (Lubell, Feiock, & Ramirez, 2005). It is somewhat perplexing why the literature has largely used the dichotomous variable of the form of city government rather than including direct variables about city managers. It would seem natural to directly assess the mechanisms and motivations within the position of city manager, which may shape the adoption of citizen participation. We are particularly interested in the role of city managers in involving citizens in the budget process, focusing on variables such as the city managers’ professional education, professional networking, professional experience, and institutional authority (Zhang & Yang 2009, pps. 291-293).

There are very different perspectives about how city managers' characteristics might impact citizen involvement. Three views follow (Zhang & Yang 2009, pps. 293 - 294).

1. "Citizen Leadership" Model. Appointed managers emphasize citizenship values over technocratic values. Community building and participation have become a professional norm for management professionals in local government. Therefore, appointed managers may emphasize citizenship values over technocratic values.
2. "Technocratic Expert" Model. As public problems become highly sophisticated in modern society, policy processes are increasingly dominated by professional experts. Such technocratic dominance, however, is likely to hamper citizen participation because administrative decision-making based on expertise and professionalism may leave little room for participatory processes.
3. "Bureaucratic Indifference" Model. Managers' personality and behaviors are shaped by their professional experience in a way that their tendency toward citizen participation in the budget process is constrained by their inability and their unwillingness to involve citizens.

The ROLE OF CITY MANAGERS. Competing Perspectives There are very different perspectives about how city managers' characteristics might impact citizen involvement. Some scholars hold a "positive" perspective and believe that city managers are likely to encourage citizen participation. One reason is that city managers tend to be "modernizers" or public entrepreneurs who seek to experiment with scientific management tools (Berman & West, 1995; Feiock, 2003; Poister & Streib, 1989). Citizen participation in budgeting could be viewed as a management innovation. Another reason is that community building and participation have become a professional norm for management professionals in local government. Therefore, appointed managers may emphasize citizenship values over technocratic values (Nalbandian, 1991; 1999). We can label this first perspective as the "citizen leadership" model (Zhang & Yang 2009, p. 293).

Another perspective is "negative" in that it is concerned with the tension between professional administration and citizen involvement (DeSario & Langton, 1984; Fischer, 2000; Kweit & Kweit, 1981; Simonsen & Robbins, 2000). For instance, Fischer (2000) indicates that "the tension between professional expertise and democratic governance is an important political dimension of our time" (p. ix). As public problems become highly sophisticated in modern society, policy processes are increasingly dominated by professional experts. Such technocratic dominance, however, is likely to hamper citizen participation because administrative decision-making based on expertise and professionalism may leave little room for participatory processes. We can call this perspective the "technocratic expert" model. From this perspective, one might argue that since budgeting is a central and complex management function (O'Tool & Marshall, 1988; Simonsen & Robbins, 2000), professional administrators may fear that citizen involvement reduces administrative efficiency, and, as a result, they may discourage citizen involvement in budgeting (Bland & Rubin, 1997) (Zhang & Yang 2009, pps. 293 - 294).

The technocratic model echoes the writings on bureaucratic personality and bureaucratic experience. In Hummel's (1994) description, bureaucracies are in a "cold" environment in which employees are supposed to have no personal feelings, emotions, or judgments and treat various clients as cases without any distinction. Following Hummel (1994), Alkadry (2003) contends that professional administrators become indifferent to citizen needs because of their bureaucratic personality. That is, their responsiveness to citizens is constrained by their inability to take action or their unwillingness to take action given that they are constantly watched by their supervisors and governed by strict rules and job descriptions. Alkadry (2003) and Hummel (1994) aim to build a general theory and treat all bureaucratic administrators as the same regardless of the levels of government. We can call their theory the "bureaucratic indifference" model. According to this model, city managers' personality and behaviors are shaped by their professional experience in a way that their tendency toward citizen participation in the budget process is constrained by their inability and their unwillingness to involve citizens (Zhang & Yang 2009, p. 294).

Yang and Callahan (2007) try to integrate the citizen leadership model and the technocratic expert model in examining the factors driving citizen participation in local governments. In contrast to the bureaucratic indifference model, they suggest that chief administrative officers may internalize the professional values promoting community building and civic engagement as Nalbandian (1991; 1999) observes, and in turn, proactively seek citizen input. However, Yang and Callahan (2007) acknowledge the technocratic expert model may also play a role, indicating that the citizen leadership model may explain better whether there are citizen participation activities while the technocratic expert model may explain better whether citizen input will actually make a difference in decision outcomes (Zhang & Yang 2009, pps. 294 - 295):

It is likely that professional managers treat involvement mechanisms as professional management tools and use them to obtain customer feedback and improve service quality . . . After the mechanisms are put into place, however, whether and how citizen input is used in strategic decisions depends on the political and institutional dynamics of a particular community. In particular, professional managers may fear that citizen involvement in strategic decisions will reduce their authority and power (Yang & Callahan, 2007, p. 259).

Hypotheses The models of “citizen leadership,” “technocratic expert,” and “bureaucratic indifference” provide different theoretical perspectives to think about how professional administration affects city managers’ behavior in regard to involving citizens in the budget process. Considering the three competing perspectives, we are interested in empirically testing three questions (Zhang & Yang 2009, p. 295):

1. As city managers become more professional, are cities less likely to open the budget process to citizen involvement? (the technocratic expert model)
2. As city managers are more constrained by their inability to take action within the government structure, are cities less likely to open the budget process to citizen involvement? (the bureaucratic indifference model)
3. As city managers become more willing to listen to citizens, are cities more likely to open the budget process to citizen involvement? (the citizen leadership model)

The above three perspectives lead to the identification of seven hypotheses which are clarified in the original (Yang & Callahan, 2007, pps. 259 - 299).

- H1: City managers’ professional education is positively associated with the cities’ adoption of citizen involvement in the budget process.
- H2: City manager’s professional networking is positively associated with the city’s adoption of citizen involvement in the budget process.
- H3: City manager’s professional experience is negatively associated with the city’s adoption of citizen involvement in the budget process.
- H4: City manager’s institutional authority is positively associated with the city’s adoption of citizen involvement in the budget process.
- H5: Healthy and easy politics is positively associated with the city’s adoption of citizen involvement in the budget process.
- H6: Political stability is positively associated with the city’s adoption of citizen involvement in the budget process.
- H7: City managers’ willingness to represent the community they serve is positively associated with the city’s adoption of citizen involvement in the budget process.

METHOD. Sample The primary data source was from a mail survey (Yang & Callahan, 2007, p. 299).

Measurement, Dependent Variables The level of citizen participation in the budget process was measured by respondents' evaluation of two statements in the mayor survey (Yang & Callahan, 2007, pps. 300 - 301):

- (1) the council considers formal recommendations on the proposed budget from citizen groups or committees; and
- (2) the council coordinates with local media to highlight the community input process.

Independent Variables (Yang & Callahan, 2007, pps. 301 - 302)

- Professional Education (MPA)
- Professional Networking
- Professional Experience
- Manager' Authority
- Easy Politics
- Stable Politics
- Manager's Attitude

Control Variables (Yang & Callahan, 2007, pps. 302 - 303)

- Elected Mayor
- Full-time Mayor
- Relative Government Size
- At-large Election of Council
- Black Councilors
- Hispanic Councilors
- Population
- Population Growth
- Below Poverty
- Education Level

FINDINGS AND DISCUSSIONS (Yang & Callahan, 2007, pps. 303 - 310)

The findings and discussion for the Independent Variables follow.

- Professional Education (MPA)
- Professional Networking
- Professional Experience
- Manager' Authority
- Easy Politics
- Stable Politics
- Manager's Attitude

Finding # 1. Professional education, or holding the Masters of Public Administration (MPA) degree, is found to have a positive association with seeking formal recommendation from citizen groups in the budget process. The result is likely to suggest that city managers with MPA experience are more equipped with knowledge and skills necessary for citizen participation, and thus more confident to handle citizen involvement in the budget process. It is also likely that the socialization process in MPA programs may shape managers' cognition, attitudes, and decision making. Given that public administration scholars have been advocating for more citizen participation and democratic citizenship, observing a positive relationship between the MPA degree and greater motivation to involve citizens is not surprising (Yang & Callahan, 2007, pps. 303 - 305).

Finding # 2. Professional networking is significantly and positively associated with formal citizen involvement in the budget process. Professional networking is part of managerial networking from which county/city managers can get access to training, best practices, opportunities, and socialization. Meier and O'Toole (2003) find that managerial networking leads to better organizational performance. Our study further confirms the role of ICMA

[International City Manager Association] and its local branches in promoting modern professional values such as citizen participation, transparency, and democratic governance. The result suggests that professional networking does not reinforce the sense that budget decisions are territories only for professionals; rather, it helps managers appreciate the positive role of participatory budgeting. While public administration associations such as ICMA were perceived as merely voluntary with little or no influence over the entrance, promotion, training standards, and ethical performance of individual city managers (Stillman, 1977), their positive effect on participatory budgeting seems to be substantive at present (Yang & Callahan, 2007, p. 306).

Finding # 3. Professional experience is negatively associated with cities' use of formal citizen recommendations in the budget process. The result can be explained by the bureaucratic indifference model which treats bureaucratic experience as a barrier for citizen participation because it produces a bureaucratic personality that is antithetical to individual responsiveness, participation, and flexibility (Hummel, 1994). This explanation is not necessarily contradictory with the citizen leadership model which observes that recent city managers may embrace community building and citizen engagement as a new professional norm (Nalbandian, 1991; 1999). It is reasonable to expect a high correlation between managers' age and their professional experience, so the impact of professional experience may reflect the influence of age. In other words, this finding may imply that younger managers are more likely to support citizen involvement than do senior managers because younger managers are more likely to be shaped by the new professional norm of citizen engagement. Nevertheless, while the data of managers' age are not available for this article, we expect future study to further explore the relationship between citizen involvement and managers' age (Yang & Callahan, 2007, p. 306).

Finding # 4. Managerial authority is significantly and negatively associated with the adoption of citizen participation in budgeting, as predicted in the bureaucratic indifference and the technocratic expert models. When a city manager has greater institutional power, she is more likely to rely on formal administrative channels for decision making and less likely to open the administrative process to citizen involvement. A manager with great managerial authority is more likely to rely on professional knowledge, subordinate support, and hierarchical control. In contrast, a front-line professional administrator, given his/her constant interaction with citizens/clients, may be more likely to appreciate local knowledge and embrace citizen participation. This is particularly true for administrative functions that are complex and highly sophisticated such as budgeting. However, considering the measure of this variable – the number of department heads that the city manager can appoint and remove – the result may alternatively suggest that when the city manager has a greater span of control, s/he may have less motivation or time to involve citizens in the budget process (Yang & Callahan, 2007, pps. 306 - 307).

Finding # 5. Easy and stable local politics encourages managers to consider formal citizen participation in government budgeting, as both variables (easy politics and stable politics) are significantly and positively associated with the dependent variable. In such an environment, citizen involvement is less likely to be controversial because citizens' preferences and expressions are likely to be stable, so city managers may feel fewer risks in involving citizens. In addition, managers facing easy and stable politics can concentrate on managerial and policy issues without fears about job security and dirty politics, so they are more likely to be entrepreneurial and to be responsive to citizens. This finding is in line with Yang's (2008) observation that a supportive political environment enables organizations to involve their stakeholders in performance measurement. While the public management literature has emphasized the importance of a stable environment for organizational performance (O'Toole & Meier, 2003; Thompson, 1967; Yang & Pandey, 2008), our result highlights the positive effect of such an environment in fostering open government, transparency, and participation (Yang & Callahan, 2007, p. 307).

Finding # 6. As hypothesized, **managers' attitude** toward citizen input is found to be significantly and positively associated with local governments' adoption of formal citizen recommendations. This confirms Yang and Callahan's (2007) observation that managerial attitude is a significant predictor of citizen involvement efforts by local governments (see also Yang, 2006). More generally, the finding is consistent with the recent public management and bureaucratic politics literature, which demonstrates that bureaucratic values are far more important than external political factors in explaining bureaucratic decisions, outputs, and outcomes (Meier & O'Toole, 2006). Public managers do not just passively respond to external political pressures; rather, they make judgments about what is best for the community and strive to solve community problems (Yang & Callahan, 2007, pps. 307 - 308).

Three (Findings #7 & #8) of the 10 control variables were significant, full-time mayor and demographic factors, population size and population growth.

- Full-time Mayor
- Population
- Population Growth

Finding #7. Full-Time Mayor Regarding the control variables, full-time mayor is significantly and positively associated with the dependent variable. This finding is consistent with the result regarding the significant and negative influence of managers' institutional authority because the full-time mayoral position means that greater power is possessed by the political leader and less authority is delegated to the manager. Taken together, the results indicate that a more politically representative government is more likely to adopt formal citizen participation in the budget process, while a more managerially oriented government is less likely to do so. The results are in line with Yang and Callahan's (2007) conclusion that strong elected officials may be strong advocates for more citizen participation in the administrative process and decision making (Yang & Callahan, 2007, p. 308).

Finding #8. Regarding the influence of **demographic factors, population size and population growth** are statistically significant. Formal citizen recommendations are more likely to be considered in larger cities than in smaller cities, a result that is consistent with Ebdon and Franklin's (2006) contention. It also echoes Yang and Callahan's (2007) conclusion that large population categories are associated with higher levels of involvement mechanisms. Two theories can be offered to account for this relationship: a larger population means more conflicts that lead to greater demands for participation, or it means stronger capacity and more resources supporting participation. The significant and negative impact of population growth may suggest that the governments' abilities and resources are greatly constrained by the rapid growth of the communities, which leaves little room for them to adopt community-wide citizen participation in the budget process (Yang & Callahan, 2007, p. 308).

CONCLUSION (Yang & Callahan, 2007, p. 310 - 311) While a common belief in the participatory budgeting literature is that council-manager governments are more supportive of citizen participation in the budget process than other forms of government, we argue that this belief does not square with the reality that many cities have adopted mixed forms of government. In an era when adaptive or mixed forms of government are increasingly popular (Frederickson, Johnson, & Wood, 2004), the form of government alone cannot capture the institutional complexities of local governments, and it is more appropriate to directly measure the dimensions of a city manager's professional status and background in order to better understand how city managers relate to citizen participation in the budget process. In the meantime, the current literature is ambiguous on the relationship between professional administration and citizen participation as it provides contradictory arguments.

This article discusses the competing theoretical perspectives and examines how the adoption of citizen participation in the budget process is associated with city managers' professional factors, institutional environment, and willingness to represent citizens. The results suggest that this is a useful approach to study the adoption of participatory budgeting. Specifically, the results strongly support Nalbandian's (1991; 1999) observation that community building and citizen engagement have become professional norms for local government managers, as professional education and networking are positively associated with the consideration of formal citizen recommendations in the budget process. Even when the negative effect of professional experience seems to support the bureaucratic indifference and technocratic expert models, it may well just reflect the fact that new professional norms have emerged only since the mid-1990s and it is younger managers who are more likely to be deeply influenced. Furthermore, our results are consistent with the public management literature in finding that external political environment and managerial attitude toward citizen participation are important factors in accounting for local governments' decisions in the area of citizen involvement.

The study has limitations. The sample is from Florida, so caution must be taken in generalizing the results beyond the sample. Moreover, the results of this study depend on the way variables are measured. The dependent variables measure the extent to which local governments use participation mechanisms in budgeting, but does not assess whether citizen input really makes a difference in budgetary outcomes. Whether local governments allow citizen participation in the budget process and whether such participation really makes a difference in budgetary outcomes are different questions, for which the effects of professional administration may vary. Future studies may choose different samples and different ways of measurement to verify our results. **In addition, the actual level of citizen participation is determined by both the extent to which governments provide involvement opportunities and the extent to which citizens are willing and competent to participate** (emphasis added). Studies occasionally used the demand-side (citizen-side) mechanisms to develop hypotheses and interpret results, but the focus of this article is on the supply- (government) side. Future inquiries may pay more attention to citizen-side factors such as the accessibility of issues critically important to citizens in the budgetary process. Despite the limitations, our results are informative considering the purpose of this exploratory study, which is to show that different dimensions of professional administration may have different effects on citizen participation.

Appendix N. Public Participation in Municipal Budget Decision Process: City of Toronto's 2011 Core Service Review

- He, Jiaqing. July 2012. *Public Participation in Municipal Budget Decision Process: City of Toronto's 2011 Core Service Review*. MPA Research Report Submitted to The Local Government Program, Department of Political Science, The University of Western Ontario.

Introduction (He 2012, pps. 3-5). Public participation has received increasing attention in the past decade. An expanded role for citizens in the governance process has been advocated by scholars and by professionals. Generally, there is a consensus that public participation will bring crucial value to decisionmaking, government administration and democracy development as a whole. So the discussions around this issue focus mostly on how to realize this purpose. Public participation by itself is a broad concept with various definitions and perspectives. Many similar, but different, definitions exist for citizen participation, citizen involvement and community engagement. This paper does not intend to differentiate among these terms and **will use “public participation” as the one that stands for the broadest concept, which includes all types of participation activities by citizens, the media and other nongovernmental social groups** (emphasis added). Also in this article, public participation will be analyzed in a particular policy decision environment – the municipal budget process, which will bring both opportunities and challenges into the implementation.

Calls for public participation in resource-allocation decision have been heard in the past. As indicated by Ebdon and Franklin (2006), during the 1990s and into the new millennium, **the concern with cynical, distrustful citizens has led government to focus again on gathering citizen input during budgeting . Nowadays, the fiscal stress faced by local government becomes more serious. Both elected representatives and administrative officials are seeking to create public value in the squeeze between more public service and reduced costs and taxes** (emphasis added). Painful decisions are required regarding service reductions or tax and fee increases. This appears to be an important time for citizens to play a role in helping elected officials determine the best solutions for government and the community. Even though we are aware of the importance of public participation, and its special value in the budget process, scholars have shown their concern with the actual changes that public participation can make in the decision-making process. As claimed by Ebdon and Franklin (2004), participation is valuable for it provides an opportunity to gather input and encourage two-way communications. However, **seldom are resource-allocation decisions modified as a direct result of the participatory input. Instead, city officials claim that input is considered along with preferences simultaneously received from other sources, and decisions reflect aggregated priorities** (emphasis added). These concerns inspired the research questions of this paper on both participation process and its impact. This research is supported by a case study on the City of Toronto's 2011 core service review program.

Led by its newly elected Mayor, the City of Toronto attracted attention for its determination to achieve efficiency and maintain service quality. The City of Toronto faced difficult decisions in 2012 and will continue to do so in future years to meet its budget challenges. In supporting City Council's 2012 budget deliberations, a Service Review Program was suggested by the City Manager and approved by Council in April 2011. This Service Review Program includes three prongs: a “Core Service Review”, a “Service Efficiency Studies” and a “User fees Review”. Its intended purpose was to help address the City's serious financial challenges, set the foundation for services and service levels and establish the basis for multiyear planning and service delivery to meet the City's objectives in 2012 and beyond. It also garnered public interest as a support study for Mayor Ford's intention of “gravy-sniffing”. This implied the city's goal as uncovering waste in all city departments and services with the purpose of identifying services ripe for “potential reductions and discontinuation” (City of Toronto, Staff report, Jan 6th, 2012).

This paper focuses on the public consultation in the Core Service Review, which operated from May 11 to June 17, 2011. As the first major component of the whole Service Review Study, Core Service Review sought public view regarding what they consider to be core service, their priorities, and what they would like City Council to consider when making decisions about future service delivery. The Core Service Review Consultation was led by the City Manager's Office and supported by City staff as facilitators. The City collected public concerns by using feedback forms and eight roundtable discussions held across the city during the period. There were 12,955 people in total who provided their input through either completing a feedback form and/or attending a consultation session.

Conclusion (He 2012, pps. 34-36). When considering public participation, perhaps the only conclusion that scholars and practitioners can agree on is that it is an extremely complex issue. There are multiple variables within each element, but also within each variable, there are choices in the range of coverage. We used the City of Toronto's 2011 Core Service Review as our research case and conducted the analysis from both a process perspective and an outcome perspective. **From a process perspective, governmental efforts were directed at enlarging participation through a well designed mechanism and project promotion** (emphasis added). Careful analysis and report also have been conducted on the inputs gathered from public. The analyzed input was submitted to council meeting for further consideration. Toronto's public participation process met most of the requirements suggested by the literature in defining an "effective" participation process. The turnout number, as the most obvious way of measuring a participation project, also proved that Toronto's public engagement was a success. In our impact analysis, we found input from the public indicated a strong willingness to pay more in order to maintain or increase service, which contradicts Mayor Ford's budget mandate on taxes cuts. Moreover, it has been found that some public services had been attacked in order to realize the budget goal of "spending less". In demographic data examination, we found, most of the participants characterized as people with high income, university education who were located in downtown Toronto. This reflected the biggest shortfall of this participation project: it did not have a good representation of the population. The reason for this problem can be traced back to one of the challenges public participation faced. **Trying to engaging as many citizen as possible and aiming for a good representation of the population are always difficult for government officials in both designing and implementing the engagement project** (emphasis added). In Toronto's case, the location of public consultation meetings can be one of the reasons why the city failed to engage people in suburban places. **Besides that, the complexity of budget issues as mentioned by numerous scholars is another important reason, which potentially blocks out citizen with low education background even though the government tries hard in explaining budget decisions** (emphasis added). Toronto's case brought a special third reason for this problem. Based on our analysis of the divergence between "who vote" and "who participate", we found the people who voted for Mayor Ford in 2010 were mostly located in suburban areas, the area which coincidentally included the people who did not participate in this public consultation project. The explanation we gave for the paradox is that these people did their "participation" in advance by voting for the Mayor and believing that this politician would realize his campaign promise, especially on budget decisions. And from our analysis of Ford's election campaign, his claims surrounding taxes cuts, efficiency achieving and putting taxpayers' interest before that of labor and special interests did attract wide support among diverse immigrant communities in most suburbs. **Voting for a representative is one of the traditional participation methods but seldom mentioned in the literature** (emphasis added). For most researchers dealing with public participation in the budget process, only interaction between citizen and government officials was analyzed, which is not enough. **The relationship between citizen and representatives is also very important in government decision making and service providing** (emphasis added). In terms of this, we suggest that the interaction between citizen and their representatives also needs to be explored when analyzing how public participation impacts government decisions.

Scholars have provided some measurement models (Mohr, 1988, Ebdon & Franklin, 2006), but these models still cannot confidently evaluate the extent to which public participation impacts budget decisions and in what ways. The most important reason lies here is the limitation of room for changes in the annual budget. With over half of the expenditure already decided, what can be changed in a budget decision is only a small proportion when compared to the total amount. In terms of this, the money amount should not be a good indicator for impact. We also agree that **the impact of public participation is a long-term outcome. This paper also suggests a multiple perspective in participation impact analysis. To different stakeholders in the budget process, effectiveness is defined by different purposes** (emphasis added). As Beckett and King indicate, even though the general plan of a proposed budget may not change based on public comments at the hearing, these comments affect the implementation of the budget, and can affect the planning in the long run.

Appendix O. Transparency Through Third-Party Intermediation In Toronto

- Williams, Lisa Marie. 2012. *A Better Budget for a Better City: Ideas for a health budget process in Toronto*. Wellesley Institute.

Transparency Through Third-Party Intermediation is part of a report, *Better Budget for a Better City: Ideas for a health budget process in Toronto*, that considers other cities for ideas on improving budget processes. It focuses on four jurisdictions — Calgary, Chicago, New York City and Philadelphia – to apply their strategies for better budget building to Toronto. Four main areas emerge when examining these cities: resident engagement, accountability through oversight, fiscal prudence, and transparency through third-party intermediation

Transparency Through Third-Party Intermediation (Williams 2012, pps. 17 - 18). Transparency is an effective check on governmental actions, allowing all governmental actors as well as the public to understand the consequences of their actions. – NYC Council report to NYC Charter Commission, June 2010

Municipal **budget processes grow increasingly complex, resource-intensive and time-consuming with each passing year** (emphasis added). Cities carry a unique set of challenges and opportunities, further complicating the path to broader understanding, engagement, analysis, and activism around budgeting. **In response to the growing chasm between city hall and community members, civil society organizations have stepped up to play the role of mediator in the budget process, to expand the budget oversight, information dissemination, and analysis capacity outside the walls of city hall** (emphasis added).

