

V. ANALYSIS: ELEMENTS AND COMPONENTS OF CITIZEN PARTICIPATION IN BUDGETING PROCESS (draft November 16, 2016, 255 pages)

Citizen Participation In The Josephine County Budget Process

Budgets: Josephine County, Oregon

<http://www.hugoneighborhood.org/budgets.htm>

- November 2016. **Citizen Participation In The Josephine County Budget Process**
Walker, Mike; Whalen, Jon, Members of Hugo Justice System & Public Safety Services Exploratory Committee, HNA&HS. Draft November 2016. *Citizen Participation In The Josephine County Budget Process*. Hugo, OR.
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This paper is a small part of the Authors' public safety purpose and research projects started in 2012 to understand the JO CO Justice System Public Safety Services (JS&PSS) Issue/Problem (i.e., public safety issue). In 2015, after the 4th levy failure in as many years, the JS&PSS Committee asked the question, "What can we do to shed some light on the issues?" Members of the committee believed that the first important step was the identification of the preliminary issues for why the levies failed. The reasons for the levy failures are complex and unknown as facts. However, it is believed that the identification of citizen issues is the most important step in developing a successful study design, Justice System & Public Safety Services Study Design: 2015. The only vetted research on citizen issues is by Nathan Davis (2016; Appendix J).

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 JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the decision-making process (Davis 2016, p 48; Appx J).

The current system in JO CO is very similar to the traditional model. 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, JO CO should seek to change its mechanisms of service provision to allow for more citizen voices (Davis 2016, p 48; Appendix J).

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, it will have to overcome any barriers to citizen trust. This paper's recommendation is that the JO CO should seek to gain trust through increased citizen involvement in policy planning and delivery through co-production policies (Davis 2016, p 51; Appendix J).

Future Research - This research provides a first take at documenting the views of the citizens of JO CO 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 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 JO CO case to further understand where citizen opinions come from and how these opinions inform behavior (Davis 2016, p 50; Appendix J).

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 JO CO model of government. From there, further research could look into the amount of citizen engagement that county residents would be interested in possessing. This research should then point to possibilities of co-production of policy within JO CO (Davis 2016, p 51; Appendix J).

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.*

The Authors' ultimate purpose is a JS&PSS study grant to provide grass roots opportunities, for active citizen involvement/citizen participation (CI/CP) by JO CO citizens, accessibility to information, and education to better understand the JS&PSS issue, which is partially driven by the history of revenue sharing from the federal government. This study grant process has resulted in the only major vetted JO CO citizens perceptions research study to date by Nathan Davis, *Citizen Perceptions of Public Safety Levies in Josephine County, Oregon: A Test of Group Engagement Theory* (Davis 2016).

First, the basic purpose of the 2015 *Study Design* is to promote CI/CP for informed decision-making. Through the Author's JO CO budget research, additional purposes for informed decision-making by citizens were recognized: 1. civic engagement and education in JO CO's budget process toward moving its minimalist Oregon Local Budget Law (LBL) approach of a apprise/inform CI purpose to a higher level of involvement CI/CP purpose, perhaps partnership or coproduction, and 2. a transparent JO CO government building citizen trust by providing available vetted information, and budget experiences where more citizens have positive experiences finding government processes fair and trustworthy.

In summary, this Chapter V "*Analysis*" identifies the Author's analysis, interpretations, and opinions of the budget facts (i.e., Chapters II and III), and questions about those facts (i.e., Chapter IV). It helps address the question: "*What is JO CO's Public Safety Problem, or Issue?*" The reduction of federal payments to the county since the 2000 Secure Rural Schools Act, especially after 2012, and the failure of four CO public safety tax levies, and one city sales tax, are decisions about the issue. The Committee believes these decision facts are not right or wrong decisions; they are the truth; they are our reality. Chapter V's analysis is the bases for identifying the budget issues in Chapter VI.

Outreach 1.1. What's the Problem?