Third-party intermediation has been described as a “mechanism for making government intelligible for the people,” a means for ensuring transparency, accountability and corruption-reduction in the budget process (emphasis added). It is based on the concept of “delegated monitoring,” which acknowledges the transference of responsibility to non-partisan organizations, now tasked with auditing local government operations and making information available to non-specialists, analysts, and other external parties. Intermediaries are expected to develop expertise in municipal fiscal policy to “deter or reduce opportunistic behavior of insiders.” Third parties can offer alternative perspectives and innovative proposals to the budget discussion without the hindrance of political obligations.

Traditionally, resident participation in budget processes has been driven by city administrations or grassroots movements that emphasize direct democracy. Over time, the increasing complexity and inaccessibility of city budget processes have increased the need for third-party intermediation as a complement to other efforts. Civil budget intermediaries work towards enhancing the legitimacy of public budgeting as well as responsiveness to local needs and goals. The United Nations lists the following elements of civil budget work that contribute to healthy governance:

- Developing budget literacy of the process, institutions, and trends as well as enhancing the outreach capacity of budget actors;
- Synthesizing and disseminating budget information, including local and international best practices to allow for comparative analysis;
- Augmenting independent research capacity as well as the development of specialty areas;
- Integrating new information in budget decision-making through consistent interactions with community members and interest groups, further illuminating local priorities and non-government perspectives;
- Building advocacy capacity and networks capable of supporting an external oversight function; and,

- Reinforcing channels of accountability for external stakeholders, thus maintaining the integrity of the process.

The case studies for transparency through third-party intermediation are based in Philadelphia and New York City. In Philadelphia, two organizations, Philadelphia Forward and the Committee of Seventy, act as budget intermediaries with different approaches. As well, the Citizens Union of the City of New York performs a similar budget education and communication function for residents.

Philadelphia, Pennsylvania: Philadelphia Forward and the Committee of Seventy The Pennsylvania Intergovernmental Cooperation Authority (PICA) provides a *Citizens' Guide to a better budget for a better city the Budget* and includes detailed descriptions of the city's revenues and expenditures, historical trends, and comparative analyses. However, the document is quite technical for the average reader. PICA states that the guide is designed to inform the public about how the city's core operations are financed, while accounting for all expenditures.

Philadelphia Forward, on hiatus since 2008, is a non-partisan, non-profit organization that has educated residents about the municipal budget while attempting to stimulate budget reform. This organization has acted as an intermediary in the budget process by supplementing the engagement efforts of the civil service and elected officials. Philadelphia Forward created a layperson's guide to the city budget, entitled *Understanding the City Budget*, which includes the following components:

- **Basic budgeting — essential information about the budget process;**
- **Intermediate information — what really matters in the process;**
- **Advanced advice — what's wrong with the process and how can it be fixed.**

Philadelphia Forward also launched a publication called *Budgetwatch*, which enhanced transparency of individual budget decisions by providing readers with discussion of historical context, associated political actions, and subsequent policy implications associated with a particular budget issue.⁶⁹ Collectively, these tools fostered budget literacy, promoted resident engagement and, ultimately, enhanced fiscal transparency.

The Committee of Seventy is a non-partisan organization that attempts to break down barriers to transparency and participation in city budgets and policy-making. The committee **synthesizes budget information and condenses it into plain language, understandable and appealing to a wider audience including experts and lay people** (emphasis added). One of its educational resources, the *How Philly Works* series, includes short and easy-to-read pieces explaining different aspects of the budget such as labor negotiations and revenue generation strategies, clarifying complex concepts and opportunities for residents to engage in the budget process. The *Roadmap to Reform* series focuses on **issues relating to accountability, transparency, and effectiveness as well as examines best practices** (emphasis added) from other jurisdictions. To avoid and minimize opportunities for external influence on its recommendations, this organization does not pursue government funding. The committee chooses to rely solely on contributions from supporters, further committing to providing Philadelphians with an independent perspective on municipal budgeting.⁷⁰

New York City, New York: Citizens Union of the City of New York Citizens Union of the City of New York (Citizens Union) is a non-partisan, independent organization that advocates for good governance based on principles of accountability, transparency, and resident engagement. Citizens Union acts as a civic watchdog for the state and city government, monitoring the political process and reporting on emerging policy issues as well as opportunities for reform. Citizens Union provides non-partisan budget information in several different formats, including issue briefs, position statements, policy reports, and amicus briefs.⁷¹ These analytical documents are intended to support a deeper

understanding of the major players and tradeoffs embedded in the budget process while also mobilizing communities around reform proposals.

Citizens Union's most recent report, *Creating a More Equitable and Objective Discretionary Funding Process in New York City*, focused on the **need for increased transparency, accountability, and equity in city council's distribution of discretionary funding** (emphasis added) (often funneled into communities as grants). This document traces legislative, political, and policy changes over time while also providing options for budget reform.

IDEAS FOR TORONTO Non-profit organizations have stepped up to take on the role of budget intermediary by bridging the communication gap between City Hall and the communities it serves, and by better integrating elements of simplicity, clarity and brevity in discussions. **Successful budget intermediaries develop meaningful expertise and produce relevant information from one budget period to another, eventually establishing themselves as a reliable and essential component of the overall process. These third party organizations are not meant to replace the civil service, but to supplement their work by enhancing public understanding of the process, developing platforms for meaningful participation, and facilitating transparency** (emphasis added).

Toronto's budget intermediaries sometimes face considerable roadblocks in their efforts to carry out these functions. A lack of access to contextual information and statistical data makes it difficult for intermediaries to paint an accurate and timely picture for residents, making advocacy and organizing efforts slightly fragmented. The lack of resources and continuous support from City Hall further impedes the development and timely publication of relevant documents such as a comprehensive post-mortem of the budget process outlining what battles were won and lost as well as next steps for advocacy and engagement.

Despite these challenges, local organizations, like Social Planning Toronto (SPT), have emerged as notable budget intermediaries, providing up-to-date analyses on budget issues and opportunities for engagement in the budget process. In 2011, SPT launched the Commitment2Community (C2C) campaign to mobilize communities against proposed cuts to public services in the 2012 budget. C2C harnessed the expertise of SPT along with other local agencies to publish reports and budget updates, organize community meetings, and form ward teams to disseminate budget information.

The City should consider how it can better support and enhance the role and initiatives of budget intermediaries in the budget process. As Toronto councillors push for mitigating the systemic budgetary shortfall with cost-cutting measures each year, the need for budget intermediaries, like SPT, will increase. These organizations play a valuable role in articulating local needs by broadening the budget discussion as well as building community networks.

1. In this article we use the term public involvement (PI) broadly, to refer to a process by which individuals and groups come together to communicate, interact, exchange information, and provide input around a set of issues, problems or decisions and to engage in some degree of shared decision-making, in full awareness of the subtle and not-so-subtle differences ascribed to the various terms, participation, engagement, involvement, stakeholder, public and others.

Appendix P. Measuring The Success of Public Involvement In Oregon

- Sale, David; Susan Safford, and Sandra Davis. 2005. *Measuring the Success Of Public Involvement*. Presented to October 2005 International Association for Public Participation (IAP2) conference in Portland, Oregon. Portland, OR. (Sale 2005).

Public involvement is about people, their perceptions, beliefs, aspirations, knowledge, and understanding, as much (if not more) an art as a science. Perspectives frequently vary about the success of public involvement efforts, often depending on who was involved and whether their needs were met in the process. So how can you measure success in public involvement efforts and what does it mean to be "successful"?

To answer those questions, and get an idea of how to blend the art of facilitating the collection of public perspectives with the science of measurement, we reviewed journal articles and other literature and surveyed public involvement professionals. Our results were presented to the **October 2005 International Association for Public Participation (IAP2) conference in Portland, Oregon** (emphasis added), USA to elicit ideas and perspectives from our peers. This article summarizes our findings.

The literature on Measuring Public Involvement Within the literature about evaluating public involvement, there are theories about measuring success, as well as conceptual and practical critiques. **Measuring success in public involvement generally requires asking what is meant by "success", whether there are meaningful and consistent ways of measuring success, and whether it is appropriate (or wise) to attempt such measurement** (emphasis added) (Evans, 2002). However, developing general principles and practices for measuring the success of public involvement is complicated by a **diversity of goals and expectations** (emphasis added), differing processes and mechanisms, relative and site or project specific needs and goals, and the inherent richness of context-dependent situations. It is likely that perspectives on effectiveness and results will vary between professional practitioners, community participants, and agency or corporate sponsors.

The framework for measuring success should be clearly defined (emphasis added). Measures of success can be framed, for example, by meta-ethical fairness and competence (Ashford and Rest 1999), an approach that measures **whether a public involvement effort is multi-way, consensual and non-hierarchical; maintains respect for and reinforces citizen autonomy; promotes critical self-reflection, and the direct involvement of "amateurs"** (emphasis added); provides the basis or structure for shared collective decision-making; supports distributive or procedural justice; enhances control or equity by participants; or provides for a normative consensus (Ashford and Rest 1999). Other ethical criteria have also been suggested for use in design and later evaluation of public involvement, including **representativeness (pluralism), impartiality, accountability, confidentiality, transparency, and recognition of promises** (emphasis added) (English et al. 1993).

Practical criteria for the **measurement of public involvement efforts are based on evaluation of participants' goals and expectations** (emphasis added). *Process* criteria (evaluating the means or approach) can include accessibility to affect decision making, the diversity of views, opportunities for participation or information exchange, identification and integration of concerns, independence of the facilitator, inclusiveness, adaptability, "amendability", resiliency, and durability. **Outcome-based success measures** (emphasis added) can include project or decision acceptability, project efficiency, cost avoidance, mutual learning and respect, improved understanding, the amount of conflict resolution required, the degree of consensus achieved, influence on and participation in decision-making, or participant satisfaction with the results of the process (Ashford and Rest, 1999). Measuring success of *outcomes* is trickier to quantify because of the diversity of preferred results. For example, an agency might consider public support or ease of implementation as an appropriate outcome, while the public might consider the **extent to which the community can achieve its goals** (emphasis added) or alter or block decisions, as better measures of success. In this respect, Evans (2002) makes a critical distinction between measuring the *success of the public involvement program* (or process) *itself and the success of the project (enterprise)* the public involvement program supports.

1. In this article we use the term public involvement (PI) broadly, to refer to a process by which individuals and groups come together to communicate, interact, exchange information, and provide input around a set of issues, problems or decisions and to engage in some degree of shared decision-making, in full awareness of the subtle and not-so-subtle differences ascribed to the various terms, participation, engagement, involvement, stakeholder, public and others.

Pre-established metrics, including performance indicators, benchmarks, and performance standards (emphasis added) set beforehand based on key project goals, **can help to gain up-front agreement on what to measure** (emphasis added), and can be integrated into the project design (Evans 2002; Ashford and Rest 1999). Establishing performance standards and benchmarks for public involvement provides the advantage of allowing initial agreement on what is important. The setting and measurement of indicators, benchmarks, and performance standards imply a quantitative measure of (often) qualitative information, with which practitioners should always be cautious.

Public or agency satisfaction may not necessarily be a good measure of public involvement success. Coglianese (2002) argues for a **focus on effectiveness, efficiency, and equity** (emphasis added) of the decisions that result from public participation, rather than simply satisfaction. Many public involvement efforts are of short enough duration that public 'opinion' may continue to dominate over public 'knowledge', creating a situation where participant satisfaction may be driven by spur of the moment or deeply held perceptions that can easily change overtime (Yankelovich 1991).

In general, the **literature indicates a preference for a mix of process and outcome goals, as well as a mix of tools and techniques** (emphasis added). A number of factors are key in developing an effective public involvement process that can attain the goals of the sponsor and address the expectations of participants. These include **early involvement, inclusiveness, two-way communication, adequate information and resources, an appropriate degree of citizen control, incentives and/or compensation, agency clarity, openness, and management commitment, development of trust, prior community experience, agreement on goals, and going beyond legal minimums** (emphasis added) (Ashford and Rest 1999).

A Survey of Public Involvement Practitioners Scholarly literature is most helpful when combined with the real world experience of practitioners. We conducted an on-line survey to find out whether practitioners thought it important to measure success, whether they measured success themselves, what measurement tools and techniques they used, and how they thought that the effort could be improved (see box for survey details - in Sale 2005). We also gathered feedback from other public involvement practitioners at the IAP2 2005 Annual Conference.²

Measuring Success The majority of survey respondents (88 percent) thought that it was important to measure the success of public involvement efforts for a variety of reasons:

- knowing whether efforts have been effective or worth the time;
- providing return on investment to clients;
- avoiding litigation;
- learning from and improving techniques;
- monitoring progress;
- garnering more funding;
- achieving desired outcomes;
- fulfilling "contract(s)" with the public;
- knowing/understanding public opinion;
- determining if all sectors of the public have been involved;
- resolving differences between clients' and practitioners' goals for public involvement;
- showing people how their involvement helped the process;
- establishing credibility of results. Respondents who replied it was not important to measure success focused on problems.

Respondents who replied it was not important to measure success focused on **problems inherent to "quantifying" success in public involvement efforts, because measuring accurately and effectively would be too difficult, or that results would be too subjective to be meaningful** (emphasis added).

Two-thirds of the respondents (65 percent) have actually measured the success of public involvement efforts. Most of the thirty-five percent (35 percent) of respondents who have not measured success mentioned a lack off funding, time or staff, while others did not know how to measure success effectively (which tools to use), were not in a position to measure, cited a lack of agency or client interest (or actual resistance), or were not required to measure.

2. The interest in this topic was highlighted by the attendance of nearly 30 people for the last session of the three-day conference.

Two-thirds of the respondents (65 percent) have actually measured the success of public involvement efforts. Most of the thirty-five percent (35 percent) of respondents who have not measured success mentioned a lack of funding, time or staff, while others did not know how to measure success effectively (which tools to use), were not in a position to measure, cited a lack of agency or client interest (or actual resistance), or were not required to measure.

Defining & Measuring Success Respondents defined and measured success in varied ways. Many focused on quantitative descriptions (e.g., numbers of participants, contacts, or comments). Others focused on more qualitative aspects, including project success (**successful plans**) (emphasis added), buy-in/buy-off by the stakeholders, process flexibility, effective communications (consistency of messages and continuity as well as level of participation), changes in knowledge, attitudes, behavior, or organizational capacity, policy or participation, and the democracy of the process (fair, open,). Early and ample opportunities to participate, and impact decisions was an important metric of public involvement, highlighted as well during the dialogue at the IAP2 conference.

Benchmarks or Standards An effective way of measuring success is to develop performance standards or benchmarks at the beginning of the project, and then to measure success against their attainment (emphasis added). Almost ninety percent (89.7 percent) of the respondents who had measured success did so by measuring outcomes or public satisfaction, while just over half (59 percent) actually set standards or benchmarks.

The standards or benchmarks used included quantitative measures such as numeric standards for number of people reached, unit costs, percent of people understanding messages, quantity of effort, and the number of comments received. More qualitative benchmarks and standards included narrative evaluations of success (event summaries); goals based on initial surveys of satisfaction, knowledge, attitude, or understanding; positive or negative comments in the media; and measures of satisfaction with the opportunities to participate in or influence the process, or with communications.

These standards or benchmarks were developed in a variety of ways, ranging from "by guess and by golly," to more rigorous methods, such as establishing goals based on initial attitudinal or awareness surveys, standard educational tools, previous benchmarks, developing collaboration on outcomes with project teams, staff, stakeholders, and clients, or by **relying on IAP2 and other standards** (emphasis added) for evaluating success.³

Public Involvement Tools that Contribute to Success To get an idea of what tools and techniques public involvement practitioners feel contribute to success, we asked respondents to rank a number of techniques. Based on our experience and the literature, we included **public hearings/meetings, advisory committees, surveys, focus groups, juries and reviews, alternative dispute resolution/formal mediation, dialogue processes, web-based tools, open houses, newsletters, personal interviews/meetings in person, presentations, scenario/visioning processes, and expert meetings and workshops** (emphasis added). Respondents added and ranked other tools, including graphics and written brochures, structured decision processes, relationship building, media relations, electronic communications, and direct education/experience (such as boat tours).

There was great breadth in the number of different tools viewed by practitioners as likely to lead to success, but some patterns emerged. Respondents ranked 11 of the 14 listed tools as very important or important, two as less important or not important and only one as of unknown importance. **Very important tools** (emphasis added) include advisory committees, personal interviews/meetings, presentations, open houses and dialogue processes. No single very important tool stood out as the most likely to bring success. **Rather, the common key characteristic is active discussion and two-way exchange of information with participants** (emphasis added). Several of the tools viewed as very important to success also share a common characteristic of **being on-going activities that build relationships overtime rather than one-time events** (emphasis added).

Tools viewed as important included focus groups, newsletters, expert meetings and workshops, public hearings and meetings, presentations and Web-based tools. The tools ranked important also involve information exchange but differ from the very important tools in that the information exchange is somewhat less active. There is less of an opportunity to tailor the type and amount of information to the interests or concerns of the participant.

3. Interestingly, there was a general agreement by participants during the dialogue at the IAP2 conference with a statement that IAP2 standards are rarely used by them in evaluating public involvement.

Finally, those tools viewed as less important to success included surveys and scenario/visioning processes. Alternative dispute resolution and formal mediation were not deemed important, and most respondents did not know the importance of juries and reviews.

Goals and Objectives That Are Important for Success in Public Involvement Finally, we wanted to understand the goals and objectives of a public involvement effort that are considered important to success. **The goal most frequently cited as important was educating decision-makers (76 percent), closely followed by goals of building trust (73 percent), and educating the public (71 percent)** (emphasis added). Other values included incorporating public values into decisions (68 percent), improving the quality of decisions (65 percent), and incorporating public knowledge into decisions (52 percent). Less highly considered goals included resolving conflict (37 percent), and avoiding lawsuits (25 percent). Other goals and objectives mentioned by the respondents (11 percent) included transparency and directing behavioral change of the public to achieve more sustainability.

Conclusion: Measuring Success in Public Involvement Efforts Measuring the success of public involvement techniques, processes or projects can provide valuable feedback to practitioners, project proponents, and the public. **Yet, while there seems to be general agreement that measuring the success or effectiveness of public involvement is important, actually measuring success does not seem to be a broadly applied practice** (emphasis added), possibly due to added costs, concerns over the appropriateness or applicability of different metrics, a lack of understanding of the tools and techniques, or other reasons.

By addressing a few fundamental questions at the beginning of a project (emphasis added), practitioners can gain insight on tailoring public involvement efforts to increase the potential for those efforts to be deemed successful from a variety of perspectives and to guide and frame the selection of measures, the measurement methods, and even the definition of success. The questions include:

- Why measure the success of public involvement efforts? What are the purpose and goals?
- Should you measure success or effectiveness of your efforts? Are they the same?
- Does the public, the client, or the practitioner define success criteria and metrics? What does it mean to be unsuccessful?
- Does it take a majority of stakeholders to agree on success?
- How do you measure success? What techniques are available? What metrics are appropriate?
- What are the factors that are likely to result in successful public involvement?

Developing an appropriate measurement approach and metrics that address these questions can be aided by a few general principles:

- Measurement of success in public involvement needs to be customized to the particular public involvement effort.
- **Measures of public involvement should include benchmarks, indicators or performance standards, agreed to up front by all participants, and then measured at different points along the project path** (emphasis added).
- Measures of satisfaction should be used with caution and paired with other types of measures to avoid conflicting interpretations of project participants and sponsors.
- Both quantitative and qualitative measures should be used in a balanced approach.
- **The public involvement tools that seem to work the best are those that promote dialogue and face-to-face communication** (emphasis added).

There was general agreement among attendees at the IAP2 conference session that there is a need for additional research, possibly training, and an ongoing professional dialogue about how and when to measure success in public involvement efforts. Developing reasonable and appropriate metrics that balance qualitative and quantitative methods - the science with the art - can strengthen the integration of public involvement with project goals and broaden the acceptance of the role of public involvement in decision-making.

References (see Sale 2005 for information about the authors).

Appendix Q. Engaging the Public in National Budgeting: A Non-Governmental Perspective

- Tanaka, Susan. 2007. *Engaging the Public in National Budgeting: A Non-Governmental Perspective*. ISSN 1608-7143, Organization for Economic Co-operation and Development (OECD) Journal on Budgeting, Volume 7 – No. 2.

Susan Tanaka was a consultant to the Committee for a Responsible Federal Budget, United States, and was previously the Committee's Vice President. The Committee for a Responsible Federal Budget (CRFB) has the objective of being nonpartisan and committed to fiscal responsibility (<http://crfb.org/>). The CRFB is an independent, non-profit, bipartisan public policy organization based in Washington, D.C. that addresses federal budget and fiscal issues (Wikipedia 2016). Other sources suggest that its real focus is comprehensive deficit reduction. The CRFB has created an updated online budget simulator that lets you try to get a handle on fiscal policy (<http://www.taxpolicycenter.org/taxvox/crfb-new-online-budget-simulator>). The Authors don't know if CRFB has a narrower mission than fiscal responsibility. They believe Tanaka's article is well worth reading for its treatment of engaging the public in national budgeting of which most is applicable to local governments.

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The following are excerpts from *Engaging the Public in National Budgeting: A Non-Governmental Perspective*. There are quite a few as the Authors believe Tanaka has much to offer toward the purposes of their paper, *Citizen Participation In The Josephine County Budget Process*.

1. Introduction (pps. 140 - 143) Budget experts everywhere complain that citizens' seemingly unending appetite for more public services and benefits is not matched by a corresponding **willingness to pay** (emphasis added) for them. The public does not seem to understand the need for short-term fiscal trade-offs, let alone grasp the potentially serious impact that demographic changes may have on long-term budget outlooks. While citizens welcome spending that provides them with visible and immediate benefits, many seem blind to the need for essential public goods and resist paying for them.

Many public officials, academic researchers, civil society organizations and government experts view **public engagement** (emphasis added) as one solution to the absence of popular support for responsible fiscal policies.

Public engagement in civic affairs is both “means” and “ends” of well-functioning democratic government. It is a necessary element of efforts to improve official accountability: it results when citizens feel connected to their government. An engaged public demands that government be efficient, responsive, transparent and accountable. Government, in turn, becomes more open to the public’s input and participation. Thus, public engagement creates mutual benefits: citizens become better educated about public policies and government activities; and by tapping into the experience and expertise of their constituents, officials can build more effective and responsive government.

The alternative to an engaged public is not an apathetic one, but one that is **cynical and mistrustful of government** (emphasis added). Public officials in many countries are concerned that disengaged voters could make it more difficult to undertake constructive policy changes. In response, many of those concerned with improving government, including multinational institutions such as the Organization for Economic Co-operation and Development (OECD), the United Nations and the World Bank, as well as government officials, civil society organizations and academic scholars, have established the goal of increasing public engagement as a top priority.¹ Although civil and political contexts differ from country to country, public engagement activities share the same basic objectives of making government work better by bringing it closer to citizens, improving the accountability of the public sector, overcoming mistrust between people and their elected leaders, and instilling a stronger sense of national purpose and common direction.

This article explores ways in which citizens can be and are being engaged in an important area of national policy making – budgeting – and suggests ways in which budget officials can use a powerful resource – **the Internet – to be supportive** (emphasis added).

Budgeting is a fundamental activity of government, symbolizing an explicit agreement between people and their government: private resources in exchange for the public services and benefits that fulfil national priorities and objectives. Citizens rightfully expect governments to deliver on that promise. They further **expect that public budgets be fair, equitable and transparent** (emphasis added). If citizens believe that the management of government finances is subject to corruption, inefficiency and waste, they question the motives of their leaders and are less willing to accept tough policy choices such as structural programme reforms, tax increases and spending cuts. Their resistance is further hardened if they feel that government does not represent their interests or respect their opinions about how to allocate public resources.

Strengthening the transparency and openness of public budgets can help promote social accountability and **restore the public’s confidence** (emphasis added) in overall government. That will enable citizens to become more engaged and, in the process, learn more about the budget and fiscal policy concerns. As they do, cynicism should dissipate and trust in government should improve.

Globally, there is increasing recognition of the **importance of public engagement in budgeting** (emphasis added). There is growing experience, particularly in Latin America and in Europe, with different approaches to incorporating citizens in budgeting at sub-national levels of government. Municipal and regional public authorities, often in partnership with civil society organizations, are actively involving citizens in the budget process and are achieving promising results. Some have gone as far as adopting participatory budgeting measures that allow citizens direct influence over selected budget categories and fund allocations.

At the national level, however, the citizens’ ability to participate in budgeting (as with other areas of policy making) is limited to periodic elections of representatives who will act on their behalf. The direct approaches used by sub-national public authorities clearly are not workable at the national level. The very **barriers that inhibit local initiatives** (emphasis added) are magnified at the national level. For example, physical distance, even given technological assistance, constrains the number of people who participate; the numbers of citizens who want to be involved limit meaningful participation by single individuals; and the time required to understand the complex issues excludes all but the most committed members of the public.

In addition, some elected leaders, policy officials and budget experts may prefer to maintain distance between voters and the national budget process. **Budgeting is already one of the most difficult tasks of government. More public participation would further complicate the process.** (emphasis added) Few voters have the time – even if they have the inclination – to become sufficiently knowledgeable about the complex economic, social and political

issues embedded in national budgets. Some experts fear that if voters become more involved, they will not appreciate the need for essential public goods and, if given the choice, would not agree to pay for them. In any case, the practical challenges of securing representative and widespread public participation in the budget process would be significant. For those reasons, among others, greater civic engagement in budgeting might seem to offer public officials a great deal of political pain with very little gain.

Or would it? Direct participation by citizens in the national budget decisions may not be feasible or desirable, but this article argues that other forms of engagement can promote good government objectives. Moreover, **budget officials can be supportive with relatively little effort** (emphasis added). Governments create and control budget and accounting information. They are in the unique position of being able to provide access to the information required by civil society to understand fiscal policies and performance. By improving the quality and presentation of budget information, budget officials can enable non-expert audiences to become more informed about the budget. As they do, citizens can become more thoughtful about government, more realistic in their expectations, and better prepared to exercise their oversight of elected representatives.

With the rapid expansion of technology, governments are no longer dependent on intermediaries – such as the public media – to communicate with constituents. Official websites provide unfiltered information directly to the public on a cost-effective basis. Many public agencies already make good use of their websites to communicate information about their activities, programmes and benefits. **Budget office websites** (emphasis added), however, seem to ignore the wide range of users inside and outside of government that now have access to them. That may reflect the inwardly-focused nature of government budgeting and accounting. As a result, budget officials are missing a valuable opportunity to communicate with wide audiences about fiscal policies and budget realities.

In Section 2, this article discusses the **merits of greater civic engagement in budget policy** (emphasis added). The discussion looks beyond the direct government-to citizen approaches that are the focus of rather extensive study by the OECD, the UN, the World Bank and participatory governance experts. That is because such initiatives involve municipal or regional governments. Although the experience at the national level with public engagement activities is thin, there is evidence that they hold promise.

Section 3 focuses on **online approaches to public engagement** (emphasis added), the most efficient approach to national efforts. Using a small number of examples² this article illustrates how **budget officials** (emphasis added) are already making use of the Internet to educate and engage the public. Some are pursuing more effective techniques of presenting budget information while others are utilizing innovative approaches that entertain while they educate. The article also provides **examples of organized and unorganized non-governmental activities** (emphasis added) to engage the public, which are crucial to reaching national audiences.

The annex provides suggestions for improving the accessibility of budget office websites for users who are not budget experts.

Engaging the public in budget policy is by **no means an easy goal** (emphasis added). Policy makers are not likely to change national budget processes to involve citizens in budget deliberations, but budget officials can provide support for the efforts of non-governmental and individual efforts to inform and become informed. **Access** (emphasis added) to accurate, reliable and comprehensive budget information can raise the quality of the public debate. **Its absence allows misinformation to go unchallenged, potentially feeding public mistrust and cynicism about government** (emphasis added). By assuring that good information is readily available, budget officials can make an important contribution that benefits the public at large as well as the independent analysts, academic researchers, investors, civil society organizations and media that serve as **intermediaries between citizens and government** (emphasis added).

The goal of public engagement is to empower citizens, thereby enabling them to make their governments more open, responsive and effective. **Governments, however, should not encourage greater engagement by citizens because they expect immediate and measurable improvements in budget outcomes.** (emphasis added) Instead, changes are far more likely to take the form of gradual improvements in popular understanding of policy issues. However, government-sponsored activities that raise expectations that cannot be fulfilled, that are purely partisan or

that create the illusion of participation without real impact may be counterproductive and damage the government's credibility. They could increase levels of public cynicism instead of promoting greater trust in government.

2. The case for public engagement “For we alone regard the man who takes no part in public affairs not as one who minds his own business, but as good for nothing: and we Athenians decide public questions for ourselves or at least endeavor to arrive at a sound understanding of them, in the belief that it is not debate which is a hindrance to action, but rather not to be instructed by debate before the time comes for action.” (Speech delivered by Pericles in 430 B.C. according to historian Thucydides; quoted in Dunn, 2005, p. 27.)

Today's governments have little in common with the ones that ruled ancient Greek city-states. Apart from elections, our democracies do not require the direct participation of citizens. Simple scale – the size of the national political unit in terms of population and geography – rules out direct democracy and hampers the ability of ordinary citizens to participate in public discourse. Consequently, modern democracies are built on representative principles.

Nevertheless, Pericles' description of ideal civic behavior is still valid. Representative democracy rests upon the premise that citizens collectively are reasonably informed about public matters and thus can exercise their votes responsibly. The electorate must be well informed if citizens are to hold elected officials accountable for their decisions. Clearly not all people will be equally concerned or will possess the same amount of knowledge to contribute constructively. But a large enough percentage must be capable of exercising good public judgment if government is to succeed.

Some municipalities or regional governments have adopted participatory budgeting, which allows citizens direct influence over selected budget categories and fund allocations.³ Sub-national experience produces important insights into such issues as timing, scope and scale required for successful engagement processes:⁴

[Issues]

- Potential for unrealistic expectations: Citizens must understand how their input will be used. If their views are merely advisory, they should know the extent to which they will be taken into account by decision makers. Otherwise, popular expectations could result in demands that cannot be fulfilled.
- Timing is critical: Public participants will have greater confidence in engagement efforts if they are consulted early in the decision-making process. Otherwise, they will perceive that their input has little chance to influence decisions.
- Competition with existing processes: Government officials and policy makers are key to successful civic engagement strategies. They will be more responsive and co-operative if they do not feel that they are being bypassed or threatened by engagement activities.
- Non-representative participation: The most vocal public participants may not be truly representative of the overall population. Unorganized citizens are vulnerable either to “capture” by organized special interest advocates or to being co-opted by government officials and experts. Civic engagement activities must attract a broader spectrum of participants to represent all segments of society.
- Free rider problem: Popular resistance to funding essential public goods could harden if participants cannot be convinced of their importance.
- “Bad” outcomes: Officials should decide how to respond if citizens misunderstand the issues, express unwise choices or fail to appreciate the consequences of their preferences. Those results may signal the need for greater public education about the issues, or they may demonstrate areas where decision makers are out of step with the electorate.

[Benefits of Public Engagement] The self-reinforcing benefits of public engagement can be summarized as follows.

1. Overall improvements consistent with good government:

- Engaged citizens feel empowered. They have more input into the establishment of priorities and feel that they have a stake in outcomes.
- Citizens feel that government works for them; as a result, they place greater trust in government and public officials.

- The interests of under-represented and vulnerable groups (including the poor, women and children) can be better protected, and there is greater equity in the allocation of public resources.
- Government can exhibit greater transparency, making it more accountable to citizens.
- Government can be more open, allowing expanded access to information.
- Opportunities for waste, fraud and abuse decrease as accountability improves and public awareness and scrutiny increases.

2. Improved climate for the development and pursuit of good fiscal policy:

- Citizens' access to information and participation in the public debate leads to more accurate understanding of public finances, particularly basic questions like where the money comes from and where it goes.
- Voters confront fiscal realities and acknowledge the need to make trade-offs.
- Citizens become aware of issues related to intra- and inter-generational equity and are able to cultivate a stronger sense of stewardship.
- Public thinking becomes more realistic, providing expanded opportunities for negotiation, compromise and consensus.

2.1. What is public engagement? Interaction between the government and citizens: the government engages citizens either directly or through intermediary civil society organizations or interest groups. Engagement generally implies that citizens participate in the policy-making process, whether as part of the formal governmental process or in a parallel civic process. The OECD identifies three types of government-citizen interaction used by governments to strengthen relationships during the policy-making process (OECD, 2001a, p. 21).

1. Information: The government uses passive or active means to disseminate information to the public. The flow of communication is one way, from the government to citizens. Interested parties must seek out passive information, which is available upon request.

2. Consultation: Consultation involves a two-way exchange of information between the government and citizens.

3. Active participation: This category includes the types of activities the OECD considers as public engagement. The government provides structured opportunities for citizens to become involved in defining the policy-making process and its content. The government acknowledges citizens' standing in the discussion but generally retains the responsibility for policy formulation and final decisions.

The World Bank uses a broader concept of civic engagement, which it defines as "...the participation of private actors in the public sphere, conducted through direct and indirect interactions of civil society organizations and citizens-at-large with government, multilateral institutions and business establishments to influence decision making or pursue common goals". That definition incorporates the efforts of non-governmental actors in organizing and encouraging wider citizen participation in the decision-making process.

2.3. What are the potential benefits of an engaged public? The public's cynicism and mistrust of government was confirmed, with identified specific problem areas that policy makers could address in order to restore trust.

- The main obstacle to building public support for difficult choices on the nation's finances and future is not public opposition to tax increases or programme cuts, nor is it lack of interest; **the main obstacle is deeply felt and pervasive mistrust of government** (emphasis added).
- "The public is ready for this conversation." Participants (a random sample of citizens) were thoughtful and serious, not apathetic or unwilling to consider difficult choices, "and it was clear that **beneath their mistrust and dissatisfaction was a deep desire** (emphasis added) to address the problem".
- Public engagement is the key to overcoming mistrust. Although government's accountability and transparency must be improved, those actions alone will not be sufficient to overcome mistrust. **Most participants do not believe that leaders and governments are interested in their views** (emphasis added). To overcome mistrust, government must find better ways to communicate with citizens and convince them that their views are heard and are important to decision makers.

[Improving Trust and Accountability] On the critical issue of improving trust and accountability, participants indicated:

- **Government must use performance as the basis for funding or changing programmes. Citizens would like to see greater focus on measuring and reporting outcomes.** (emphasis added).
- Citizens have responsibilities, too. They should play an active role in making government more accountable by participating directly in the political process or through exercising stronger oversight and endorsing stronger “watchdog” mechanisms.

2.3.2. “The Exercise in Hard ChoicesSM Results gathered from over 20 years of exercises allow the following general conclusions.

- **Citizens are eager** (emphasis added) for opportunities to become engaged in serious and substantive discussions about the budget.
- **Non-expert citizens** (emphasis added) have the ability and desire to address complex public policy issues, and they enjoy being asked to do so.
- **People are able to set aside initial biases and opinions and to listen, learn, discuss, argue and compromise** (emphasis added).
- Participants, irrespective of their political affiliations and demographic characteristics, are willing to vote for unpopular tax increases and benefit cuts and will agree to options that go against their own immediate self interest **if they believe** (emphasis added) that those actions will: *a)* solve the problem; and *b)* be shared fairly among all segments of the population and all parts of the country.
- Participants protect education and poverty programmes, **but still expect** (emphasis added) those parts of the budget to make small contributions to the overall solution.
- Participants will agree to raise their own taxes and cut their own benefits and services once they are **convinced that there are no easy answers** (emphasis added).

The ChoiceDialoguesTM examples of citizens’ activities indicate that successful public engagement can be achieved when:

- People have **access to unbiased and credible information** (emphasis added) that outlines the issues, options and consequences.
- Participants **have ample time for dialogue and discussion** (emphasis added) so that they can understand the issues, clarify values and exchange views.
- Individuals have an **opportunity to identify the common purpose** (emphasis added) and appreciate what is at stake for the community at large.

What participants repeatedly report as missing are sufficient opportunities for normal citizens to become engaged and to stay engaged in the larger public discourse.

3.1.1. Top-down Information Sharing: Budget Office Websites

- **Communications** will be more effective if the information provided is timely, accurate and comprehensive.
- **Government Budget Websites** Perhaps because budget websites were initially designed to meet official needs, many are still ill-suited to external audiences. They exhibit two basic problems in the way they present budget information: organization and presentation.
- **Organization:** Website organization is always challenging because it involves a three-dimensional array of information that allows users to jump from page to page on the web. Budgets involve large quantities of detailed information. **Perhaps in response to criticism about a lack of transparency, governments may be inclined to post everything. Unless well organized** (emphasis added), the website can become a confusing and overwhelming repository of documents. It may take a discouraging number of clicks and fruitless searching within websites to find answers to simple questions. Moreover, the website becomes so complicated that it is hard to maintain, leading to many instances of broken links, data inconsistencies, and other problems.
- **Presentation** Budget websites must serve the needs of government officials, legislators and their staffs. Knowledgeable users, including reporters, academic researchers, interest group representatives and private sector investors who participate in or closely follow budget deliberations, use websites to access data that they need to produce their own analyses. **Non-expert audiences, however, can be quickly intimidated**

(emphasis added) by the technical presentations and language of the budget. They may not be able to find the information they seek or they may misunderstand the information they do find.

Budget officials who are concerned about improving their websites for use by public audiences might consider ways to accommodate the needs of those users (see the annex for more concrete suggestions):

- **General audiences need more user-friendly, appealing and interesting presentations** (emphasis added). Creating “citizen space” on the website has advantages for users and budget officials. A welcoming entry point can quickly orient visitors and familiarize them with basic information before directing them to more detailed information. **Budget officials benefit from an important first opportunity to frame issues and options. In addition, the presentation can address many frequently asked questions, freeing up budget office staff who otherwise must answer repeated inquiries** (emphasis added). The appearance of the website can also cast the government as open, welcoming and interested in communicating with the public. Users may retain a healthy skepticism about government policies, but over time will grow to trust the website if the factual information it contains is accurate and reliable.
- **Third-party intermediaries** – civil society organizations and independent researchers – require access to extensive data to support analyses and scrutiny of the budget. Allowing timely access to databases and spreadsheets facilitates more accurate and extensive non-governmental research. In addition, the website ideally should be organized so that historical, current, and projected data are presented in consistent formats. Because other participants in the budget process (*i.e.* government agencies and legislators) are likely to require access to the same information, providing those materials should not place many additional demands on budget office staff.

As access to technology becomes universal, citizens – especially younger generations – expect to be able to find information with a few clicks of the mouse. **If the information they need from the government is not provided, red flags are raised. Budget office websites can serve as a fact-checking resource that is available to verify information provided by other non-official sources** (emphasis added), a function that is of growing importance in our electronic age that makes so much information and misinformation readily available. Motivated and knowledgeable researchers will search for accurate information. But officials should also take advantage of the opportunity to make good information more accessible to broader audiences.

For more information see original for five examples of top-down, passive information budget web sites (Tanaka 2007, pps. 155 - 156).

3.1.3. Consultation: Active Listening Top-down delivery of information is the most common form of interaction between the government and the public, but there are examples of national governments using consultation to inform the decision-making process. Consultation activities can take the form of surveys, polls, virtual or face-to-face discussions, and asynchronous electronic forums.

3.1.4. Direct Democracy: Participatory Budgeting and Policy Making Through Referendum In direct democracy, citizens are part of the final decision-making process. Forms of direct democracy include participatory budgeting, binding referenda, and citizen membership on public councils and commissions. Direct citizen involvement is no longer unusual at the municipal or regional levels of government, but there are few examples at the national level. The strength of participatory processes lies in the citizens’ ability to become directly involved – in other words, to participate. In addition, many of the direct participation initiatives rely on community-based organizations that conduct outreach, provide technical expertise and facilitate citizen involvement.

3.2. Non-governmental Initiatives to Promote Civic Engagement in the Budget In addition to official efforts to engage citizens in national budgeting, non-governmental organizations and, on occasion, individuals can help to broaden the public debate about the budget and budget priorities. The presence of third-party intermediaries increases the opportunities for unorganized citizens to come into contact with policy questions and to join the debate. Their contributions can help foster government transparency and enhance overall accountability, while enriching the public’s understanding of budget practices and policies.

Non-governmental organizations are supported financially through a variety of sources including government contracts and grants, private foundations, multilateral organizations, and private corporations and individuals. Ultimately their financial success signals that their work fulfills a need in the policy world that the market is willing to pay for. Non-governmental efforts to engage citizens can be divided into two broad but overlapping categories.

1. **Policy research organizations** (“think tanks”) conduct independent analyses of public issues. Although their primary audience consists of lawmakers and the expert policy community rather than the general public, public policy organizations are not confined to the “ivory tower” of academia. They disseminate their work through websites, opinion pieces published by the mainstream press, blogs and podcasts, and to civil society and special interest groups. Public policy research organizations represent views from across the political spectrum and bring a range of perspectives to the public debate. Their work contributes to the public’s understanding of the issues and thus indirectly promotes broader levels of engagement.
2. **Public advocacy, education and outreach organizations** seek connections with the public to raise awareness, increase the level of understanding and motivate active participation in public affairs. They organize public events and meetings, promote communication with elected officials, publish issues briefs and generate “grassroots” (locally organized) activities to involve citizens. Some organizations advocate defined policy positions. Others are more neutral in terms of policies and politics. All seek to influence decision makers by rousing public opinion and motivating voter behavior.
3. **A third type of effort is unorganized and informal.** It originates with a single individual on line or a small virtual network of like-minded people. Over time, those Internet-based efforts can broaden and attract large audiences. Such activities are becoming increasingly common and, at some point, may become mainstream forms of public interaction, dialogue and discussion, particularly among younger populations.

3.2.3. Informal Public Engagement: the Future Face of Public Engagement? A web search for information implies a wealth of information on national budgets. A recent Google search of “United States budget” returned over 94 million hits. It listed web pages created by individuals or non-governmental sources before listings for official government sites like the Congressional Budget Office or the Budget Committee of the House of Representatives. A blog search using “United States budget” returned over 163,000 posts. The Wikipedia entry for “United States budget process” (http://en.wikipedia.org/wiki/United_States_budget_process) lists non-governmental sites as its first two external links. Similar results can be obtained for searches for other national budgets.

The political culture in the United States may cultivate greater individual interest in creating web pages and in blogging about budget policy than the current climate of other countries. The efforts indicate rapidly expanding online interaction and a virtual policy debate that extends beyond national borders. Although many individual efforts and postings can be brushed off as uninformed opinion, **there are many examples of thoughtful and serious attempts to generate greater understanding and discussion of the budget** (emphasis added).

Governments play no role in such informal public engagement activities other than putting information into the public domain. **The availability of that official information, however, is vital to the virtual public debate** (emphasis added). The information provided on many informal web sites and blogs is inaccurate. However, if Internet users can find and verify information through official sources, they are then able to make more informed judgments about the content of any non-governmental posting and participate more confidently in online discussions.

4. Conclusion Successfully engaging the public in national budgeting will not solve complicated budget and fiscal policy dilemmas, but it is an important part of an overall strategy both to encourage good government practices and to adopt politically viable yet responsible fiscal policies. The following are some of the bullet ideas from the conclusion.

- Engaged citizens are more knowledgeable about government, hold more thoughtful and sophisticated views of public policy, and are less cynical in their attitudes toward government.
- The budget represents the public’s priorities and allocates the responsibility for paying for those activities. If citizens are not engaged in national budgeting, they cannot exercise meaningful oversight and hold officials accountable.
- **Budgeting, however, is a technically complex as well as a politically difficult exercise, made that much harder because it is a means – not an “end” – of governing** (emphasis added).

- Citizens understand poorly how fiscal problems affect their well-being. Too often when they receive information about the budget, it is negative. Press reports tend to focus on waste, abuse and corruption, thereby reinforcing popular mistrust of government. **When elected officials discuss the budget, often in highly partisan and simplistic terms that divide the population, rather than unify voters around common goals** (emphasis added).
- Many budget office websites ignore the needs of the wide audiences that now have access to the sites. By designing more accessible websites and organizing information in more attractive ways, government can encourage and support better public understanding of the budget. In addition, providing online access to comprehensive and timely information enables better quality research by academic and civil society organizations.
- While not all citizens are interested in becoming more involved in the public debate over budgets and fiscal policies, **those who want to learn more should be able to find the information they need** (emphasis added).
- Individual members of the public need basic information in a nontechnical, understandable form.
- Information should avoid technical terms, if possible, or contain links to glossaries that explain them.
- Tables, charts, graphics and multimedia presentations help to put the information into clearer context.
- **Background information, including discussion of major issues and an explanation of the budget process, promotes the public's education** (emphasis added).
- **Performance-related information helps to answer questions about whether public objectives are being met** (emphasis added).
- Governments that establish histories of full disclosure will develop reputations for honesty and trustworthiness that will extend beyond the immediate budget community. Their demonstration of openness will enhance their credibility.
- **Some budget officials** (emphasis added) are already using innovative methods to reach out to the general public. In addition, activities conducted by civil society organizations and individual citizens multiply the number of people who come into contact with the issues. Those non-governmental efforts **depend on access to official information** (emphasis added).
- Independent activities can improve the quality of the debate, increase transparency and inject new perspectives on the issues in ways that encourage greater popular interest and make positive contributions to policy development.
- **The rapid development of technology** is changing the way people seek out and access information. The **best strategy to counter misinformation and speculation is disclosure** (emphasis added), thereby assuring that high-quality, accurate information is available. Credible, reliable and accessible information serves as a valuable reference against which other information sources can be compared.
- Individuals and civil society organizations can incorporate accurate publicly available government budget information into their own outreach and public engagement activities, raising the quality of the overall public debate.
- There is no single approach or initiative that is guaranteed to reach all citizens or to raise the public's overall level of knowledge of budget issues. **Governments can demonstrate their receptivity to public input and discussion by being open and transparent and providing opportunities for citizens to express their views** (emphasis added).
- Public officials and lawmakers benefit from more informed constituencies. Citizens gain more accurate awareness of national issues and challenges. Actions that governments take to welcome citizens into the public discourse about budget priorities promise to strengthen society's civic fabric and improve the quality of public interaction, thereby creating a more positive environment for addressing the difficult challenges that lie ahead.

Appendix R. Tips for Improving the Accessibility of Budget Office Websites

“Tips for Improving the Accessibility of Budget Office Websites” is an annex for *Measuring The Success of Public Involvement*.

- Sale, David; Susan Safford, and Sandra Davis. 2005. *Measuring the Success Of Public Involvement*. Presented to October 2005 International Association for Public Participation (IAP2) conference in Portland, Oregon. Portland, OR. (Sale 2005).

Budget office websites are often designed to meet the requirements of those directly involved in the government budget process. Those users are well acquainted with budget trends, terminology, concepts and accounting principles. But the website can also serve as a valuable reference for much wider audiences, including members of the general public, journalists, academics, students and foreign investors, who are unfamiliar with basic budgetary information.

The following suggestions are designed to provide an entry point into budget information for non-expert users. As users become more familiar with the budget, they should be able to conduct more in-depth research. See OECD, 2001b, for a more comprehensive listing of information that should be publicly disclosed.

Consider creating a visible separate area for information designed for general public access. **Create a link on the home page to that area using titles like “Citizens’ Guide”, “Quick Facts” or “About the Budget and the Budget Process” to signal introductory information** (emphasis added).

Content

When deciding what information to provide, ask what citizens should know or be able to learn about the budget. Information to include:

1. Factual information
 - Total revenues, total spending.
 - Revenues and spending by major category.
 - Deficit and debt amounts.
 - Amounts for current year and upcoming budget year.
 - Historical numbers to illustrate major trends.
 - Projections for future years without policy change.
2. Information about changes proposed in the most recent budget.
 - Total revenues, total spending.
 - Revenues and spending by major category.
 - Fiscal goals (projected deficit/surplus and debt levels).
 - Major policy proposals.

3. Economic indicators to disclose assumptions underlying the budget and to provide economic context (for example, size of budget relative to GDP).
4. **Performance indicators, or links to such indicators, for major budget programmes that describe what the programme does, its objectives, and how well it is accomplishing its mission.**
5. **Explanation of the budget process** (emphasis added) and its timetable (in non-technical language).
6. A glossary to define terms and explain acronyms and abbreviations.
7. **Feedback: If visitors are encouraged to submit views or comments, the site should report results of such consultations back to them** (emphasis added).