Outreach

Justice System Exploratory Committee

Justice System & Public Safety Services Study Design: 2015

Hugo Neighborhood Association & Historical Society

http://www.hugoneighborhood.org/JSPSS_Outreach.htm

Justice System & Public Safety Services Study Design: 2015

Justice System Exploratory Committee

Hugo Neighborhood Association & Historical Society

<http://www.hugoneighborhood.org/justicesystemexploratorycommittee.htm>

A. Overview

City council members, county commissioners, and budget administrators face difficult budget choices in these uncertain economic times. And they are not alone. Ordinary citizens are also feeling the pain, and thus spending decisions, both in households and in local governments, can arouse great public interest, not to mention passion.

Given such a backdrop, how can elected officials and budget administrators improve the quality of citizen input and make the conversation over local government budgeting a more appealing and productive one? As will be shown, a little planning and preparation can go a long way in helping to reduce misinformation and rumors about the budget process and could increase citizens' understanding of the hard decisions that must be made by public officials.

This paper, which builds on previous publications on citizen participation, broader public administration and public participation literature, and the authors' life experiences in Josephine County, will address and attempt to answer the following questions:

- Is current local government budgeting and proposed budgeting information gathered and maintained in ways that make it easily available, accessible, and understandable to citizens?
- How can local government leaders solicit and receive input on their budgets from all citizens, not merely the small number of them who use the citizen comment periods at regular board meetings to convey their opinions?
- What are the most effective tools for helping citizens understand what goes into elected board decision making—for example, how can we best show and explain the trade-offs that frequently take place in the budget process.

The above "Overview" is Josephine County, Oregon, or is it? In fact, except for the one reference to JO CO, it is from a 2011 publication from North Carolina on practical tips and examples for elected officials and budget administrators (Stephens 2011, p. 1). What is the point? Part of the answer is that JO CO CI program in budgeting is not unique and there are numerous possible CI/CP strategies for informed citizens participating in the county's budget process.

According to Ebdon participation has several components (Ebdon 2002, p. 277). A local government provides the opportunity for citizens to be involved in the process, and citizens may decide to participate depending on three components.

1. Effect on Decisions.
2. Education.
3. Marketing.

Irvin and others make it plain that informed decisions starts at the beginning in identifying the issues and that key considerations are determining whether community participation is an effective policy-making tool (Irvin 2004).

Argument for enhanced citizen participation often rest on the merits of the process and the belief that an engaged citizenry is better than a passive citizenry (King, Feltey and Susel 1998, Putnam 1995, Arnstein 1969). With citizen participation, formulated policies might be more realistically grounded in citizen preferences, **the public might become more sympathetic evaluators of the tough decisions that government administrators have to make, and the improved support from the public might create a less divisive, combative populace to govern and regulate** (emphasis added). However, incorporating citizen input into agency decision-making [i.e., local government] is not a costless process. This article articulates not just potential benefits but also potential social and economic costs of community participation, so that policy-makers can better predict the usefulness of a citizen participation initiative (Irvin 2004).

Irvin (2004) first explores the potentially wide-ranging benefits of enhanced community participation. Drawbacks to community participation were evaluated next, including a brief discussion of relative costs of citizen participation versus representational decision-making. Irvin then describes an attempt to incorporate community participation in a management program for a degraded urban watershed, and note the characteristics that made this project unusually challenging. He highlights place-based characteristics that serve as predictors for success or failure of community participation programs. In effect, Irvin take a step back from the ‘how-to’ literature to determine ‘whether-to’ at all.

One of the biggest issues in participation is information, who controls it and whether it is trustworthy (emphasis added) (Innes & Booher 2004, p. 426).

Vital for the Authors is a real attempt to level with all stakeholders. Be respectful, know your priorities, and try to understand other political contexts. Break bread with common interests where they can be found. Set an example, by adopting a conciliatory tone, especially when offering issues (Chapter VI) and recommendations (Chapter VII). This will not be easy, maintain the course in a civil manner. Remember and take joy in the fact that future inventories, including the *Study* is in line with the core philosophies of the Hugo Neighborhood Association & Historical Society and of its committee, the Hugo Justice System & Public Safety Services Exploratory Committee (Committee). These core beliefs are the foundation for their interest and volunteer work on the JS&PSS issue.