Presentation

- Keep the site up to date. Alert users to upcoming releases of major documents or upcoming milestones and mark that information, when posted, with release dates.
- For proposed policy changes, provide pre- and post-policy amounts, in addition to indicating the amount of the change in percentages or in currency. For example: “The proposed policy would increase spending in 2008 by 100%, from USD 100 million to USD 200 million” and not “The proposed policy would double spending in 2008.”
- Use tables, pie charts, animation, other graphics, video and audio to highlight major points, enhance presentation, connect with the site visitor and keep his or her attention.
- Provide alternative formats (PDF, html, flash, media formats, spreadsheets) to accommodate the needs and bandwidth capabilities of users.
- Provide links to other relevant websites (*e.g.* legislature, treasury or finance ministries, comptroller, government agencies or ministries).
- Provide site search capability and pay attention to site navigation features (drop-down menus, “back”, “home”, etc.) to help users move through the site and find information.

Appendix S. Quality Assurance Standard: For Community Stakeholder Engagement

- IAP2. May 2015. *Quality Assurance Standard: For Community Stakeholder Engagement*. International Association of Public Participation. Wollongong, New South Wales (NSW), Australia (IAP2 2015).

The International Association for Public Participation (IAP2) is the leading professional organization advancing the practice of public participation globally (<http://www.iap2.org/>). The **Core Values of IAP2 drive all that we do to advance community and stakeholder engagement** (emphasis added) globally. We do this by; promoting the right of individuals who are affected by a decision to have a say in the decision-making process, highlighting the benefits of this to organizations, governments and individuals, advocating for our members and **providing high quality training programs** (emphasis added). IAP2 has long offered valuable tools that demonstrate how and when to engage and provide insight into the principles behind effective community engagement. **What we are now offering is an additional road map to success, a set of standards to measure any engagement process in order to ensure it meets best practice principles leading to confidence in the outcome for all involved** (emphasis added) (IAP2 2015, p. 3). The outline for the entire paper follows (IAP2 2015, p. 5).

Outline

Background and Objectives

The Foundations of Public Participation and IAP2

Application and Principles of the Standard

Quality Assurance Standard*

Step 1. Problem Definition

Step 2. Agreement of Purpose/Context and Identification of Negotiables and Non-negotiables

Step 3. Level of Participation

Step 4. Stakeholder Identification and Relationship Development

Step 5. Project Requirements

Step 6. Development and Approval of Engagement Plan

Step 7. Execution of Engagement Plan

Step 8. Feedback

Step 9. Evaluation and Review

Step 10. Monitoring

Step 11. Documentation of evidence

*A standard process ensures a quality community engagement exercise. The standard has 11 steps each of which is discussed in more detail to provide the practitioner with guidelines for adoption.

Background and Objectives Community and stakeholder engagement is now required and accepted as a standard component of any significant project as much as traditional disciplines such as planning, development and implementation. Engagement is in fact intrinsic to the successful functioning of all of these conventional disciplines, as the outcomes should ultimately influence project development and completion. The profession of community and stakeholder engagement has matured globally and reached the evolutionary point whereby it needs **a professional standards framework to provide community, practitioner and government confidence in the effective practice of engagement** (emphasis added), as well as supporting career and professional pathways for practitioners in the field (IAP2 2015, p. 6).

Governments and industry across the globe are increasingly recognizing the value of community and stakeholder engagement as an essential part of significant project planning and decision-making. **The paradigm of decision making consideration has shifted from a culture of “announce and defend,” to one of “debate and decide.”** (emphasis added). It is expected that engagement practices will identify, understand and respond to the interests, risks and interdependences of all project stakeholders as well as address legislative and public policy requirements for engagement (IAP2 2015, p. 6).

The operating environment for practitioners is now more complex than ever with stakeholders increasingly diverse and sophisticated in their views and expectations. Interdependencies and complexity amongst stakeholder groups can lead to the development of unpredictable relationships that have the potential to derail a project if their unique views and needs are not properly explored, understood and addressed. **The Standard seeks to provide a quality process by which engagement projects can be assessed** (emphasis added) (IAP2 2015, p. 6).

The Foundations of Public Participation and IAP2 With clearer expectations of engagement from government, community and industry there is also a **requirement for greater transparency and accountability** (emphasis added) of the growing body of engagement practitioners. This places greater responsibility and expectations to not only follow good process **but to provide evidence of having followed good process** (emphasis added). IAP2's Code of Ethics is a set of principles which guides it in the practice of enhancing the integrity of the public participation process (IAP2 2015, pps. 8-9).

- 1. Purpose:** We support public participation as a process to make better decisions that incorporate the interests and concerns of all affected stakeholders and meet the needs of the decision-making body.
- 2. Role** Of Practitioner: we will enhance the public's participation in the decision-making process and assist decision-makers in being responsive to the public's concerns and suggestions.
- 3. Trust:** **We will undertake and encourage actions that build trust and credibility for the process and among all the participants** (emphasis added).
- 4. Defining** The Public's Role: we will carefully consider and accurately portray the public's role in the decision-making process.
- 5. Openness:** We will encourage the disclosure of all information relevant to the public's understanding and evaluation of a decision.
- 6. Access** To the Process: we will ensure that stakeholders have fair and equal access to the public participation process and the opportunity to influence decisions.
- 7. Respect** For Communities: we will avoid strategies that risk polarizing community interest or that appear to 'divide and conquer'.
- 8. Advocacy:** **We will advocate for the public participation process and will not advocate for a particular interest, party or project outcome** (emphasis added).
- 9. Commitments:** We will ensure that all commitments made to the public, including those by the decision-maker, are made in good faith.
- 10. Support** Of the Practice: we will mentor new practitioners in the field and educate decision-makers and the public about the value and use of public participation.

The Standard has adopted the IAP2 Core Values as the principles upon which to define quality throughout the process of community and stakeholder engagement. The Core Values are commonly accepted as informing best practice engagement. Development of the Core Values included broad international input to identify those aspects of public participation that cross national, cultural and religious boundaries. The IAP2 Core Values restated follow (IAP2 2015, p. 10).

The Spectrum shows that differing levels of engagement (referred to by IAP2 as 'participation') are warranted and legitimate, depending on the goals, time frames, resources and levels of concern in the decision to be made.

The IAP2's Core Values define the expectations and aspirations of the public participation process. Practitioners should adhere to these values for community engagement to be effective and of the highest quality. **The extent to which the Core Values can be adhered to is impacted by the level of influence** (emphasis added) (IAP2 2015, p. 10).

- Core Value 1. Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
- Core Value 2. Public participation includes the promise that the public's contribution will influence the decision.
- Core Value 3. Public participation promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision makers.

- Core Value 4. Public participation seeks out and facilitates the participation of those potentially affected by or interested in a decision.
- Core Value 5. Public participation seeks input from participants in designing how they participate.
- Core Value 6. Public participation provides participants with the information they need to participate in a meaningful way.
- Core Value 7. Public participation communicates to participants how their input affected the decision.

Engagement professionals require professional agility and intellectual flexibility to adapt to the specific (and often specialist) nature of varying projects, and **recognize that community and stakeholder roles will also alter depending on the required level of engagement in engagement** (emphasis added). To respond to this special consideration IAP2 has developed the Public Participation Spectrum (Figure Appendix S-1) that is designed to assist with the level of influence that is required, depending on the community or stakeholder’s role in the engagement. The **Spectrum shows that differing levels of influence in engagement** (emphasis added) (referred to by IAP2 as ‘participation’) are warranted and legitimate, depending on the goals, time frames, resources and levels of influence in the decision to be made. However, **most importantly, the Spectrum sets out the commitment being made to the public at each level to ensure transparency** (emphasis added). This Standard acknowledges that individual projects vary as to their position on the IAP2 Spectrum. In this way the Standard specifically responds to the Spectrum’s recommended strategy for dealing with the various levels of influence the community has (IAP2 2015, p. 11).

Iap2’s Public Participation Spectrum

The IAP2 Federation has developed the Spectrum to help groups define the public’s role in any public participation process (IAP2 2015, p. 11).

It is well established now that engagement is no longer a singular dimension practice where an expert is employed to ask a question of the community. The practice of community and stakeholder engagement has matured substantially and now extends to a broader range of purposes and across a range of organizational contexts. **Perhaps the most significant shift in thinking about community engagement has come with recognition that the engagement may now be motivated from within the community or even led by the community itself rather than the one-way path from government or organization to community** (emphasis added). Similarly in the commercial context it may arise from within the business or even be led by the staff and members. A community engagement model was developed by IAP2 Australasia in 2014 and has identified 7 key drivers of contemporary engagement (IAP2 2015, p. 11).

- Driver 1. The level of connectedness that exists in communities.
- Driver 2. Greater access to information.
- Driver 3. Increased visibility.
- Driver 4. Increased pressure to deliver value for money.
- Driver 5. Complex or “wicked” problems.
- Driver 6. Commercial pressure to innovate.
- Driver 7. Mobility affecting pace and form of communication.

These drivers increase the use of engagement approaches and an expansion of the engagement purpose.

Public participation goals

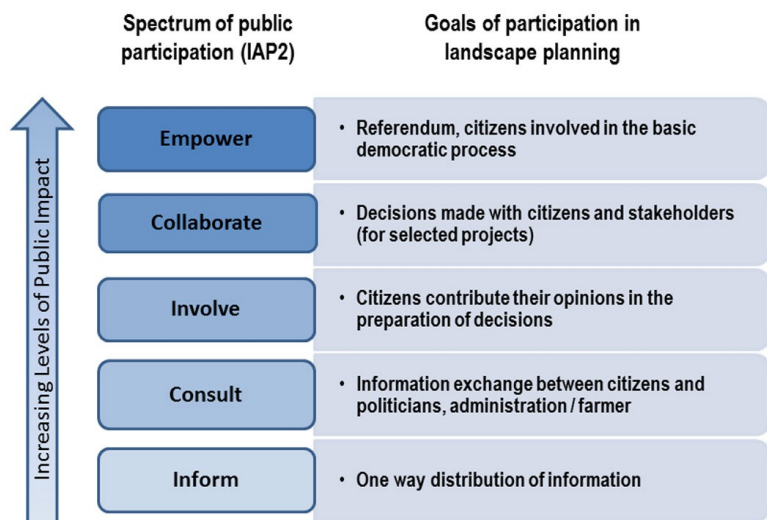


Figure Appendix S-1. Public Participation Spectrum: Goals

Application and Principles of the Standard Standard is intended for application by all who lead community and stakeholder engagement processes. The Standard has adopted the IAP2 Core Values as the principles upon which to define quality throughout the process of community and stakeholder engagement. The Core Values are commonly accepted as informing best practice engagement. Development of the Core Values included broad international input to identify those aspects of public participation that cross national, cultural and religious boundaries. The IAP2 Core Values restated follow (IAP2 2015, p. 13).

The Core Values define the expectations and aspirations of the public participation process.

The Core Values define the expectations and aspirations of the public participation process. Practitioners should adhere to these values for community engagement to be effective and of the highest quality. The extent to which the Core Values can be adhered to is impacted by the level of influence (IAP2 2015, p. 13).

Quality Assurance Standard

Stakeholder and Community Engagement Process As well as adopting the Core Values as the underlying principles for community and stakeholder engagement, a standard process must be undertaken in order to ensure a quality community engagement exercise (emphasis added). The standard below summarizes the steps of this process each of which is discussed in more detail to provide the practitioner with guidelines for adoption (IAP2 2015, p. 13).

Step 1.	Problem Definition.
Step 2.	Agreement of Purpose/Context and Identification of Negotiables and Non-Negotiables.
Step 3.	Level of Participation.
Step 4.	Stakeholder Identification and Relationship Development.
Step 5.	Project Requirements.
Step 6.	Development and Approval of Engagement Plan.
Step 7.	Execution of Engagement Plan.
Step 8.	Feedback.
Step 9.	Evaluation and Review.
Step 10.	Monitoring.
Step 11.	Documentation of evidence.

Step 1. Problem Definition Regardless of the nature of the engagement exercise, it is important to clearly define the purpose of the engagement exercise and explain why the planned engagement is occurring. Defining the problem includes a statement of the specific engagement objectives and the rationale behind the engagement. The problem statement shall identify the following in order to provide clarity of intent and ultimately better outcomes for stakeholders and community (IAP2 2015, p. 16).

- a) The issues that need to be addressed/answered/resolved.
- b) Stakeholders affected.
- c) The ideal outcome the decision makers are identified.
- d) Who decides when a resolution has been achieved.

Clearly define the purpose of the engagement exercise and explain why the planned engagement is occurring.

Step 2. Agreement of Purpose/Context and Identification of Negotiables and Non-Negotiables The development of a context statement or agreement of purpose is crucial to the success of the engagement exercise as it provides comprehensive background information and clearly positions the engagement in the overall project framework. In most projects there are likely to be elements that cannot be influenced by stakeholders. This may be due to budget, viability, safety or legislative requirements. These elements are the “non-negotiables” and need to be clearly communicated to stakeholders at the commencement of the engagement exercise. Engagement practitioners are responsible for clarifying the opportunity for community change and input and therefore focusing stakeholder attention on the “negotiables” or projects aspects that they can influence. Negotiables

and non-negotiables therefore should also be clearly identified as a part of the context statement. The context statement shall include the following tasks (IAP2 2015, p. 17).

- a) Identify project and **engagement objectives** (emphasis added).
- b) Establish or restate **key performance indicators** (emphasis added).
- c) Specify the decisions that need to be made.
- d) Define the negotiable and non-negotiable elements of the decision making.
- e) Define the internal and external parameters that need to be considered as a part of the engagement exercise.
- f) Broadly identify stakeholder groups and understand the relationships with these groups.
- g) Identify project resources both available and required.
- h) Consider the existing culture, values and attitude towards engagement.
- i) Understand project team structure, roles and responsibilities.
- j) Understand relevant industry/community trends and drivers.
- k) Consider Governance and accountability requirements.
- l) Map out project and organizational interdependencies.
- m) Map out existing communication channels.
- n) Identify risks.

By systematically exploring all of these parameters the engagement practitioner will ensure he/she understands everything that has the potential to influence the project outcome, both positively and negatively and impact on the achievement of objectives. The outcome should be a concise statement that considers the way in which these elements relate to the scope of the particular engagement exercise and could potentially influence the result (IAP2 2015, p. 17).

IAP2'S PUBLIC PARTICIPATION SPECTRUM



The IAP2 Federation has developed the Spectrum to help groups define the public's role in any public participation process. The IAP2 Spectrum is quickly becoming an international standard.

		INCREASING IMPACT ON THE DECISION				
		INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL		To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
	PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. We will seek your feedback on drafts and proposals.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will work together with you to formulate solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

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Step 3. Level of Participation (IAP2 2015, p. 18). The IAP2 Public Participation Spectrum provides engagement practitioners with a tool to determine the level of participation for the public's role in a community engagement program. The Spectrum shows that differing levels of participation are appropriate and that their legitimacy is dependent on the goals, time frames, resources and levels of concern in the decision to be made.

Once the community and stakeholder engagement goals are established, the positioning on the Spectrum and the necessary approaches become apparent. **By ensuring the level of influence on the Spectrum (see Figure 5) is understood at the outset, the engagement specialist and participants will be clear about the expectations** (emphasis added). This will also help to determine the most appropriate engagement methods and identify the extent to which the Core Values can be adopted.

An essential first step then is for practitioners to consider the project purpose and determine the Spectrum level that relates to the engagement exercise.

This will enable an assessment of the extent to which the project meets public expectations or promises as they are stated on the Spectrum. It also helps stakeholders to understand the basis on which decisions are made and the reasons why particular actions are required. For projects that transition between phases, consideration of requirements for both stages should be demonstrated.

Step 4. Stakeholder Identification and Relationship Development (IAP2 2015, p. 19). In order to properly identify project stakeholders, engagement professionals need to ensure they have identified the specific project structure and have a sound understanding of the way in which it is organized. This will then enable the identification of the people who:

- Are directly involved and/or affected.
- Are likely to be affected or impact the project outcome.
- Need a voice.

Stakeholder groups need to be systematically identified to ensure a thorough engagement process. Stakeholder identification shall consider:

- a) Interdependencies and responsibilities amongst project members and external parties.
- b) Decision making processes, regulators/(ions) and levels of authority.
- c) Relationships and conflicts amongst stakeholder groups.
- d) Legitimacy (rights and responsibilities).
- e) Trends/historical analysis and previous outcomes of similar or related projects.
- f) Project stages and the need to alter or expand the stakeholder groups as the project progresses.

In identifying stakeholder groups, engagement practitioners should also ensure they recognize potential impediments to engagement participation of any party affected, involved or requiring a voice as a part of the exercise. This requires the practitioner to develop and maintain the necessary relationships with stakeholders to keep them well informed and instil the necessary confidence to present their view.

Having identified all stakeholder groups through a comprehensive review of the factors outlined above, practitioners need to take time to understand the interests, values and needs of each stakeholder group. This will include identifying the expectations of stakeholder groups and contemplating these against the project objectives to detect possible conflict areas or a misalignment in participation expectations.

Successful engagement will also require an analysis of stakeholder relationships to identify potential conflict areas. The tools and techniques employed to analyze these relationships will be at the discretion of the practitioner, so as to best suit the complexity of the project in question. **Evidence needs to be collected so as to demonstrate that stakeholder collaboration and/opposing perspectives have been considered** (emphasis added).

Stakeholder identification and analysis will heavily influence the communication and engagement techniques to be employed for the specific project and shall therefore be appropriately resourced and outcomes assessed prior to developing and implementing the engagement plan.

Step 5. Project Requirements (IAP2 2015, p. 20). Each engagement project will have a made to order set of requirements that will influence the methodology or design of the engagement plan and the way in which project outcomes will be delivered. Project requirements that require consideration by the engagement practitioner may include:

- a) Timeliness.
- b) Legislation – statutory/policy requirements.
- c) Specialist expertise and technical knowledge.
- d) Reporting (type and frequency).
- e) Resource constraints.
- f) Output functionality.
- g) Protection of reputation.

The information gathered in defining the problem (Step 1) and agreeing on the project purpose (Step 2) will assist in ensuring specific requirements are understood and stated by the engagement practitioner. Where this information has not been clearly identified further investigation should be undertaken to enable a statement of requirement to be produced at the early stages of developing the engagement plan.

Step 6. Development and Approval of Engagement Plan (IAP2 2015, p. 20). **An engagement plan is required to communicate the way in which the engagement practitioner intends to involve the stakeholder groups in influencing the relevant project. The engagement plan is a document that sets out** (emphasis added):

- a) Purpose and Objective Statement including scope of works.
- b) The tools and techniques to be employed for engaging the identified stakeholder groups.
- c) A schedule of activities.
- d) Resources required and access to these resources.
- e) Risk management plan that identifies risks and barriers to execution of the engagement plan and accompanying mitigation measures
- f) Budget.
- g) Roles and responsibilities of the project team.
- h) Communication strategy and reporting mechanism to project owners and stakeholders alike.
- i) Evaluation points and techniques to be employed/ evidence to be gathered.
- j) A demonstration of commitment to engaging with stakeholders in accordance with the IAP2 Public Participation Spectrum and Core Values.

The proposed plan must be presented and discussed to the project sponsor and formal agreement provided prior to moving to the implementation phase.

Step 7. Execution of Engagement Plan (IAP2 2015, p. 21). Community and stakeholder engagement shall be implemented in accordance with the details set out in the engagement plan. The execution of the plan should demonstrate creativity and ensure methods of engagement are fit-for-purpose and suitably adaptable to respond to changing dynamics amongst stakeholder groups. Successful engagement plan execution requires:

- a) Securing all necessary resources.
- b) Adhering to the proposed timeframes and budget.
- c) Engagement and communication with stakeholders as described in the plan.
- d) Compliance with legal and regulatory requirements.
- e) Confirmation that the decision making process aligns with project objectives
- f) Successful development of stakeholder relationships.
- g) Project evaluation and reporting.

Step 8. Feedback (IAP2 2015, p. 21). **Feedback is an integral part of the engagement process and refers to the provision of information to stakeholders on how engagement outcomes will be utilized in decision making. Feedback is also a quality indicator highlighted in IAP2's Core Values which have been adopted as the Principles of this Standard** (emphasis added). In line with these Standards, engagement practitioners shall ensure:

- a) A statement of feedback is promised to all participants as a part of the engagement process
- b) Processes are identified for feeding back the results to the stakeholders
- c) Feedback is collated and made available to all stakeholders

Feedback is an integral part of the engagement process.

Step 9. Evaluation and Review (IAP2 2015, p. 21). Engagement evaluation and review enables the practitioner and project sponsor to make recommendations and decisions based on the outcomes of the engagement. It is also the vital evidentiary point in the project outcomes and a central element of assuring quality engagement. **Evaluation involves reviewing the engagement project** (emphasis added) to determine:

- a) The extent to which engagement project requirements were identified.
- b) Successful stakeholder identification and engagement.
- c) Achievement of project goals and objectives.
- d) Satisfaction levels amongst all stakeholders from power brokers to minority groups.
- e) Cultural awareness of and ongoing commitment to community and stakeholder engagement.
- f) Degree of stakeholder involvement in decision making and comparison of this against initial project positioning on the IAP2 Spectrum.
- g) Change and impact as a result of engagement outcomes.
- h) The need for further analysis of outcomes or additional engagement activities.

Step 10. Monitoring (IAP2 2015, p. 22). To ensure community and stakeholder engagement is effective and continually provides support to the specific project for which the engagement is being conducted; **ongoing monitoring and measuring of performance should be conducted and reported** (emphasis added).

Monitoring and review is also necessary to ensure continual improvement in the practice of community and stakeholder engagement. **Monitoring gives assurance that the processes are effective in engaging with stakeholders** (emphasis added). Monitoring can be scheduled at particular intervals or conducted on an as needs basis.

Monitoring should influence decision making on how improvements can be made and organizational culture enhanced to ensure appropriate engagement is embedded into to routine activities. Responsibilities for monitoring should be clearly defined. Processes for monitoring engagement activities should address each of the stages set out in the Engagement Process. Monitoring results shall be reported and communicated internally and externally as deemed appropriate.

Step 11. Documentation of evidence (IAP2 2015, p. 22). The Quality Assurance Standard for Community and Stakeholder Engagement is accompanied by an audit framework that sets out required standards including:

- a) **Benchmarks.**
- b) **Evidence Points.**
- c) **Project Assessment.**

To ensure engagement projects can be assessed for quality and can demonstrate that the Standard process has been adhered to details of the activities undertaken should be recorded for auditing purposes. In addition, organizations can benefit from the engagement experiences undertaken and lessons learned. Documentation of actions and outcomes can provide an internal mechanism for continuous improvement.

Engagement professionals are encouraged to establish a recording framework that considers:

- a) Legal, regulatory and operational needs.
- b) Resources required to develop and maintain necessary records.
- c) Sensitivity of information.
- d) Organizational/project culture.
- e) Existing mechanisms for information recording.
- f) Benefits associated with recording and reviewing.

Audit (IAP2 2015, pps. 23 - 24). An Auditing process will be developed to establish the requirements for an audit of a Community and Stakeholder Engagement project to determine the level of adherence to the Quality Assurance Standard and adoption of the process set out for community and stakeholder engagement activities.

The Auditing process will require the auditor to review documented evidence and report on the quality of this evidence against the requirements set out in the Standard process as illustrated in the Standard below.

IAP2 Quality Assurance Standard Process for Community and Stakeholder Engagement	
Step 1.	Problem Definition
Step 2.	Agreement of Purpose/Context and Identification of Negotiables and Non-negotiables
Step 3.	Level of Participation
Step 4.	Stakeholder Identification and Relationship Development
Step 5.	Project Requirements
Step 6.	Development and Approval of Engagement Plan
Step 7.	Execution of Engagement Plan
Step 8.	Feedback
Step 9.	Evaluation and Review
Step 10.	Monitoring
Step 11.	Documentation of evidence

Auditors engaged to undertake an audit using this standard must ensure they respect confidentiality requirements and deliver a report that provides:

- a) An overview of the nature, timing and findings of the audit conducted.
- b) An assessment of the documentation reviewed against the Standard requirements.
- c) Commentary on significant matters that were identified as a part of the audit process.
- d) Documentation of any significant discussions held with practitioners and stakeholders during the audit.
- e) A basis for the conclusions and recommendations presented within the audit report.

The objectives of the auditor are:

- a) To evaluate the evidence provided to demonstrate adherence to the Standard.
- b) **To provide assurance to project stakeholders that the engagement project has been executed according to the Quality Assurance Standard for Community and Stakeholder Engagement** (emphasis added).

An audit tool is being developed to aid the review of engagement projects and ensure compliance with the Standard. The audit tool provides the auditor with a checklist of information that must be reviewed as a part of the audit in order to assess project compliance and the quality of documentation presented. More details on auditing available soon.

The purpose of the Standard is to assess the “quality” of engagement projects. It is therefore important that practitioners are familiar with IAP2’s already agreed descriptions for “quality.”

For each Core Value a set of criteria has been developed that describes the professional community’s expectation of quality application. The table below provides a summary of these descriptions for the level of quality achieved depending on evidence presented.

Core Value	Indicators	Level Of Quality			Evidence
		Elementary	Emerging	Exemplary	
1. Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.	<ul style="list-style-type: none"> • Clear problem statement • Decision making process clearly communicated • Affected stakeholders have been identified 	<ul style="list-style-type: none"> • No problem statement/purpose of engagement statement developed. • No decision making process communicated • Affected stakeholders have not been identified 	<ul style="list-style-type: none"> • A problem statement/ purpose of engagement has been developed and provided to stakeholders • Decision making process communicated to stakeholders. • Affected stakeholders have been identified. 		
2. Public participation includes the promise that the public's contribution will influence the decision.					
3. Public participation promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision makers.					
4. Public participation seeks out and facilitates the participation of those potentially affected by or interested in a decision.					
5. Public participation seeks input from participants in designing how they participate.					
6. Public participation provides participants with the information they need to participate in a meaningful way.					
7. Public participation communicates to participants how their input affected the decision.					

Table needs to be completed.

Appendix T. Budgeting for Results and Outcomes

- AMANS, NSMFC, and FMCBC. 2008. *Budgeting for Results and Outcomes*. Financial Management Capacity Building Committee (FMCBC) Recommended Practice: Budgeting for Results and Outcomes. Association of Municipal Administrators of Nova Scotia (AMANS); Nova Scotia Municipal Finance Corporation (NSMFC); Financial Management Capacity Building Committee (FMCBC). Original *Budgeting for Results and Outcomes* was developed in 2007 by the Government Finance Officers Association (GFOA)

AMANS NSMFC FMCBC Recommended “Budgeting for Results and Outcomes” Practice Approved 2008

Association of Municipal Administrators of Nova Scotia (AMANS)
Nova Scotia Municipal Finance Corporation (NSMFC)
Financial Management Capacity Building Committee (FMCBC)

The original recommended practice was developed by the Government Finance Officers Association (GFOA). Some aspects of the practice have been revised by the Financial Management Capacity Building Committee (FMCBC) for use by Nova Scotia municipal governments. The original GFOA recommended practice is *Budgeting for Results and Outcomes*, approved by the GFOA in 2007. See original for footnotes.

Recommendation The GFOA recommends that municipalities consider budgeting for results and outcomes as a practical way to integrate performance management into the budgetary process (emphasis added). The following steps should help a municipality use budgeting for results and outcomes (p. 1):

1. Set Broad Goals to Guide Decisions;
2. Develop Strategies and Financial Policies;
3. Design a Budget Supportive of Strategies and Goals; and
4. Focus on the Necessity of Continually Evaluating a Governments’ Success at Achieving the Goals it has set for itself.

Purpose Budgeting for results and outcomes links strategic planning, long-range financial planning, performance measures, budgeting, and evaluation (emphasis added). It also links resources to objectives at the beginning of the budgetary process, so that the primary focus is on outcomes rather than organizational structure (p. 1).

Background As mentioned in the recommendation section, the GFOA has established a step-by-step process to budget for results and outcomes. Essentially, the budgeting for results and outcomes approach begins with determining the municipality’s available revenues, **determining the desired results and strategies** (emphasis added) of the municipality, and then deciding what activities and programs can best achieve desired results. This varies from traditional budgeting methods by creating more of a focus on a municipality’s objectives and outcomes (p. 1).

Considerations for Policy Development To develop a budget based on budgeting for results and outcomes, municipalities need to define their expected outcomes for the funds available. In order to understand this approach, municipalities should understand the process of budgeting for results and outcomes, as well as the benefits. *Appendix I* provides an introduction to budgeting

for results and outcomes, as well as the benefits available to municipalities when using a results and outcomes based budget. *Appendix II* provides a step-by-step process to create a budget through budgeting for results and outcomes (p. 2).

Appendices (p. 2)

Appendix I: Benefits of Budgeting for Outcomes

Appendix II: The Process

Appendix I: Benefits of Budgeting for Outcomes (p. 2)

Budgeting for outcomes (BFO) is a budgeting tool that varies from traditional budgeting methods because it focuses on the results and outcomes of the budget. BFO is a relatively new budgeting tool that has helped municipalities and other levels of government during times of a fiscal emergency. This new type of budgeting helped many American municipalities recover from financial disaster by planning a budget differently. **BFO also encourages leaders to rethink their priorities and managers to rethink the way they deliver services** (emphasis added).¹

BFO should be prepared through an inclusive and interactive process. It is an approach that integrates strategic planning, long range financial planning, budgeting, and performance management. BFO can demonstrate effective, ethical, transparent, innovative, and inclusive ways of doing business.²

Benefits to Budgeting for Outcomes (pps. 3-5) The following is a list of some of the benefits associated with BFO that municipalities and other levels of government have experienced.

- Can help introduce multi-year budget planning.
- Encourages realistic time frames for measuring and expecting positive outcomes for comprehensive, longer-term policy strategies that seek to tackle difficult and complex problems.³
- **Can create a higher level of credibility between the municipality and the community** (emphasis added).
 - o BFO can make a municipality more transparent in its budgeting decisions.
 - o The budget holds no surprises for elected officials or the community.
- Can strengthen relationships with Council.
 - o Most budgets focus on funding a department, rather than providing services to citizens. With BFO, Council needs to become more involved with setting the priorities and identifying the outcomes that matter most to the community.
- Determine whether the positive outcomes in a program or activity are improving conditions for the broader target population.
 - o It is quite common for **performance measures in a specific program or activity** (emphasis added) to show improvements while conditions among the broader population do not change or get worse. This can happen when the program does not address the problem it is intended to solve, or because the scale of the program is too small to make a significant impact.
- The budget would become an open and transparent map of the services offered.
 - o Rather than spreadsheet upon spreadsheet, the new budget document should include easy to read pages of key activities.
- People can begin to understand the budget.
 - o Citizens, Council, and more municipal staff can have a greater understanding of the municipality's finances and what it costs to provide a certain level of service.

- Municipalities can function more effectively.
 - o BFO can increase organizational awareness of services provided by other departments and encourages cooperation to find more cost-effective ways of accomplishing goals and delivering services.
 - o Council will also become more involved in the planning process by setting the priorities at the beginning of BFO.⁴
- Reveals, realigns, or removes programs and activities.
 - o BFO is designed to reveal the programs and activities that are not working towards achieving the desired outcome. The programs and activities not achieving their outcomes will have to be reexamined to determine their relevance in the budget.
 - o The programs that may be restructured or removed as a result of the BFO process may create opportunities for new programs or services.
- BFO helps the general interest trump the special interests.
 - o In a traditional budget process, when a line item comes up for review, the interested groups may pressure Councilors to become involved. When this occurs in a BFO process, those Councilors are not just looking at one line, but at a whole list of spending items to achieve a particular outcome ranked by priority. The trade-offs involved in any budget become clearer.
- BFO helps ensure accountability for performance.
 - o If the results for a program are not delivered, the program will be reviewed to determine its relevance in the overall corporate plan of the municipality.⁵

Lessons to Learn Introducing BFO into a municipality can be challenging, but rewarding. Roles will change and elected officials will be affected by the different method of budgeting. Councilors will need to thoroughly understand policy, fiscal, and operational choices.

The role of the manager and employees will also change with BFO. A traditional budgeting process is typically an internal exercise, involving many municipal staff members. The BFO process may include external stakeholders in the budget process by making specific suggestions for programs and services to be funded, suggesting innovations, and changes that could be implemented to create efficiencies. Stakeholders become more involved in making recommendations regarding the programs and services that should be considered.⁶

Appendix II: The Process (pps. 6-9)

Developing a BFO budget builds on the existing budget process, with specific enhanced areas of focus. The following are the steps municipalities should take when developing their own BFO budget.

1. Determine how much money is available

- The budget should be built on expected revenues. The municipality should establish an acceptable tax rate for citizens based on the results they want from the municipality.⁷
- The municipality needs to determine what revenue is available to the municipality. The municipality's financial information should be presented in a way that is understood by Council, managers, employees, and the public.⁸
- In order to complete this task effectively, managers should communicate the new method of budgeting to the community, in order to encourage a common understanding of the municipality's fiscal issues and why a new approach to addressing its fiscal issues is being adopted.⁹

2. Prioritize outcomes

- **The needs of the municipality need to be prioritized, which involves defining the outcomes, along with indicators to measure progress. The municipality needs to articulate its priorities in terms of tangible outcomes** (emphasis added).
- Generally, municipalities should select ten or less outcome goals. **These indicators should be expressed in terms associated with outcomes** (emphasis added). When choosing indicators, municipalities should:
 - o Include both subjective and objective measures (e.g. perceptions of safety and crime rate).
 - o Commit to real result indicators.
 - o Use an index if necessary to capture multiple sources of related data.
 - o Chosen indicators should make sense to citizens. The following list is an example of priorities that are easy to understand:
 - . Transportation – “I want reasonable and predictable travel times.”
 - . Safety – “I want to feel safe where I live, work, and play.”
 - . Community Wellness and Vulnerability – “I want to improve the wellness of people in the community and reduce vulnerability of those at risk.”
 - . Community – “I want to live in a thriving community, one with infrastructure sufficient to support planned growth.”
 - . Preparedness – “I want my community to be prepared to respond to emergencies.”
 - . Effective, Efficient, and Transparent Government – “I want to get the level of service I need at an affordable price and see that my dollars are spent wisely.”¹⁰
 - . In addition to phrasing the different types of priorities, other municipalities have simplified the priorities of the public with simple desires:
 - . Improve economic health;
 - . Improve environmental health;
 - . Improve neighbourhood quality;
 - . Make a safer community;
 - . Improve cultural, recreational, and educational opportunities;
 - . Improve transportation; and
 - . Make a high-performance municipality.¹¹
- These types of prioritization are useful and they can influence the programs and activities that will be selected to fulfill the outcomes.

3. Allocate resources among high priority results

- The allocations should be made in a fair and objective manner.
- The CAO and the municipality’s managers should recommend how much to spend to achieve each result.¹²

4. Determine what strategies, programs, and activities will achieve desired results

- Municipalities need to establish their priorities, which includes understanding their importance to their municipal objectives and their impact on the budget.
- This process involves significant and clear communication from the highest level, including Council and senior staff, to the front line staff delivering the services. The budget needs to be based on the corporate priorities of the municipality.
- Councilors, managers, and policymakers of the municipality want to achieve the best results for the tax dollars. Instead of asking departments to prepare budget estimates based on the previous year, managers of the municipalities should make their priorities and outcomes known to all municipal staff. Staff can then respond by determining how their department can help meet the priorities and outcomes set out by the managers. These priorities and outcomes could also be communicated to other levels of government, non-profit, and for-profit organizations for their potential solutions. Each potential service provider should identify how they would deliver the expected results, and at what cost.¹³
- The departments and other service providers should prepare proposals that produce the desired results. The supplier should offer a proposal that delivers the desired results at a competitive price. This process can challenge municipal departments to make their services as competitive as possible. **Since there is no base budget** (emphasis added), existing programs and ideas can compete on the same basis, encouraging more innovations and best practices.¹⁴

- This process should encourage new and creative approaches. Some partnerships may develop across departments, with other governments, or with non-governmental organizations to deliver an expected outcome. This could result in a single program or service that may achieve more than one of the desired outcomes of the municipality.¹⁵

5. Selecting the successful proposals

- After all of the proposals have been submitted, they will be ranked based on the desired outcomes and their impact on the budget.
- The municipality has already established the amount of revenue available based on an acceptable tax rate for citizens, and with the outcomes prioritized, it will become clear which programs and services should be included in the budget.
- The end result should list positive choices for the municipality. It is a list of keeps, not cuts.¹⁶

6. Set measures of annual progress, monitor, and close the feedback loop

- These measures should describe **the expected results and outcomes and how they will be measured** (emphasis added).¹⁷
- The budget should be framed as a **collection of performance agreements** (emphasis added) that indicate the expected outputs and outcomes, how they will be measured, the impact of not achieving the desired results. As a result, accountability should be built into the budget.¹⁸
- Municipalities should **set up an effective performance management system to track progress on the results** (emphasis added). The FMCBC developed a best practice on performance measurement and management, which can be found on the Nova Scotia Municipal Finance Corporation website: http://www.gov.ns.ca/nsmfc/documents/PerformanceMeasurement_000.pdf.

7. Check what actually happened

- **Performance measures should be used to compare the actual versus the budgeted results** (emphasis added).¹⁹
- Municipalities should be aware of some of the cultural roadblocks that may be involved when introducing a BFO system. The purpose of the BFO system should be clearly communicated to ensure that those affected understand the new system because aspects of the BFO system can be integrated into the existing budgeting process. When implementing a new budgeting system, it is important to educate and communicate with all of the staff and Council of the municipality.¹⁹

8. Communicate performance results

- Municipalities should publicly release the results of their budgets. A clear presentation of expected and actual results should be available for each budget year.²⁰
- **The annual reporting to the public should include the traditional financial information as well as the results from the BFO process** (emphasis added).

References

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Appendix U. Distinguished Budget Presentation Award Program (GFOA's Budget Awards Program)

Distinguished Budget Presentation Award Program (Budget Awards Program)
Government Finance Officers Association (GFOA)

<http://www.gfoa.org/budgetaward>

Downloaded August 28, 2016

Distinguished Budget Presentation Award Program (Budget Awards Program)¹

- ▶ NEW - Most Recent Award Results Sorted by State/Province: Budget Years Beginning 1/1/2015 (Winners Through June 30, 2016)
- ▶ Award Results Sorted by State/Province: Budget Years Beginning 1/1/2014
- ▶ Reviewers of Budget Documents During 2015 Calendar Year
- ▶ Details on how to become a Participant or Reviewer

For State, School District, and Community College Participants Only. For budgets that have a fiscal year beginning on or after January 1, 2017, please be aware that the format of submission has changed for states, school districts, and community colleges only. The current format will no longer be accepted after that. The new submission format for these different entity types can be found at the following.

State: <http://www.gfoa.org/state-budgeting>

School District: <http://www.gfoa.org/school-budgeting>

Community College: <http://www.gfoa.org/communitycollege-budgeting>

The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that **reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting** (emphasis added) and then to recognize individual governments that succeed in achieving that goal.

Documents submitted to the Budget Awards Program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in public-sector budgeting. The following links (see original web page) offer access to detailed information on specific aspects of the Budget Awards Program:

Information for participants and potential participants:

- ▶ Eligibility requirements - The program is open to submissions from any type of government (general-purpose or special-purpose) at either the state or local level that makes available to the general public an operating budget document in either an electronic (web site, CD) or hard copy format, regardless of the length of the budget period (annual/biennial/triennial). Participants may submit either their proposed budget or their approved budget. Submissions must be received within 90 days of the date when the budget was proposed/adopted.
- ▶ How to submit a budget document
- ▶ Application Form
- ▶ Requests for an extension of the submission deadline

- ▶ Judging Process - Each budget document submitted to the program is evaluated separately by three reviewers. Each reviewer rates a given budget document as being either not proficient, proficient, or outstanding in regard to 27 specific criteria, grouped into four basic categories. The reviewer also provides an overall rating for each of the basic categories. **To receive the award, a budget document must be rated either proficient or outstanding by at least two of the three reviewers for all four basic categories, as well as for 14 of the 27 specific criteria identified as mandatory** (emphasis added).

Detailed Location Criteria Guide and Explanation of Criteria

- ▶ Detailed Location Criteria guide (GFOA Questionnaire on Exploratory Committee's web page). Government Finance Officers Association. 2014. GFOA Detailed Criteria Location Guide: Distinguished Budget Presentation Awards Program (Questionnaire). <http://www.gfoa.org/budgetaward>.
- ▶ Explanation of Criteria (GFOA 27 specific Criteria on Exploratory Committee's web page). Government Finance Officers Association. 2015. *Distinguished Budget Presentation Awards Program*. GFOA Distinguished Budget Presentation Awards Program (Budget Awards Program) & Awards Criteria (and explanation of the criteria). <http://www.gfoa.org/budgetaward>.

Information for reviewers and potential reviewers:

- ▶ Eligibility requirements
- ▶ Application form to become a reviewer

Vote Page For Budgets

- Electronic Vote Page

Other

- ▶ Certificate of Achievement for Excellence in Financial Reporting Program

Distinguished Budget Presentation Award Program

- ▶ Popular Annual Financial Reporting Award Program
- ▶ Canadian Award for Financial Reporting Program
- ▶ Awards for Excellence in Government Finance
- ▶ Award Program for Small Government Cash Basis Reports
- ▶ Award for Best Practices in School Budgeting
- ▶ State Budget Awards Program

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Footnote 1. The symbol "▶" means there is a web link to a new web page and/or a document.

Distinguished Budget Presentation Awards Program
The Government Finance Officers Association

Awards Criteria
(and explanation of the Criteria)

- Government Finance Officers Association. 2014. *Distinguished Budget Presentation Awards Program*. GFOA Distinguished Budget Presentation Awards Program (Budget Awards Program) & Awards Criteria (and explanation of the criteria). <http://www.gfoa.org/budgetaward>.

What does a distinguished budget “presentation” award mean? Presentation means the proffering or giving of something to someone, especially as part of a formal ceremony. This definition is applicable as JO CO makes a presentation of its annual proposed budget to the JO CO Budget Committee and the public. So, presentation means a budget document in competition of being rated in compliance with all applicable standards and criteria (Chapters II & III) in four basic categories of 27 specific criteria.

1. Policy Tool (P).
2. Financial Plan (F).
3. Organization’s Operations (O).
4. Communications Medium (C).

Each local government budget document submitted to the GFOA’s Budget Award Program is evaluated separately by three reviewers. Each reviewer rates a given budget document as being either not proficient, proficient, or outstanding in regard to 27 specific criteria, grouped into four basic categories. The reviewer also provides an overall rating for each of the basic categories. To receive the award, a budget document must be rated either proficient or outstanding by at least two of the three reviewers for all four basic categories, as well as for 14 of the 27 specific GFOA award’s criteria identified as mandatory.

In order to receive the award, the JO CO had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines were designed to assess how well its budget document(s) fulfills four major purposes (GFOA August 2016).

Purpose 1 - Policy Tool. The budget document should serve as a policy tool. At a minimum, the document should list the organization’s programmatic and fiscal goals for the upcoming year.

Purpose 2 - Financial Plan. The budget should present a clear financial plan. It should list all expenditures and revenue sources for the prior year(s) and the current year, and project the organization’s financial condition through the end of the proposed fiscal year.

Purpose 3 - Organization’s Operations. The budget should be a guide for the organization’s operations. It should explain the relationship between organizational components and measure the efficiency and effectiveness of each individual component.

Purpose 4 - Communications Medium. The budget should serve as a communications medium, providing summary information about the organization's programs, services, and finances, in a manner suitable for use by the media and general public.

These four major purposes: 1. Policy Tool (P), 2. Financial Plan (F), 3. Organization's Operations (O), and 4. Communications Medium (C) are the four basic categories the 27 specific criteria are grouped into. The following four examples of criteria are the first ones for each of the four major purposes: P, F, O, and C.

- #C1. *Mandatory:* The document shall . . .
- #P1: The document should include . . .
- #O1. *Mandatory:* The document shall . . .
- #F1: The document should . . .

#C1. *Mandatory:* The document shall include a table of contents that makes it easier to locate information in the document.

Criteria Location Guide Questions

1. Is a comprehensive table of contents provided to help the reader locate information in the document?
2. Are all pages in the document numbered or otherwise identified?
3. Do the page number references in the budget or electronic table of contents agree with the related page numbers in the budget or electronic submission?

Explanation Detailed indices preceding individual sections can be helpful, but they are not a substitute for a single comprehensive table of contents. Care should be taken in developing budget or electronic page number references in the table of contents, so they agree with the related page numbers in the budget document or electronic submission. The use of whole numbers as page numbers is easier to follow.

#P1: The document should include a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues.

Criteria Location Guide Questions

1. Are non-financial policies/goals included?
2. Are these policies/goals included together in the Budget Message or in another section that is separate from the departmental sections?
3. Are other planning processes discussed?

Explanation This criterion relates to the long-term, entity-wide, strategic goals that provide the context for decisions within the annual budget. Consider including action plans or strategies on how the goals will be achieved.

Refer to GFOA's best practice on Establishment of Strategic Plans.

#O1. *Mandatory:* The document shall include an organization chart(s) for the entire entity.

Criteria Location Guide Question

1. Is an organization chart provided which shows the entire entity?

Explanation This criterion requires that an organizational chart be presented only for the overall entity. Organizational charts for individual units are not required. When organizational charts are provided for

individual units within the entity, those charts should be presented in such a way as to underscore the link between the individual unit and the overall entity.

#F1: The document should include and describe all funds that are subject to appropriation.

Criteria Location Guide Questions

1. Is a narrative or graphic overview of the entity's budgetary fund structure included in the document?
2. Does the document indicate which funds are appropriated? (Other funds for which financial plans are prepared also may be included in the document.)
3. Does the document include a description of each individual major fund included within the document?
4. If additional or fewer funds are included in the audited financial statements, does the document indicate this fact?

Explanation Showing an entity's budgetary fund structure is essential for understanding its financial configuration. An overview of the budgeted funds should be included in the document. This overview should include each major fund's name and either (1) an indication of whether the fund is a governmental, proprietary, or fiduciary fund OR (2) an indication of the fund type of each fund (e.g., *general, special revenue, enterprise fund*). Any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget should be considered a major fund for this purpose. The entity needs to identify its major funds.

All 27 Criteria The following are the titles of all 27 criteria for each of the four major purposes:

1. Policy Tool (P), 2. Financial Plan (F), 3. Organization's Operations (O), and 4. Communications Medium (C).

1. Policy Tool (P) - 5 Criteria (e.g., strategic goals, issues, concerns, financial policies, priorities, process, procedures, etc.).

- #P1: The document should include a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues.
- #P2: The document should describe the entity's short-term factors that influence the decisions made in the development of the budget for the upcoming year.
- #P3. *Mandatory*: The document shall include a budget message that articulates priorities and issues for the upcoming year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (e.g., *transmittal letter, budget summary section*).
- #P4. *Mandatory*: The document should include a coherent statement of entity-wide long-term financial policies.
- #P5. *Mandatory*: The document shall describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption.

2. Financial Plan (F) - 10 Criteria (e.g., funds, appropriation, basis for budgeting, revenues and expenditures, revenue estimates, revenue trends, long-range financial plans, effect upon the budget and the budget process, budgeted capital expenditures, nonrecurring capital expenditures, operating budget and the services, current debt obligations, legal debt limits, effects of existing debt levels, etc.).

- #F1: The document should include and describe all funds that are subject to appropriation.
- #F2: The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.

- #F3. *Mandatory*: The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization.
- #F4. *Mandatory*: The document must include summaries of revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the current year budget and/or estimated current year actual, and the proposed budget year.
- #F5. *Mandatory*: The document shall include projected changes in fund balances, as defined by the entity in the document, for appropriated governmental funds included in the budget presentation (fund equity if no governmental funds are included in the document).
- #F6. *Mandatory*: The document shall describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends.
- #F7: The document should explain long-range financial plans and its effect upon the budget and the budget process.
- #F8. *Mandatory*: The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget.
- #F9: The document should describe if and to what extent significant nonrecurring capital expenditures will affect the entity's current and future operating budget and the services that the entity provides.
- #F10. *Mandatory*: The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations.

3. Organization's Operations (O) - 6 Criteria (e.g., organization charts; narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and nonmajor funds; personnel or position counts; activities, services or functions carried out by organizational units; goals and objectives of organizational units; objective measures of progress toward accomplishing the government's mission; etc.).

- #O1. *Mandatory*: The document shall include an organization chart(s) for the entire entity.
- #O2: The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and nonmajor funds in the aggregate.
- #O3. *Mandatory*: A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided.
- #O4. (*Mandatory*): The document shall describe activities, services or functions carried out by organizational units.
- #O5: The document should include clearly stated goals and objectives of organizational units (*e.g., departments, divisions, offices or programs*).
- #O6: The document should provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific units and programs.

4. Communications Medium (C) - 6 Criteria (e.g., table of contents; overview of significant budgetary items and trends; statistical and supplemental organization data, its community, and population; background information related to the services provided; glossary for any terminology not readily understandable to a reasonably informed lay reader; charts and graphs to highlight financial and statistical information; narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident; document produced and formatted in such a way as to enhance its understanding by the average reader; document attractive, consistent, and oriented to the reader's needs, etc.).

- #C1. *Mandatory*: The document shall include a table of contents that makes it easier to locate information in the document.
- #C2. *Mandatory*: The document should provide an overview of significant budgetary items and trends. An overview should be presented within the budget document either in a separate section (*e.g.,*

executive summary) or integrated within the transmittal letter or as a separate budget-in-brief document.

- #C3: The document should include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided.
- #C4: A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader.
- #C5: Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident.
- #C6: The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs.

JO CO's budget documents were reviewed using a comprehensive evaluation checklist containing twenty-seven (27) criteria in each of the four categories. Fourteen (14) of these criteria were mandatory items outlining the basic elements that any good budget document should contain.

Proficient & Outstanding Budget Presentation Awards Documents given a proficient or better rating by two out of three reviewers on all of the criteria will receive the distinguished budget presentation award. Documents given an outstanding rating by all three of the reviewers in any of the four major overall criteria categories will receive an outstanding designation. Documents receiving outstanding ratings on specific criteria items pertaining to capital will receive special recognition (GFOA August 2016).

Earning the Distinguished Budget Presentation Award – the only national awards program in governmental budgeting—requires that the budget is rated as either proficient or outstanding for all four of those categories, as well as for 14 of the 27 criteria identified as mandatory, including a coherent statement of city-wide long-term financial policies and a budget message that articulates priorities and issues for the upcoming year, among other criteria.

Each budget document submitted to the program is evaluated separately by three reviewers. Each reviewer rates a given budget document in regard to 27 specific criteria as:

1. Information Not Present,
2. Does Not Satisfy Criterion,
3. Proficient, or
4. Outstanding.

GFOA Best Practices Related to Budgeting and Fiscal Policy

The Author's opinion is that JO CO budget documents are deficient in not identifying or referencing GFOA best practices applicable to the goal of JO CO when applying for a distinguished or outstanding GFOA budget presentation award. The following two documents are recommended reading for those interested in the GFOA's Budget Presentation Award Program.

- Government Finance Officers Association. 2014. GFOA Detailed Criteria Location Guide: Distinguished Budget Presentation Awards Program (Questionnaire). <http://www.gfoa.org/budgetaward>.
- Government Finance Officers Association. 2015. *Distinguished Budget Presentation Awards Program*. GFOA Distinguished Budget Presentation Awards Program (Budget Awards Program) & Awards Criteria (and explanation of the criteria). <http://www.gfoa.org/budgetaward>.

Other Government Finance Officers Association's "best practices" available on line that are applicable to the GFOA's Award Program and the JO CO budget process follow. Two National Advisory Council on State and Local Budgeting (NACSLB) publications were coauthored by GFOA and/or recommended by it.

- Government Finance Officers Association. March 2005. *GFOA Best Practice: Establishment of Strategic Plans*. Approved by the GFOA's Executive Board, March, 2005. Chicago, IL.
- Government Finance Officers Association. 2009. *GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management*. Approved by the GFOA's Executive Board, February 2009. Chicago, IL. <http://www.gfoa.org/print/450>
- Government Finance Officers Association. 2014. *Best Practice: Effective Presentation of the Budget Document (1996, 2014) (BUDGET)*. Chicago, IL.
- Government Finance Officers Association. 2015. *GFOA Best Practice Adopting Financial Policies*. GFOA Budget Committee: (2001, 2015). Chicago, IL.
- Government Finance Officers Association. October 5, 2015 *Best Practices and Effective Budget Presentation*. GFOA Training On Best Practices, 105 pages. Phoenix, AZ
- Government Finance Officers Association. Downloaded August 29, 2016. [Generic] *Distinguished Budget Presentation Award*. To Recipient: Two Page Generic Budget Award Letter/Speech.
- Government Finance Officers Association. 2011. *Best Practice: Performance Management*. Chicago, IL.
- National Advisory Council on State and Local Budgeting (NACSLB). 1998. *Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting*.
- National Performance Management Advisory Commission. 2010. *A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving*. Chicago, IL.

The Authors find that these nine GFOA best practices (out of 38), related to budgeting and fiscal policy, are pretty good advice. The others were not found on the web or were not free to the public without a fee and/or membership needed. However, these nine GFOA best practices are recommended reading.

Appendix V. GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management

- Government Finance Officers Association. 2009. *GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management*. Approved by the GFOA's Executive Board, February 2009. Chicago, IL. <http://www.gfoa.org/print/450>

Background: Good public participation practices can help governments be more accountable and responsive, and can also improve the public's perception of governmental performance and the value the public receives from the government. **The National Advisory Council on State and Local Budgeting Recommended Budget Practices includes recommendations for stakeholder input throughout the planning and budgeting process** (emphasis added).

Traditionally, public participation meant voting, running for office, being involved in political campaigns, attending public hearings, and keeping informed on important issues of the day by reading government reports or the local newspaper. **At an increased level of involvement, the public, acting as individuals and in groups, advocated specific government policies by attending or sponsoring public meetings, lobbying government officials, or bringing media attention to policy issues. More recently, governments have used new forms of public involvement - surveys, focus groups, neighborhood councils, and Citizen Relationship Management systems, among others - as inputs to decisions about service levels and preferences, community priorities, and organizational performance** (emphasis added).

While public participation efforts can be extremely valuable, superficial or poorly designed efforts may simply waste valuable staff time and financial resources, and at worst can increase public cynicism if the public perceives that its input has not been taken seriously.

Recommendation: GFOA recommends that governments incorporate public participation efforts in planning, budgeting, and performance management results processes (emphasis added). GFOA also recommends that to ensure effective and well implemented public participation processes, governments include the following considerations in designing their efforts:

- *Purposes for involving the public;*
- *Assurances that they are getting the public's perspective rather than only that of a small number of highly vocal special interest groups;*
- *Approaches to eliciting public participation and the points in the planning-budgeting-performance management cycle those approaches are likely to be most effective;*
- *Information that the process will be incorporated into decision making;*
- *Communication to the public regarding how the information collected will be and was used; and*
- *Buy-in from top government officials.*

Establishing Purposes for Public Participation Efforts

Articulating the purpose for conducting a public participation process is critical because the purpose becomes the foundation for deciding who to involve, how to select them, what activities they will be involved in, what information will be collected, and how the government will use the information (emphasis added).

Consequently, determining the purpose should be the first step in designing a participation effort. Governments should not initiate public participation processes without establishing a tangible purpose or objectives, nor is it sufficient to create a public participation process simply because it is a best practice or because other governments have done so.

Purposes may include one or more of the following, and, in addition, individual governments may identify other purposes for involving the public:

- *To improve performance by better understanding what the public wants and expects from its government;*
- *To adjust services and service levels more closely to citizens' preferences;*

- *To establish performance measures that incorporate the public's perspective;*
- *To differentiate among the expectations of a jurisdiction's various demographic groups in policy and service design;*
- *To understand public priorities in planning, budgeting, and managing services. (Public priorities are particularly important in making budget decisions when revenues are not sufficient to continue to provide all services at their current levels);*
- *To establish long term strategies to provide for a fiscally sustainable future for the jurisdiction;*
- *To ensure that capital investment decisions, such as the location of infrastructure elements, are informed by public input;*
- *To provide information to the public about a government's services and results.*

Identifying the Public's Perspective

Citizens are diverse. Not only do citizen viewpoints differ from those of government "insiders," but from citizen to citizen. No single citizen or group of citizens is able to represent the views of all citizens. The best way to assure a broad perspective is to collect information in a variety of ways and from a variety of sources.

Timing and Approaches to Public Participation

Timing and approaches are related because approaches that work in one phase of planning, budgeting, and performance management may not be effective in other phases. For example, a community goal setting session would be very appropriate in assisting a government to establish priorities in developing a strategic plan, or in the early stages of the budget process (emphasis added). General approaches and timing are listed below:

- Identifying citizen preferences and satisfaction levels. Such efforts should occur before a decision has been made, or to test various ideas and approaches. **Governments may solicit information for general purposes, such as strategic planning, or may solicit targeted information as input for specific projects, plans, or initiatives** (emphasis added). Unless there is a compelling reason to target only certain segments, public involvement approaches should encourage all citizens to participate. In addition, governments should make involvement opportunities accessible to all citizens and hold meetings at various times to provide maximum participation. **Local governments have used numerous mechanisms for eliciting public input** (emphasis added). Common methods for soliciting information include the following.
 - Surveys, either in person or via mail, phone, or Internet.
 - Focus groups.
 - Interviews.
 - Comment (or point of service) cards.
 - Public meetings, such as public hearings, "Town Hall" meetings, and community vision sessions.
 - Interactive priority setting tools.
- Creating public or neighborhood advisory groups, committees, and informal task forces. **These are often ongoing and can be used both to seek information during planning and information gathering and can in connection with subsequent phases, including consideration of alternatives, decision making, implementation, evaluation, and reporting** (emphasis added). It is important to identify specific groups that will be affected the most by the decisions made.
- Providing information to the public. This approach is appropriate at all stages and may include.
 - Newsletters.
 - Public notices in community media.
 - Public hearings.

- Public reports, such as **Budgets-in-Brief, Popular Annual Financial Reports, or Performance Reports** (emphasis added).
- Web sites.
- Individual or group emails, phone calls, and in-person contact.
- Using technology, such as Constituent Relationship Management (CRM) systems. CRM may be used to manage service relationships as well as to identify public preferences and priorities.

Deciding how to incorporate information into decision-making

Information derived from public involvement processes provides a critical perspective for making decisions in planning, budgeting, and management. However, such information should be considered along with expert knowledge and judgment (such as the engineering expertise necessary to build a bridge) and objective data (such as economic and demographic information, both of which are also critical to good decision making).

Providing feedback to the public on how their input has been used

Governments should systematically **collect, maintain, monitor, and analyze information gained from public involvement activities** (emphasis added), maintain contact information on individuals and groups that wish to be kept informed, and use multiple communication mechanisms to ensure that those involved or interested in the process are notified of opportunities for additional feedback and of decisions made based on the public involvement process. **Most importantly, governments should explain how public involvement has made a difference in plans, budgets, and performance, and gather public feedback on how successful the process has been through the public's eyes** (emphasis added).

Committee: Governmental Budgeting and Fiscal Policy

References:

- ▣ Citizen Participation: Legitimizing Performance Measurement as a Decision Tool, Government Finance Review, GFOA, April 2002.
- ▣ The Voices of the People: Missing Links in Performance Measurement and Management, GFOA, 2006.
- ▣ March 31, 2014. Best Practices in Public Budgeting, NACSLB, <http://www.gfoa.org/services/nacslb/>.

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Appendix W. From Measurement and Reporting to Management and Improving

- National Performance Management Advisory Commission (including GFOA). 2010. *A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving*. Chicago, IL.

C:\Users\Mike\Documents\AAA Applications\Hugo_Neighborhood_Association\Community_Issues\JO CO Public Safety Services 2015\Budget Study 2016\Draft
Final\JSPSS_JO CO BUDGET Appendices_110516.wpd

Appendix X. What Citizens Want to Know about their Government's Finances: Closing the Information Gap"

- Jordan, Meagan; Yusuf, Juita-Elena (Wie); Mayer, Martin; and Mahar, Kaitrin, *"What Citizens Want to Know about their Government's Finances: Closing the Information Gap"* (2016). School of Public Service Faculty Publications. Paper 9. http://digitalcommons.odu.edu/publicservice_pubs/9

Selected excerpts from *"What Citizens Want to Know about their Government's Finances: Closing the Information Gap"* follow. See original for full text (Jordan 2016).

Abstract There is an information gap between citizens and their governments when it comes to government finances. **The inherent complexity of fiscal policy makes it exceedingly difficult for effective public participation** (emphasis added). Effective public participation in fiscal decision making must address informing or educating the citizenry with accurate and meaningful government financial data. **Better understanding citizen wants and perceptions is critical to closing the information gap between users and providers of financial information** (emphasis added). This study uses information gathered from focus groups with residents of Norfolk, Virginia that asks what government financial information they want and how to make that information useful. Results suggest that citizens are interested in some types of information over others and that such information must be timely, made relevant and contextualized (Jordan 2016, p. 1).

Keywords: Public Participation; Citizen Engagement; Financial Reporting; Information Gap.

INTRODUCTION

As early as 2004, Osborne and Hutchinson point to local, state and federal governments facing their worst fiscal crises since World War II. The fiscal crises have worsened following the burst of the housing bubble and the subsequent economic recession. In the face of, and likely precipitated by, recent fiscal crises, **citizens are demanding greater public accountability, particularly regarding stewardship of public resources. Results of the American National Elections Studies show declining values of trust in government** (emphasis added). In 2008, the trust in government index was 26, the lowest value since 1958 (American National Election Studies, 2010b). For the same year, 72% of survey respondents agreed that people in the government waste a lot of money paid in taxes (American National Election Studies, 2010a). In contrast, in 2002, the value of the trust in government index was 42, and only 48% of those surveyed thought that people in the government waste a lot of money paid in taxes (Jordan 2016, p. 2).

An important question, then, is: **How can governments increase citizen trust, enhance accountability, and improve citizen perceptions of government performance?** (emphasis added). One possible answer would be to better engage the public in the process of government decision making, especially with regard to fiscal policy. After all, decision and policy solutions with the greatest correspondence with public values will be the most publicly attractive and acceptable, thus being easier to implement and administer (Walters, Aydelotte, & Miller, 2000). Engaging citizens and incorporating public participation into the decision making process for determining solutions to the fiscal crises could potentially increase citizen support for different solutions and alleviate public concerns about government waste. But, citizens need to be educated and informed before they can effectively engage in decision making and governance. Yet, for many policy issues, such as fiscal policy, citizens often lack access to the necessary information to be thus educated and informed (Jordan 2016, p. 2).

The premise of this study is three-pronged. First, by **better understanding the information desires of citizens as it relates to government fiscal policy** (emphasis added), administrators will be better equipped to address the information gap between users and providers of government financial information. Second, by **providing citizens with information they want and can access** (emphasis added), public participation is more likely to be effective. Finally, encouraging citizen engagement and **incorporating public participation into the fiscal policy process could potentially increase citizen support** (emphasis added) while at the same time alleviating public concerns about government waste (Jordan 2016, p. 3).

BACKGROUND

The Role of Public Participation With the increasing shift from government to governance, **the role of public participation, especially at the local level has evolved significantly from traditional hierarchical decision making structures** (emphasis added) (Bingham, Nabatchi, & O’Leary, 2005). From an organizational perspective, this shift presents a number of unique opportunities and challenges. The extant literature on public participation suggests that **public involvement may facilitate policy and decision making through educating the public, assessing and measuring public acceptance of certain policy alternatives, and legitimizing final outcomes or decisions** (emphasis added). By encouraging participation and designing mechanisms to promote engagement, administrators can both better educate citizens and be more responsive to their needs and concerns (Denhardt & Denhardt, 2003). Empowering and including citizens in the policy decision process can facilitate cooperation between government and citizenry in a manner that can provide a more efficient use of resources and a more representative expression of the public will (emphasis added) (Bovaird, 2007). **Public participation may serve as a way to persuade citizens to support a particular policy, legitimize policy decisions, build public trust, and create alliances with citizens and interest groups that can help to solve public problems** (emphasis added) (Irvin & Stansbury, 2004). Through public participation, awareness can be increased, fostering a more transparent, engaged, and collaborative partnership between citizens and administrators (Mergel, 2015) (Jordan 2016, p. 4).

Burby (2003) suggests several reasons for involving the public in decision making. These include: (1) generating information, understanding, and agreement on problems and their solutions; (2) educating public stakeholders about poorly understood problems and policy issues; (3) empowering these stakeholders with a sense of ownership; and (4) **generating political support that reduces controversy and creates support for implementation of the decision or solution** (emphasis added). All four reasons underscore the role of public participation in overcoming the current public distrust of government, enhancing accountability, and improving citizen perceptions of government. Franklin and Ebdon (2007) suggest that such public participation helps citizens understand how public resources are spent, provides a venue for citizens to offer input, and increases their ability to evaluate the performance of government officials (Jordan 2016, pps. 4-5).

Effective Public Participation Designing and incorporating public participation has long been a challenge for local government administrators (Bryson, Quick, Slotterback, & Crosby, 2013). In examining the **tension between public participation and organizational stability** (emphasis added) MacNair, Caldwell, and Pollane (1983) call local government participation “an exchange that follows the principles of power and reciprocity” (p. 521). When local government is strong it is more likely to “avoid citizens...to maintain organizational stability” yet when an agency has little power it is more likely to turn to citizens to build up organizational strength (p. 521). **A key challenge in either case is how “to bring about mutual understanding, minimize or resolve potential disputes, and achieve consensus on a course of action”** (emphasis added) (Franklin & Ebdon, 2007, p. 34) (Jordan 2016, p. 5).

Effective public participation “implies more than simply finding the right tools and techniques for increasing public involvement in public decisions... it requires rethinking the underlying roles of, and relationships between, administrators and citizens” (King, Feltey, & Susel, p. 317). Administrators must design structures that both encourage and take advantage of civic engagement in a way that appeals to and makes the process meaningful for citizens (Denhardt & Denhardt, 2003). Ebdon and Franklin (2004) identifies timely input as a necessary criteria for effective public participation. Officials must create processes so that citizens receive information in a timely manner for meaningful interaction and participation in decision making. Recent technological advances and web-based participation mechanisms have effectively lowered the barrier to public participation (Robbins, Simonsen, & Feldman, 2008). For their part, citizens are expected to be informed participants (Weeks, 2000), but even then, broad representation is imperative in order to balance out the potential concern of the process being coopted by a few particularly charismatic or partisan individuals (Irvin & Stansbury, 2004). Whereas participation has been found to positively impact citizen perceptions and trust in government (Cook, Jacobs, and Kim, 2010), some questions remain over whether more participation is actually better participation (Farina, Epstein, Heidt, & Newhart 2014) (Jordan 2016, pps. 5-6).

While the ideals of public participation point to its importance in the policy process, **effective implementation of public participation programs has been fraught with challenges** (emphasis added). One of the primary reasons for the ineffectiveness and lack of citizen participation is the “ignorance” argument where the average citizen is

claimed to be incapable of making informed decisions about complex policy issues (Crosby, Kelly, & Schaefer, 1986). Thomas (1990) cites the level of group involvement as contingent on “the relative needs for quality and acceptability in an eventual decision” (p. 435). Despite the concerns over capacity and involvement, citizens frequently participate in complex decision-making matters such as budgeting and public finance despite often lacking the necessary information to make informed decisions (Beckett & King, 2002). This further highlights the need for more effective engagement strategies to provide citizens with the information needed to make informed decisions (Jordan 2016, p. 6).

According to Connor (1988), “**the foundation of any program to prevent and resolve public controversy must be an informed public**” (emphasis added) (p. 250). Yet, **understanding citizen preferences and the information needs required can be exceedingly difficult** (emphasis added) (McIver & Ostrom, 1976). Informing and engaging the public is often a strategic decision, one that balances inclusiveness and engagement at the risk of impacting process efficiency (Hong, 2015). When the stakes are low or there is a general agreement upon an issue, administrators are less likely to solicit citizen input; the problem is that many government decisions, especially related to resource allocation, are complicated, costly, and often provoke significant disagreement (Robbins & Simonsen, 2002). As Robbins and Simonsen (2002) note, “**These are the times when knowledge of the ‘true’ preference structure of an informed citizenry seems most valuable**” (emphasis added) (p. 446) (Jordan 2016, p. 7).

It is not surprising, therefore, that one of the most obvious requirements for effective citizen participation in decision making is that citizens be provided with meaningful and accurate information that matches their desires. In addition to accuracy, the information presented should be relevant, organized, and presented in a meaningful manner. In the absence of information, the contributions from public participation may be limited, as citizens may come to the decision making table with relatively little information on the topics or issues to be addressed. **Citizens may need to be informed and educated before they can participate effectively** (emphasis added) (Thomas, 1995). Simonsen and Robbins (2000) illustrate that fiscal information could impact citizen decision making and even more so for those with more education (Jordan 2016, p. 7).

As it applies to the area of budgeting and fiscal policy, information is important and necessary “for facilitating communication pathways between government and citizens” (emphasis added) (Yusuf, Jordan, Neill, & Hackbart, 2013, p. 96). It is also a mechanism through which to educate the public about the budget and resource allocation, in addition to encouraging engagement in the budget deliberation process (Franklin & Ebdon, 2007) (Jordan 2016, p. 7).

The Information Gap (Jordan 2016, p. 7) In the U.S., the federal, state and **local governments typically provide financial information via budget documents and financial reports that are available for public consumption** (emphasis added). For example, states and localities produce the Comprehensive Annual Financial Report (CAFR) that is often made available in public repositories or on government websites. Yet, as Lewis and Hildreth (2011) point out, the availability of such information does not mean that the information is accessible to the public or that the public can understand what it means. A survey conducted by the Association of Government Accountants (AGA, 2010) found that while the majority of citizens believe government is responsible for providing financial information to the public, they also believe that government has failed to be transparent regarding spending practices and has not been responsible in its use of public funds. **The AGA also found strong dissatisfaction among citizens regarding the financial information they receive from the government. Nearly three-fourths of citizens regard financial information as important; yet only five percent reported satisfaction with information provided by their governments** (emphasis added) (Jordan 2016, p. 8).

Particularly for complex and controversial issues such as budgeting and fiscal policy, citizens cannot effectively participate without being informed. However, developing informed citizens as it pertains to budgeting and financial issues can be challenging. **Part of this is a systemic issue wherein financial reporting is often conceptualized as an outreach or accountability tool by chief financial officers as opposed to a mechanism for greater engagement (Kloby, 2009). Ambiguous goals and political and environmental constraints further compound the problem (Ebdon & Franklin, 2004)** (emphasis added); yet by empowering citizens, reeducating administrators, and designing and implementing the necessary structures, administrators can encourage effective and informed participation (King et al., 1998) (Jordan 2016, p. 8).

To ensure that citizens are informed, governments must address **the information needs of citizens in a manner that is as accessible as the information is digestible** (emphasis added) (Farina et al., 2014). But what do citizens, as users of government financial information, want? **Specifically, what do citizens believe are their information needs in order to understand their governments' finances?** (emphasis added) This question is answered by obtaining citizens' perceptions regarding the availability and reporting of their government's financial information. The literature indicates that information given to citizens must be relevant (Justice, Melitski, & Smith, 2006; Rubin, 2009), useful and understandable (Anderson & Piotrowski, 1994), and sufficiently timely to allow for citizen participation in the budgetary process (Ebdon & Franklin, 2004). But what does relevance and timeliness mean to citizens? What types of information do citizens consider relevant and what makes them relevant? How does timeliness of information translate to citizens in terms of the budget cycle or fiscal calendar? To answer these questions, this study uses in-depth qualitative research to understand citizen demands for government financial information (Jordan 2016, p. 9).

METHODOLOGY (Jordan 2016, pps. 9-11).

RESULTS AND FINDINGS (Jordan 2016, pps. 11-16).

- **Relevance and Context** (Jordan 2016, pps. 12-13).

In terms of the types of information citizens want, focus group participants emphasized the need for the information to be **made relevant and contextualized so that citizens can understand how it relates to or impacts them** (emphasis added). For example, one citizen asked, "How does this information show me that my city [county] leaders are doing a good job?" This question appears to be the fundamental criterion for deciding the relevance and importance of the information that citizens want from the government (Jordan 2016, p. 12).

For the information to be relevant to citizens, focus group participants emphasized the need to contextualize the information. When asked to define or characterize information relevance, several focus group participants honed in on the issue of government performance. One noted that "citizens want to know whether their government is being efficient." Another asked, "What are the outcomes of government services? Who is benefiting and how?" Both comments **illustrate the use of government performance measures – either in terms of efficiency, outcomes, benefits and costs – as key elements of relevance** (emphasis added). **Repeatedly cited as a critical component necessary for citizens to better understand the relevance of the information; performance measures can be imperative to citizen understanding of desired and often complex information. As one citizen notes the use of performance measures can provide significant context, especially when reviewed with a benchmark or comparison group** (emphasis added). Other participants discussed how context could also be achieved through trend analysis or comparison to neighboring or peer cities. **In each case, respondents cite the use of performance measures as a way to provide context while lowering the intellectual entry barrier for individuals seeking to make sense of complicated fiscal data** (emphasis added) (Jordan 2016, pps. 12-13).

- **Types Of Information** (Jordan 2016, pps. 13-14).

- **Timeliness Of Information** (Jordan 2016, pps. 14-15).

Timeliness of the information should be **based on the sources and intended use of the information** (emphasis added). For instance, information and reporting on the government's finances at the conclusion of a specific fiscal year, in contrast, should come closely on the heels of the end of the fiscal year. **If the purpose is to educate and inform** (emphasis added) about resource decisions that have been adopted for the upcoming fiscal year, the information should be made available soon after the budget has been approved. On the other hand, **if the purpose is to inform citizens of proposed resource decisions and to seek citizen feedback** (emphasis added), the information should be provided at the point in the process when the budget is being developed or deliberated. Poor timing of information leads to poor timing of opportunities to provide citizen input regarding that information (Jordan 2016, p. 15).

- **Information Accessibility And Design** (Jordan 2016, pps. 15-16).

CONCLUSIONS AND IMPLICATIONS (Jordan 2016, pps. 16-21)

This research addresses a key pre-cursor to effective public participation – having an informed citizenry. The research findings detail what citizens want to know as it relates to government financial data, highlighting the information gap between what government provides and what highly motivated citizens indicate they want, know how to find, and use while offering potential solutions on how to begin to close this gap. The findings offer improved understanding of citizen perceptions of government financial information, which can be of use to governments interested in engaging their citizens in the budgeting and fiscal policy process. **However, citizen views of necessary information are not limited to budget and fiscal information. For instance, citizens expressed interest in performance, city government structure, demographic, and other non-financial information** (emphasis added). Citizens also do not want “stand alone” information. To be of value to citizens, the information provided must be in context and relevant to issues that citizens care about. **Information also needs to be provided that allows a basis for understanding the impacts on citizens** (emphasis added) (Jordan 2016, pps. 16-17).

Furthermore, citizen perceptions of ideal timeliness of government financial information depend on the content being produced, the potential use of information and the reason for providing information. Like Ebdon and Franklin (2004), focus group participants viewed timeliness as it relates to their opportunity to provide meaningful input in decision making. **Timeliness can generally be understood as (1) while decisions are still under development and deliberation or when feedback is specifically desired (such as proposed budgetary decisions), or (2) shortly after decision-making or information-gathering when the purpose is meant primarily to inform (such as a fiscal year report or approved budget)** (emphasis added) (Jordan 2016, p. 17).

Focus group discussion responses indicate that even among citizens with a higher-than average understanding of and engagement with local government (i.e., Civic League members), improved provision of financial information can help fill the knowledge or information gaps among citizens that prevent them from effectively engaging in budget deliberation or fiscal policy making (Jordan 2016, p. 17).

There are limitations to these findings given the size and demographics of the focus group. The small number of participants, coupled with the geographic limitation of relying on residents of one city, prevents broad generalizations to the national population. In addition, the focus group participants are members of area civic leagues, indicating that they are engaged and interested citizens. While they may be more interested in government financial information than the average resident, this very interest makes them likely to be an excellent early target for building a better-informed citizenry. But, as shown in the focus groups, even these groups feel that there is an information gap. Therefore, their opinions provide important insight for practitioners (Jordan 2016, pps. 17-18).

In developing criteria for making information disclosure effective, Fung et al. (2007) suggest that being “easily embedded in the routines of information users” (p. 173) is a key quality (emphasis added). Citizens want better information. Because of the technological revolutions of the last couple decades, they have access to much more information, but often are not given the tools to understand its relevance and/or put it in context. The focus groups asked citizens what kinds of information and when they wanted access to the information. This research inquiry offers an avenue for improving the tools available to governments for developing informed, invested public participation (Jordan 2016, p. 18).

One such tool is the popular financial report, a financial report that is developed for citizens and intended to be more understandable for the general public (Yusuf et al., 2013, Yusuf & Jordan, 2012; 2015). Because the objective of issuing popular financial reports is to help the public understand the government’s financial activities (Clay, 2008), these reports can play a key role in ensuring accessibility of financial information by the public. It is a reporting innovation that can facilitate provision of information that serves as the foundation for developing a cadre of informed citizens who can then more effectively participate in the budgeting/fiscal policy process (Jordan 2016, p. 18).

In surveys of state and local governments in the U.S., researchers found that popular financial reporting is fairly extensive, taking various shapes and forms such as popular annual financial reports, citizen-centric financial reports, state-of-the-government reports, reports of efforts and accomplishments, and budget summaries (Yusuf et al., 2013).

This previous research also identified reasons for local governments issuing popular financial reports, including informing citizens of their government's finances, addressing citizens' needs for financial information, and increasing citizen engagement and public participation. Our study provides greater understanding of the types of information that are of interest and relevant to citizens, and that could be incorporated into popular financial reports, thereby allowing governments to provide popular reports that are useful to citizens. The findings are consistent with the recommendations of Yusuf and Jordan (2012) who point to effective popular reports as being "short, visually appealing and timely, providing financial information relevant to citizen interests and concerns including broad community issues and are widely distributed and made accessible to citizens" (p. 48) (Jordan 2016, pps. 18-19).

Government efforts to improve quality and transparency of the financial information provided to citizens can begin with the various recommendations and guidelines for popular reporting already available from **professional organizations such as the Governmental Accounting Standards Board (GASB), Government Financial Officers Association (GFOA), and Association of Government Accountants (AGA)**(emphasis added). The AGA, for example, provides guidelines and best practices for citizen-centric reports, while the GFOA offers recommendations for popular annual financial reports. Governments can also leverage existing information technology, such as through online open data tools, portals and performance dashboards, to make information available in a more timely manner. Software and applications developed by companies such as Socrata, OpenGov, and Munetrix provide tools for governments to make up to-date financial information available electronically. However, government should remain cognizant that information availability does not equate to accessibility, and should therefore focus on providing information that is comprehensible and relevant to the citizen audience (Jordan 2016, p. 19).

The premise of this study is that the benefits of public participation are only realized when the public can participate in an informed way. By providing comprehensible and relevant financial information in a timely manner, governments have the opportunity to educate their citizens. **This education can increase trust in government , build social capital, and raise the level of citizen participation in the fiscal process** (emphasis added). The citizen becomes a participant with a legitimate, as opposed to ceremonial, role in the process. The informed citizen is more capable of considering financial options and understanding their impacts. They are also more capable of understanding and supporting the decisions of public officials. Therefore, providing information that citizens understand in terms relevant to their lives bridges the gap between the technocratic suppliers of financial data (and ultimately services) and the citizen consumers of that data. **An informed citizenry is a necessary but not sufficient condition for effective public participation. This is consistent with the empirical findings that increasingly show the fallacy of the optimists' hope that transparency in and of itself will prove to be a panacea for a various governmental ills** (emphasis added) (Grimmelikhuijsen, Porumbescu, Hong, & Im, 2013). But this study goes beyond simply advocating transparency. We are advocating and recommending to governments that they pursue better quality or more effective transparency that satisfies the citizen's desire for relevancy, usefulness, and timeliness. **An informed citizenry is one that is ready to be engaged in the policy process, but other challenges to participation exist, such as citizen apathy and ineffective participatory mechanisms** (emphasis added) (Jordan 2016, p. 19)

Finally, we conclude with a call for research that widens our understanding of citizen information preferences and the effective reporting of such information, and that examines the subsequent impact of information and reporting on citizen engagement. Our study's findings and conclusions are based on information elicited from a sample of engaged residents of southeastern Virginia. Their views represent those citizens who would be more likely to consume information provided by governments and to engage with their governments via formal and informal public participation methods. Based on demographics and economic characteristics of the region, there is no reason to believe that these findings are unique to the residents of this region. A larger study, one that involves a more representative sample of the general population, will broaden understanding of citizens' perspectives and their information desires. The citizens' perspective regarding desired information could provide insight and be useful to professional government finance associations in promoting additional citizen-focused transparency guidelines. Future research might also include testing of the efficacy of different kinds of reporting to make sure that citizens are getting the right government financial information and utilizing it to more effectively participate in governance (Jordan 2016, pps. 20-21).

References (Jordan 2016, pps. 21-25)

Appendix Y. Analysis Of Josephine County Public Safety Services (PSS) Programs

Josephine County's (JO CO) PSS are usually considered to be the six major PSS components covered during the last four years of levies and the sales tax proposal (2012 - 2015).

1. Adult Jail.
2. Juvenile Justice Program.
3. District Attorney's Office.
4. Sheriff Rural Patrol Deputies.
5. Criminal Investigations & Related Sheriff's Office Support Services.
6. Animal Control/Protection.

The following information is from the web page *Public Safety Services (PSS)* for the major JO CO PSS. It is generalized across the six programs (go to specific web pages for the details).

Public Safety Services (PSS)

Justice System & Public Safety Services Study Design: 2015

Justice System Exploratory Committee

Hugo Neighborhood Association & Historical Society

<http://www.hugoneighborhood.org/pss.htm>

SUBJECTIVE EVALUATION OF PSS PROGRAMS' TEXT: FY 2015-16 COMPARED TO FY 2010-11

1. History Consider that since the 2000 Secure Rural Schools Act, Congress had repeatedly sent messages that federal payments would be phased out, and this was intended to give counties time to plan for the change. In light of the message and the local need, it is significant that information generated from a formal public strategic planning process has not been tried. Why not? Probably because serious long-range planning involving the public requires time, and is not a quick fix. On the other hand, it has been over 15 years since the message. How many more years are to go by before the public is invited to be formally involved with developing answers?

There was a minimal identification of history with much work needed. For example, there was not a description of history since 2000 that addressed the critical probability that federal payments to JO CO would cease and strategic planning for the future was needed.

2. Program Descriptions There were program descriptions identified to meet budget standards as interpreted by each PSS department.

After studying JO CO budgets, and learning about the budget process, the Authors found the county can be proud of its budget program to produce its annual budgets: the budgets are legal, balanced, and the JO CO leaders of the budget process are a professional and honest team as evidenced by the county receiving the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award.

3. Goals/Standards The JO CO budgets had county goals and some objectives. After that they were generally not addressed. It was very difficult to impossible to identify and understand the PSS program unit's goals and objectives. The program unit goals were not clearly linked to the overall budget goals. The objectives were mostly not quantifiable with a follow through addressing performance standards, monitoring, and evaluation. There were no identified time frames for when goals and objectives were expected to be accomplished.

There was a minimal identification of standards, including ORS, OARs, JO CO ordinances with much work needed (i.e., not sure that all ORS identified, none or few OARs or JO CO ordinances identified).

Governmental Finance Officers Association (GFOA) Best Practices JO CO and GFOA have Budget Presentation Award Program (BPAP) best practices (GFOA 2014; Appendix U). The GFOA has made a blueprint to improve the quality of local government budgets available to adopt, with clear and concise criteria described within. It is called their Detailed Criteria Location Guide supporting their Distinguished Budget Presentation Award. Following the GFOA's guide for preparing a budget, results in a budget of high quality and definition.

JO CO uses the following standards/criteria in applying for and receiving the (GFOA's Distinguished Budget Presentation Award, but these GFOA criteria are not identified, or referenced in anyway in the JO CO budgets. Some of the criteria follow.

GFOA BPAP #P1 Criteria: The document should include a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues (GFOA 2014 p. 1).

Criteria Location Guide Questions

1. Are non-financial policies/goals included?
2. Are these policies/goals included together in the Budget Message or in another section that is separate from the departmental sections?
3. Are other planning processes discussed?

Explanation This criterion relates to the long-term, entity-wide, strategic goals that provide the context for decisions within the annual budget. Consider including action plans or strategies on how the goals will be achieved. Refer to GFOA's best practice on Establishment of Strategic Plans.

Governmental Finance Officers Association Best Practice: Establishment of Strategic Plans - Recommendation. GFOA recommends that all governmental entities use some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. While there is not a single best approach to strategic planning, a sound strategic planning process will include the following key steps (Section VI; GFOA 2005).

GFOA BPAP #P4. *Mandatory* Criteria: The document should include a coherent statement of entity-wide long-term financial policies (GFOA 2005 p. 4).

Criteria Location Guide Questions

1. Is there a summary of financial policies and goals?
2. Do the financial policies include the entity's definition of a balanced budget?
3. Are all financial policies presented in one place?

Explanation This criterion requires a discussion of the long-term financial policies. Financial policies that should be included (but not limited to) and formally adopted relate to: (1) financial planning policies, (2) revenue policies, and (3) expenditure policies. The entity should adopt a policy(s) that defines a balanced operating budget, and indicate whether the budget presented is balanced. The entity should adopt a policy(s) that supports a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, and cash management and investment policies. The entity should adopt a policy(s) to inventory and assess the condition of all major capital assets. Revenue policies should consist of diversification, fees and charges, and use of one-time and unpredictable revenues. Expenditure policies should consist of debt capacity, issuance, and management, fund balance reserves, and operating/capital budget versus actual monitoring.

Refer to GFOA's best practices on (1) Adopting Financial Policies, (2) Long-Term Financial Planning, (3) Multi-Year Capital Planning, (4) Establishing Government Charges and Fees, (5) Debt Management, (6) Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund, (7) Determining the Appropriate Level of Working Capital in Enterprise Funds (8) Creating a Comprehensive Risk Management Program, and (9) Establishing an Effective Grants Policy.

GFOA BPAP #O4. (Mandatory) Criteria: The document shall describe activities, services or functions carried out by organizational units (GFOA 2005 p. 11).

Criteria Location Guide Questions

1. Does the document clearly present the organizational units (*e.g., divisions, departments, offices, agencies, or programs*)?
2. Does the document provide descriptions of each organizational unit?

Explanation This criterion requires a clear presentation of the organizational units within the budget document. A narrative description of the assigned services, functions, and activities of organizational units should be included. The presentation of relevant additional information should be included (*e.g., shift in emphasis or responsibilities or major changes in costs*).

Discuss major financial or program changes occurring in the different departments. Refer to GFOA's best practice on "Departmental Presentation in the Operating Budget Document."

GFOA BPAP #O5 Criteria: The document should include clearly stated goals and objectives of organizational units (*e.g., departments, divisions, offices or programs*) (GFOA 2005 p. 11).

Criteria Location Guide Questions

1. Are unit goals and objectives identified?
2. Are unit goals clearly linked to the overall goals of the entity?
3. Are objectives quantifiable?
4. Are time frames on objectives noted?

Explanation This criterion requires that unit goals and objectives be clearly identified. The relationship of unit goals to the overall goals of the entity should be apparent (perhaps, in the form of a matrix). For purposes of this criterion, goals are long-term and general in nature, while objectives are more short-term oriented and specific. Note when goals and objectives are expected to be accomplished.

4. Resources and Requirements In the opinion of the reviewers the Resources and Requirements were identified. - If the terms used were understood correctly?

5. Changes A three year change was identified, but the Committee felt that changes from FY 2012-13 descriptions were also needed as the baseline prior to major reductions in the budget.

6. Professional In the opinion of the reviewers the budget documents were professionally written and consistent with the legal minimal requirements of Oregon Local Budget Law (LBL).

PROBLEMS UNDERSTANDING

The Authors, after extensive researching and interviewing PSS department heads, would not be confident in explaining JO CO's PSS programs to their neighbors.

- Programs' Cost - Voters generally don't have technical expertise to determine if FTE and costs are appropriate.
- Text Length - PSS programs text descriptions were generally too brief for the voter to understand.
- Text Content - Some content information good to adequate. Other program information lacking, needed improvement, or clarification. Some issues were not addressed such as the history of the public safety funding issue starting in 2000, six years before the PSF was formed. Many technical terms, phrases, and programs were not explained. In summary, the text sections were variable for understanding.
- Understanding Change (from analyzed PSS FY 2010-11 - FY 2015-16 budgets) - A three year change was identified at the Public Safety Fund (PSF) and Special Revenue Funds (SRF) levels, but not at the PSS program levels. The PSS were greatly reduced between FY 2010-11 - FY 2015-16. The FTE decreased, and the budget revenue decreased. However, in most cases it could not be determined what State mandated PSS were lost and what adverse community impacts resulted.
- Goals/Needs/Requirements FTE and Budget resources and requirements' standards were identified, but the definition of "requirements" was not understood. The Oregon Revised Statutes (ORS) identify some mandated State PSS programs. However, it is very difficult to impossible to translate mandatory ORS Oregon Local Budget Law (LBL) to individual local government programs and levels of service (LOS), with the result that there are very few ORS mandatory programs, especially mandatory State LOS in the JO CO budgets. From the JO CO FY 2007-08 to FY 2016-17 budget program summaries, it is difficult to impossible to verify which programs are State mandatory programs, or elective county programs. However, the majority of LOS in the JO CO PSS program budget summaries appear to be elective as determined by JO CO departments, even though the budget summaries suggest many are mandatory by the State.
- Standards Minimal identification of standards, including ORS, OARs, JO CO ordinances with much work needed. A few standards and criteria were adequate, but the lack of most of the other need standards did not support understanding.

- Significance/Value Reviewers do not understand the value/significance of the PSS program budgets in a scientific versus “feeling’ point of view (i.e., what actually will be lost or gained beyond identification of FTE changes and budget revenue allocations?).
- Sources - References/Vetted Adequate references were not provided. References were poor to non-existent.
- Web Links Adequate Web Links were not provided. Links were poor to non-existent.
- Professional Budget documents were professionally written.

RECOMMENDATIONS

Public outreach activities are targeted to provide information to groups of current or potential clients and/or to network partners and other community partners regarding available services or benefits. If community leaders want to pass future levies through improving public trust, provide enhanced citizen participation opportunities to the voting public beyond the minimalist LBL.

Six educational outreach recommendations were provided. It is believed they can all be developed with the existing knowledge and expertise currently available in the JO CO PSS departments, and/or available from volunteers.

1. Understanding Staffing Analysis
2. Department Descriptions & Relationships
3. Professional Web Page for JO CO JJ Department
4. Use Of References & Links
5. Flow Chart of Josephine County Juvenile Justice Department
6. Citizen’s Guide To The Budget

JO CO government is plagued by a lack of trust by a majority of county voters, and by ineffective informed voter outreach, especially educational program descriptions of public safety services. How can we be well-informed voters? And is there a way to sift through the noise and bluster of campaigns to get, as they used to say on Dagnet, “just the facts”?

Being an informed voter is tough as it means to be knowledgeable about the issues and positions of candidates when voting. However, knowledge is power even though most of us are busy with the day to day of work and responsibilities. It also means voters are able to make decisions without influence from outside factors intended to persuade those who may not fully understand an issue (e.g., public safety issue, etc.), and/or a candidate’s platform or ideas.

To put it bluntly most voters are assisted in being better informed when as many as possible low-growing fruits of information formats are available. The following recommendations are intended to be some of those low-growing fruits.

Recommendation 1. Understanding Staffing Analysis The public needs to understand the needed staffing for the JO CO PSS departments, including individual programs, especially during today’s lack of trust environment. It is not enough to arrive at a budget in an open government setting (i.e., JO CO Budget Committee process of approving budget).

What staffing standards were used for the staffing analysis? See Chapters III and IV of *Standards For Public Safety Services*.

- Walker, Mike & Whalen, Jon. Very Draft February 1, 2016. *Standards For Public Safety Services* (Public Outreach 5.9), at Studies & Information. JS&PSS Exploratory Committee, HNAHS. Hugo, OR.

***Standards For Public Safety* 2016**

Studies & Information

JS&PSS Exploratory Committee

Hugo Neighborhood Association & Historical Society

Web Page: http://www.hugoneighborhood.org/JSPSS_Studies.htm

Chapter III. References on Public Safety Services Standards: Highlights

Chapter IV. More Detailed Bibliography on Public Safety Services Standards

Most of the staffing analysis papers identified in *Standards For Public Safety Services* are on police and fire/EMS services. However, the main point of this recommendation is that the present staffing conclusions are in the JO CO annual budget documents (but without the staffing analysis). The conclusions are identified as requirements (i.e., FTE and budgets) in Schedules A & B for each program. Additional clarification on needed/required staffing would have considerable effect or influence in helping voters understand the programs, their needs and benefits.

What independent nongovernment documented staffing analysis has been completed for the JO CO PSS departments (MALPASS)?

MALPASS: Minimally Acceptable Level Of Public Safety Services

Justice System Exploratory Committee

Hugo Neighborhood Association & Historical Society

<http://www.hugoneighborhood.org/malpass.htm>

Recommendation 2. Department Descriptions & Relationships The descriptions of the JO CO PSS departments in the JO CO web pages and in the JO CO annual budget documents are not designed for easy consumption and understanding by the JO CO voters. The Authors are still trying to understand the JO CO PSS departments after six months of study and research. The county programs are complex, especially their relationships with other programs.

The JO CO PSS departments should consider developing standalone program documents summarizing their PSS programs, including updated web pages, and flow charts. The goal is not legal requirements; the goal is public understanding moving toward public trust.

Recommendation 3. Professional Web Page for JO CO PSS Departments The JO CO PSS departments' web pages are components of the JO CO's web page. They look like the government, and they are brief in providing helpful information toward public understanding. They communicate most effectively with other government professionals. The JO CO PSS departments need supplemental web pages to promote and inform the public.

It is speculated that citizen groups (i.e., pro or con tax levies) would be willing to subsidize and/or secure volunteer services for supplemental web publications.

Recommendation 4. Use Of References & Links Reference and links to more detailed budget information should be provided. A greatly expanded use of “references” and “links” for opinions, issues, conditions, and programs would be valuable for voters that wish to know more after reading a JO CO program identified in the annual budget documents and JO CO’s current web pages.

Recommendation 5. Flow Chart of JO CO PSS Departments Flow charts/diagrams depicting the JO CO PSS departments and their relationships with each other were not found.

Information should be presented in layman’s terms that are easy to understand, avoiding technical jargon and making full use of simple and effective charts and diagrams. Flow diagrams are valuable in understanding the JO CO PSS departments.

Recommendation 6. Citizen’s Guide To The Budget JO CO should have a citizen’s guide to the budget. "For in the end, a budget is more than simply numbers on a page. It is a measure of how well we are living up to our obligations to ourselves and one another." Examples and references to citizen’s guides to budgets follow. Except for *Producing a Citizens’ Guide to the Budget: Why, What and How?*, they are not in any order of preference. They are arranged in the categories of federal, state, and local.

Producing a Citizens’ Guide to the Budget: Why, What and How? (Appendix A)

Petrie, Murray and Shields, Jon. 2010.

OECD Journal on Budgeting, Volume 2010/2.

<https://www.oecd.org/gov/budgeting/48170438.pdf>

Citizen’s Guide to the Fiscal Year 2014

Financial Report of the United States Government

<http://www.nmvoices.org/wp-content/uploads/2014/02/citizen-budget-guide-2014-update-web.pdf>

A Citizen’s Guide to the Washington State Budget 2015

Senate Ways and Means Committee

<http://leg.wa.gov/Senate/Committees/WM/Documents/2015CGTB.pdf>

A Citizen’s Guide to the Washington State Budget 2016

Senate Ways and Means Committee

http://leg.wa.gov/Senate/Committees/WM/Documents/Publications/2016/2016%20CGTB_Final_website.pdf

Citizen’s Guide to the New Mexico State Budget: How the State Spends Money and Why it Matters, 2014

<http://www.nmvoices.org/wp-content/uploads/2014/02/citizen-budget-guide-2014-update-web.pdf>

Citizens’ Guide to Local Budgets

Office of the New York State Comptroller

Division of Local Government and School Accountability

<https://www.osc.state.ny.us/localgov/pubs/releases/LocalBudgetGuide2010.pdf>

A local government budget can be difficult to understand for the average citizen who may not have a background in accounting or a familiarity with budgeting. However, with some basic knowledge about

what budgets contain, why they are important, and how they are presented, every citizen of every local community in New York State should be able to decipher the budget document.

Citizen's Guide to the Adopted FY16 Budget

Sarasota County

<https://www.scgov.net/Finance/Budgets/2016%20Citizens%20Guide%20to%20the%20Budget.pdf>

City of Lewiston, Idaho

<http://www.cityoflewiston.org/index.aspx?NID=357>

Citizen's G Standards For Public Safety Services uide to the New Mexico State Budget: 2014

<http://www.nmvoices.org/wp-content/uploads/2014/02/citizen-budget-guide-2014-update-web.pdf>

A Guide to Understanding Denver Public Schools' Budget

http://financialservices.dpsk12.org/wp-content/uploads/2014/11/DPS_CitizensGuide_final_web.pdf

A Citizen's Guide to the City's Budget Process

City of PalmBay, Florida

<http://www.palmbayflorida.org/home/showdocument?id=8646>

A Guide to Understanding the Budget: 2014 -15

Hamilton County Department of Education

http://www.pefchattanooga.org/wp-content/uploads/2015/06/HCDE_budget-guide_051515.pdf

A Citizens' Guide to the Clallam County Budget

<http://www.clallam.net/taxes/documents/Guide2002.pdf>

Reader's Guide to the Budget

Leon County Government, Fiscal Year 2007 Budget

http://www.leoncountyfl.gov/omb/budget06-07/budget/01-Readers_Guide/00-Readers_Guide.pdf

Budget User's Guide

Charleston County

<http://www.charlestoncounty.org/departments/budget/files/Budget%20Overview.pdf>

QUESTIONS

- Addressing County Goals And Clearly Defining Program Purpose?
- Sustainable Plan for All Mandated and Essential County Government Programs?
- Budget Only for Mandatory And/or Self-Supporting Programs?
- Mandatory & Essential Levels Of Service?
- Supporting Analysis Lacking/Transparency in Government?
- No Strategic Plans?

Appendix Z. ORS 206.010 General Duties of Sheriff

ORS 206.010 General duties of sheriff The sheriff is the chief executive officer and conservator of the peace of the county. In the execution of the office of sheriff, it is the sheriff's duty to:

- (1) Arrest and commit to prison all persons who break the peace, or attempt to break it, and all persons guilty of public offenses.
 - (2) Defend the county against those who, by riot or otherwise, endanger the public peace or safety.
 - (3) Execute the process and orders of the courts of justice or of judicial officers, when delivered to the sheriff for that purpose, according to law.
 - (4) Execute all warrants delivered to the sheriff for that purpose by other public officers, according to law.
 - (5) Attend, upon call, the Supreme Court, Court of Appeals, Oregon Tax Court, circuit court, justice court or county court held within the county, and to obey its lawful orders or directions.
- [Amended by 1985 c.339 §1]

Annotations

Notes of Decisions

When state statute mandates service and requires counties to provide funding for it, but does not specify service level, amount of funding or alternative method of determining amount of funding, statute necessarily leaves at least budgetary decision over amount of funding to county governing bodies. *Burks v. Lane County*, 72 Or App 257, 695 P2d 1373 (1985)

Sheriff does not have authority to enter into security services agreement with private company. *Weyerhaeuser Co. v. Klamath County*, 151 F3d 996 (9th Cir. 1998)

1 Legislative Counsel Committee, CHAPTER 206—Sheriffs,
https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2013ors206.html External_link_icon(2013)
(last accessed Apr. 27, 2014).

***Burks v. Lane County* 695 P.2d 1373 (1985)**

Justia US Law

<http://law.justia.com/cases/oregon/court-of-appeals/1985/695-p-2d-1373.html>

Viewed June 29, 2016

72 Or.App. 257

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***Burks v. Lane County* 695 P.2d 1373 (1985)**

Justia US Law

<http://law.justia.com/cases/oregon/court-of-appeals/1985/695-p-2d-1373.html>

Viewed June 29, 2016

72 Or.App. 257

David N. BURKS, Lane County Sheriff, Susan E. Keenan, Richard Palmer, Ann Raftree, Harry J. Whitson, and Edward E. Simmons, Appellants, v. LANE COUNTY, a Political Subdivision of the State of Oregon, Jerry Rust, Scott Lieuallen, William Rogers, Chuck Ivey, and Peter DeFazio, Lane County Commissioners, and Steve Ickes, Lane County General Administrator, Respondents.

Nos. 16-83-06836; CA A30906.

Court of Appeals of Oregon.

Argued and Submitted October 15, 1984.

Decided February 27, 1985.

Bruce Smith, Eugene, argued the cause for appellants. With him on the briefs were Jacquelyn Romm, and Cass, Scott, Woods & Smith, Eugene.

John Hoag, Asst. County Counsel, Eugene, argued the cause for respondents. With him on the brief was Lane County Office of Legal Counsel, Eugene.

Before RICHARDSON, P.J., and BUTTLER and WARDEN, JJ.

RICHARDSON, Presiding Judge.

Plaintiffs in this declaratory judgment action are residents of Lane County and its sheriff. They contend that defendants county and county officers failed to appropriate adequate funds in the 1983-84 budget *1374 to enable the sheriff to perform his **mandated law enforcement duties** (emphasis added) and functions and that defendants thereby violated the Oregon Constitution and the **mandating statutes** (emphasis added). Plaintiffs also contend that the county's budgeting decision had the effect of removing functions from the sheriff's department without his consent or voter approval and therefore violated chapter IV, § 22(2), of the Lane County Charter. Plaintiffs pleaded two claims, only the first of which appears to be the subject of any of their arguments in this appeal. In any event, the analysis that is decisive of the first claim also disposes of the second. The relief plaintiffs sought in their first claim is a declaration that defendants "are required * * * to provide funds for the Lane County Sheriff and Department of Public Safety to reasonably perform its law enforcement functions and responsibilities."

Defendants' answer contains responsive and affirmative matters and a counterclaim that sets out four "claims for relief." Defendants' second claim was dismissed without prejudice pursuant to

the parties' stipulation, and it is not an issue in this appeal. **Defendants allege in their first claim that the sheriff's only law enforcement duty "is to keep his eyes open for evidence of public offenses," that he is not required to patrol streets or maintain a detective force, that defendants have allocated sufficient funds to enable the sheriff to perform his law enforcement duties and that the sheriff "must perform his law enforcement duty within the fiscal limitations imposed by the defendants in determining how Lane County's revenues will be allocated."** (emphasis added) Defendants contend in their third claim that they have authority under the **Local Budget Law, ORS 294.305** (emphasis added) et seq., to determine the number of personnel and the amount of funding for various programs conducted by the sheriff and that he is bound by those decisions, notwithstanding the provisions in ORS chapters 204 and 206 which defendants apparently understand plaintiffs to contend, give the sheriff certain authority over allocation of personnel and funds. Defendants' fourth claim alleges that the voters' defeat of proposed levies has "removed the function of patrol and reduced detective services from the sheriff" and thereby defeats plaintiffs' contention that defendants violated the requirement of the county charter that no functions be removed from the sheriff's department without his approval or that of the voters. Defendants prayed for a very detailed declaration tracking the contentions in their counterclaim.

Defendants moved for summary judgment on their first, third and fourth claims and on plaintiffs' first claim. The trial court granted the motion and entered a judgment, the operative part of which reads:

"IT IS HEREBY ORDERED ORS 294.305 that Judgment is entered on behalf of the defendants and against the plaintiffs on the plaintiff's [sic] First and Second Claims for Relief. **"IT IS FURTHER ORDERED** that Judgment is entered on behalf of the defendants and against the plaintiffs on defendant's [sic] First, Third and Fourth Counterclaims for Relief against the plaintiffs."

Plaintiffs appeal. We affirm in part and reverse in part.

There are a number of problems with the procedure that was followed in this case and with the way it has been presented. Those problems impede our review, and it is arguable that one of them defeats our ability to review this appeal at all. That problem is that the judgment does not declare the rights of the parties; it simply recites that defendants prevail on each of the decided claims. If a justiciable controversy is pleaded in a declaratory judgment action, the parties are entitled to a declaration of rights. *Cabell et al. v. Cottage Grove et al.*, 170 Or. 256, 130 P.2d 1013 (1942). However, the parties here do not argue that the form of the judgment is defective, and we conclude that the judgment is sufficiently clear to enable us to know what the court decided and to perform our review function. In *Rayson v. Rush*, 258 Or. 315, 483 P.2d 73 (1971), the court held, in effect, that the trial court's *1375 finding "that the plaintiff has not established that he is entitled to the relief prayed for and that the defendant has established the allegations of his first and second affirmative defenses," although not in the form of a declaration, made it clear what the parties' rights were when it was read in the light of the pleadings. Similarly, we are able to discern here that the trial court concluded that plaintiffs do not have the rights asserted in their claims and that defendants have the rights and plaintiffs have the duties alleged in the three counterclaims that were adjudicated.[1]

The county's 1983-84 appropriations for the Department of Public Safety in general and for law enforcement services specifically were substantially lower than the appropriations in the preceding fiscal year. A number of serial levies was submitted to the county voters to augment the funding for the sheriff, but they were defeated. Plaintiffs alleged that the 1983-84 budget "required the elimination of all law enforcement and police services on June 30, 1983, except for [contracted] positions." However, there was no evidence in the summary judgment proceeding to indicate that no funds or personnel were available under the budget for the sheriff's use in connection with law enforcement.

The statutes on which plaintiffs base their first claim are ORS 206.010 and 204.601. The former provides:

"The sheriff is the chief executive officer and conservator of the peace of the county. In the execution of his office, it is his duty to: "(1) Arrest and commit to prison all persons who break the peace, or attempt to break it, and all persons guilty of public offenses. "(2) Defend his county against those who, by riot or otherwise, endanger the public peace or safety. "(3) Execute the process and orders of the courts of justice or of judicial officers, when delivered to him for that purpose, according to law. "(4) Execute all warrants delivered to him for that purpose by other public officers, according to law. "(5) Attend the terms of the Supreme, circuit, or county court held within his county, and to obey its lawful orders or directions."

ORS 204.601 provides (emphasis added) :

"(1) The county court or board of county commissioners of each county shall fix the number of deputies and employees of county officers whose compensation is to be paid from county funds. "(2) All such deputies and employee shall be appointed by such county officer, and shall hold office during the pleasure of the appointing officer." Plaintiffs argue, inter alia: "The sheriff has the responsibility to perform his statutorily mandated law enforcement duties, and must be funded at a level which will permit him to do so. **Funding for a lone sheriff who keeps his eyes open for evidence of public offenses is inadequate** (emphasis added). "* * * A county is an agency of the state and may be compelled to perform obligations imposed by state law. * * * [B]oth state law and the Lane County Charter require the sheriff to provide law enforcement services to the public and require the county to fund the sheriff to enable him to do so. "* * * "There are disputed facts concerning the law enforcement requirements and capabilities of the sheriff's department under present funding and an evidentiary hearing is necessary to develop the facts to establish a level of service commensurate *1376 with the sheriff's law enforcement responsibilities."

The problem with plaintiffs' argument is that they assume the answer to the threshold question, and the answer they assume is not the right one. Plaintiffs argue, correctly, that the sheriff has law enforcement duties that are defined by statute and that the county has a statutory responsibility to provide funds for the sheriff's performance of his duties. However, plaintiffs then postulate that the court may decide what volume of law enforcement services and what amount of county funding are required by the statutes (emphasis added). The initial question, in our view, is who has the authority to make those decisions. In considering that question, two facts must be borne in mind: first, the county has

appropriated some funds for law enforcement and for personnel whom the sheriff can use in connection with his law enforcement duties; and, second, the controversy here concerns the county's prospective funding for law enforcement services in its budget, as opposed to any consummated failure by the sheriff to perform or the county to pay for particular exercises of the sheriff's law enforcement responsibilities.

ORS 206.010 does not prescribe the amount of funding counties must budget for the sheriff's duties it defines (emphasis added), and **ORS 204.601(1) gives county governing bodies express authority to fix the number of deputies and employees of sheriffs and other county officers** (emphasis added).[2] **We conclude that, when a state statute mandates a service and requires counties to provide funding for it but does not specify a service level, an amount of funding or an alternative method for determining the amount of funding, the statute necessarily leaves at least the budgetary decision over the amount of funding to the county governing bodies.** (emphasis added) See *Multnomah County v. Luihn et al.*, 180 Or. 528, 539-44, 178 P.2d 159 (1947), overruled on different grounds, *State ex rel. v. Malheur County Court*, 185 Or. 392, 428, 203 P.2d 305 (1949); cf. 2 *McQuillin, Municipal Corporations* 239, § 4.159 (3d ed 1979 rev ed) ("[T]he power of the legislature to compel municipal acts to accomplish a result in which the state has an interest in its governmental capacity does not extend to depriving a municipality of discretion as to the means or method of accomplishment, or the expense it will incur for that purpose, where such minute or specific control in details or means is not essential to the accomplishment of the result which constitutes the basis of the legislative right of control.").

Most of the cases on which plaintiffs rely fall into one of two categories, and they are wholly distinguishable if not entirely inapposite. The first category is exemplified by *Gleason et al v. Thornton*, 210 Or. 666, 313 P.2d 776 (1957), where the court held that the county was required by ORS 180.070 to pay certain costs for an Attorney General's investigation and that the Local Budget Law did not apply to those costs. *1377 The court reasoned that the statute "imposed on the county an involuntary liability for the expense * * * and to that extent the restrictions of the local budget laws were impliedly removed." 210 Or. at 67879, 313 P.2d 776. *State ex rel. v. Malheur County Court*, supra, best illustrates the second kind of case on which plaintiffs rely. The court held there that the county was required to levy a tax and budget the specific amount for welfare purposes that the State Public Welfare Commission determined pursuant to a statute that gave the commission express authority to establish the amount and that expressly required that "the amount so found shall be included in the budget of [the] county." Or. Laws 1947, ch. 545, § 2. Here, unlike in *Thornton*, the issue in connection with plaintiffs' claim is whether the county has a statutory duty to provide a specific amount of funds, not whether a clear statutory requirement that a county pay a specific sum is subject to or modified by the Local Budget Law. Unlike in *Malheur County Court*, the statutes in question here do not specify the amount of funding the county must provide or give any body other than the county governing body authority to establish the amount.

The Oregon case that plaintiffs appear to regard as most analogous is *Cunningham v. Umatilla County*, 57 Or. 517, 112 P. 437 (1910). There, the county's district attorney employed a private detective. The district attorney had no authority to do so. The county court nevertheless ordered the bill paid, and the plaintiffs sought to enjoin payment of the bill. The court first concluded:

"While the original employment of the detective in this matter was irregular and legally unauthorized, the action of the county court in allowing the bill and directing the payment of it amounted to a ratification of the original employment, so in this respect the case stands in the same condition as if the county court had employed the detective in the first instance * * *." 57 Or. at 519, 112 P. 437.

The court then went on to hold that payment of the bill would not violate the constitutional debt limitation, Or. Const., Art. XI, § 10, because "the protection of society, the enforcement of law, and the punishment of crime" are duties "that [admit] of no volition," that there is a duty to make expenditures for them and that they therefore are involuntary expenditures and are not subject to the debt limitation. 57 Or. at 520, 112 P. 437. Plaintiffs emphasize the court's disposition of and discussion of the debt limitation issue. They make no reference to the court's inferential conclusion that the detective's bill would not have been due from the county if its governing body had not ratified the district attorney's contract.

In any event, the language in *Cunningham* that plaintiffs emphasize loses any authoritative weight it might have had in the light of the court's later holding in *Irwin v. Klamath County*, 93 Or. 538, 183 P. 780 (1919). The court there held that the county was not liable on its district attorney's contract with a private individual whom he had hired to perform prohibition enforcement services. The court said:

"* * * Assuming, without deciding, that all expenses incurred by the district attorney should be paid by the County Court, the statute does not authorize the district attorney as the agent of the county to make a specific contract for such services or to define or specify the amount which the county shall pay, and in the absence of statutory provision the district attorney would not have the legal right to execute a contract which would be binding on the county. * * *" 93 Or. at 542-43, 183 P. 780.

The court did not suggest in *Irwin* that there was any overriding county duty to pay for law enforcement services that required the county to honor the unauthorized contract.[3]

*1378 Plaintiffs also cite *Nearing v. Weaver*, 295 Or. 702, 670 P.2d 137 (1983), and *Hamilton and Hamilton*, 66 Or. App. 936, 676 P.2d 341 (1984). The Supreme Court held in *Nearing* that officers who knowingly fail to comply with court orders under the "Abuse Prevention Act," Oregon Laws 1977, chapter 845, can be held civilly liable. In *Hamilton*, we held that the sheriff has a mandatory duty under ORS 206.030 to serve civil summonses. Neither case is in point. **The question in connection with plaintiffs' claim is whether the county is required by statute to provide a particular funding level, greater than the one it did provide, for the sheriff's performance of his law enforcement duties** (emphasis added). There is no question before us in this case concerning the county's possible liability if its funding decision results in injuries attributable to the sheriff's inability to perform his duties. There is also no question in this case about whether the county can be compelled after the fact to pay for specific services of the sheriff that he must provide and that the budget does not cover.

Reduced to essentials, plaintiffs' contention is that the amount of funds that the county commissioners budgeted for law enforcement services was less than the sheriff thinks he needs. (emphasis added) As we have noted, the relevant statutes do not specify what level of funding the county must provide, and the funding level is a matter for the commissioners not the sheriff and not the courts to decide. The trial court correctly held that plaintiffs were not entitled to prevail on their claims.

We turn to the judgment for defendants on their claims. Defendants contend in their fourth claim that:

"By defeating levies which were dedicated to the Sheriff's operations, the voters, at least temporarily, have removed the functions of patrol and reduced detective services from the Sheriff."

We do not agree that the vote had that effect. Lane County Charter, chapter IV, § 22(2)(c), provides that any action

"to take from [the department of public safety] any of its functions may have no legal effect until approved either "(i) by the head of the department or "(ii) by the legal voters of the county at a regular or special county election."

Neither the county's budget decision nor the voters' rejection of the levies took away any of the sheriff's functions. Those events simply resulted in what the sheriff regards as inadequate funding for the functions; they did not divest him of authority to perform the functions, whether or not they affect his ability to perform them. We accordingly reverse the judgment for defendants on that claim.

We also reverse the trial court's judgment for defendants on their first and third claims. In the first claim, defendants sought a definition of the sheriff's duties under ORS 206.010 and a declaration that those duties were sufficiently funded in the 1983-84 budget. For largely the same reasons that we decline to hold, in accordance with plaintiffs' contention, that the funding was not adequate, we decline to hold that the funding was adequate. Our disposition of plaintiffs' claims leaves no present controversy between the parties that requires us to resolve the contention in defendants' first claim, even if that contention were an appropriate one for judicial resolution.

Defendants' contention in their third claim is, in effect, that the Local Budget Law gives the county governing body authority to decide whether to expend funds and how much to expend for law enforcement purposes, notwithstanding anything to the contrary in ORS chapters 204 and 206. Because we conclude that the relevant provisions in chapters 204 and 206 do not require a different funding decision than the county made, it is a hypothetical question whether the budget law would relieve the county of any duty to comply with the substantive expenditure requirements of other statutes. But see, e.g., *Gleason et al v. Thornton*, supra; *School District No. 4 v. Bayly et al.*, 192 Or. 548, 235 P.2d 911 (1951).

Judgment for defendants on plaintiffs' claims affirmed; judgment for defendants on their counterclaims reversed.

NOTES

[1] It is also noteworthy that, although the Supreme Court reversed the trial court's judgment in *Cabell et al. v. Cottage Grove et al.*, supra, because of the court's failure to make a declaration of rights, it nevertheless addressed the merits in order "to obviate another appeal." 170 Or. at 262, 130 P.2d 1013. The same course would be indicated here for the same reason, even if the judgment were defective. However clear the judgment may or may not be, the parties' contentions are clear, and we conclude that the only issues that can be decided in this case are legal ones.

[2] Plaintiffs also rely in their brief although not in their pleadings on ORS 206.210. It provides:

"Notwithstanding the provisions of ORS 241.020 to 241.990 or any other county civil service law or regulation, the sheriff may organize the work of his office so that:

"(1) The various duties required of the office may be assigned to appropriate departments and divisions to be performed by persons experienced and qualified for such respective kinds of work.

"(2) The duties of his various assistants, officers and deputies are coordinated so that, when not engaged in a particular duty specified or directed to be done and not then requiring attention, such persons shall perform the other duties required of the office and then required to be done.

"(3) The cooperation among assistants, officers, deputies and employees in the departments and divisions may be secured for the purpose of avoiding duplication of time and effort."

That statute does not appear to us to have substantial bearing on the issues here. It relates to the sheriff's authority to organize his office and to assign personnel; it does not relate to the number of personnel or the amount of funds that must be provided for particular purposes. The trial judge indicated in his oral comments to counsel that the statute has no relevance to the issues here and that it does nothing more than create exceptions to requirements of the civil service statutes. We do not consider it necessary to our decision to determine what the statute does do; it is sufficient to decide that it does not do the things we have noted.

[3] Irwin and, to a lesser extent, Cunningham were decided on the basis of, or in view of, various statutes that were in effect at the times of the respective decisions. We do not suggest that Cunningham or Irwin remains the best authority on the issue of whether and when counties can be bound by contracts of their officers. That is not the issue here, and Cunningham and Irwin are relevant only by analogy.

Glossary

- Local Budgeting Manual Glossary
- Supplemental Glossary

Local Budgeting Manual Glossary (pps. 78 - 82)

Activity. That portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram, or any convenient division of these [ORS 294.311(2)].

Adopted budget. Financial plan that is the basis for appropriations. Adopted by the governing body (ORS 294.456, renumbered from 294.435).

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body [ORS 294.311(3)].

Approved budget. The budget that has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing (ORS 294.428, renumbered from 294.406).

Audit. The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State (ORS 297.425).

Audit report. A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders and regulations.

Budget. Written report showing the local government's comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year [ORS 294.311(5)].

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district (ORS 294.414, renumbered from 294.336).

Budget message. Written explanation of the budget and the local government's financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body (ORS 294.403, renumbered from 294.391).

Budget officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget (ORS 294.331).

Encumbrance. An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(13)].

Fund. A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

Fund balance. The fund equity of government funds.

Fund type. One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve [OAR 150.294.352(1)-(A)].

General fund. A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund [OAR 150.294.352(1)-(A)].

General government category. The category for taxes used to support general government operations other than schools that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(2)].

Governing body. County court, board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit [ORS 294.311(20)].

Grant. A donation or contribution of cash to a governmental unit by a third party which may be made to support a specified purpose or function, or general purpose [ORS 294.311(21)].

Interfund loans. Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.468, renumbered from 294.460).

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one department or agency to other departments or agencies on a cost-reimbursement basis (ORS 294.343, renumbered from 294.470).

Levy. (v) To impose a property tax. (n) Ad valorem tax certified by a local government.

Local government. Any city, county, port, school district, education service district, community college, special district, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission; a municipality or municipal corporation under ORS 294.311(26).

Local option tax. Voter-approved taxing authority that is in addition to the taxes generated by the permanent

tax rate. Local option taxes can be for general operations, a specific purpose or capital projects. It is limited to five years unless it is for a capital project, then it is limited to the useful life of the project or 10 years, whichever is less [Art. XI, section 11(4)].

Ordinance. A formal legislative enactment by the governing board of a municipality.

Organizational unit. Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions (such as a department, office or division) [ORS 294.311(31)].

Program. A group of related activities to accomplish a major service or function for which the local government is responsible [ORS 294.311(33)].

Program budget. A budget based on the programs of the local government.

Property taxes. Ad valorem tax or another tax on property certified to the county assessor by a local government unit.

Proposed budget. Financial plan prepared by the budget officer. All funds must balance. It is submitted to the public and the budget committee for review.

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resource. Estimated beginning funds on hand plus anticipated receipts (ORS 294.361).

Special revenue fund. A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes [OAR 150.294.352(1)-(A)].