- Freedom of speech and the right to vote.
- All citizens, voters, and votes are legitimate.
- Fair Representation.

The *Study* is to be researched and written from a neutral point of view, meaning representing fairly, proportionately, and, as far as possible, without bias, all public views that have been published by reliable sources on a topic. And, finally persevere in nudging a consensual long-term enhancement in the JO CO CI/CP budget process.

B. Introduction To CP In Budgeting

In the final analysis, the Authors ask questions about citizen involvement (CI) and citizen participation (CP) in the JO CO budget process, conduct their own assessment, and provide recommendations that they think will make CI/CP better for the purpose of an informed citizenry. The reader must come to their own conclusions.

- CP Question No. 1. What are the strengths and weaknesses of current mechanisms of citizen participation?
- CP Question No. 2. How does CI/CP fit in with representative democracy?
- CP Question No. 3. What constitutes an effective, transparent, and trustworthy process of citizen participation, and how should it be assessed?

1. Literature 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? This description sounds like JO CO in 2016 (Walker and Whalen 2016), but was written in 2006 by CP researchers 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, 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 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 (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.

Another weakness of the literature on budget input is that most of it has examined cities (Ebdon & Franklin 2006, p. 443). However, for JO CO, the Authors are comfortable in using the literature applicable to a council-manager form of city government for a BCC form of government without a county manager. Their rationale is that the commissioners are full-time and they assume most of these county manager duties. The authors view full-time county commissioners like Yang (2007) views full-time mayors: “We also consider whether the mayor is full-time because a full-time position can be taken as an indicator of professionalism; full-time mayors have more policy knowledge and skills than part-time mayors.” (Yang & Callahan, 2007, p. 298).

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 well-intended programs: ‘Any sudden expansion in the public that takes an interest in its activities may be a threat...for an executive agency [i.e., and local government]. . . . The agency/local government 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 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 regulation is strongest (Irvin 2004, p. 6).

Cost. Any discussions of the value of public participation must not 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** (emphasis added) (Irvin 2004, pps. 6 -8).

Complacency. Much has been written on the topic of public alienation from the public involvement 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** (emphasis added) (Irvin 2004, p. 8).

Irwin's Conclusion (Irvin 2004, p. 18) – While describing the very important benefits of citizen participation, it is also acknowledged that agencies/local governments should consider a litmus test to consider when they allocate resources toward citizen participation processes. Do citizens care enough to participate actively in policy-making, or would resources devoted toward participatory processes be better directed toward implementation? Evidence for the effectiveness of community participation in management is in short supply, due in part to the inherent problems in measuring the success of policies that may take decades to positively affect change. Even more difficult, perhaps, is the prospect of measuring incremental changes in the well-being of the general public as they become more engaged in the policy process. With widespread public benefit as the goal of any public policy process, it behooves the administrator to consider the advantages and disadvantages of the decision-making process when determining the most effective implementation strategy, bearing in mind that talk is not cheap – and may not even be effective.

In conventional budgeting citizens and interests make demands, but are not accountable for where the money will come from (Innes & Booher 2004, p. 427).

Local, regional, national, and global factors affecting the community should be analyzed, including (a) economic and financial factors, (b) demographic trends, (c) legal or regulatory issues, (d) social and cultural trends, (e) physical (e.g., community development), (f) intergovernmental issues, and (g) technological change (GFOA 2005 p. 2).

Summary Currently, governments at all levels are dealing with serious fiscal issues that require painful decisions on taxation and service provision. There is a disconnect between what citizens expect from government and what they are willing to pay — or, perhaps, we have not utilized participation techniques to adequately capture this information. As Arnstein concludes, “There is a critical difference between going through the empty ritual of participation and having the real power needed to affect the outcome of the process” (Arnstein 1969, p. 216). Participation can be very useful in educating the public about key trade-offs and gaining valuable input from citizens about their priorities and preferences. Working with them to make these connections encourages citizens to participate in a more knowledgeable fashion rather than simply demand that their fire station or library remain open without tax increases or other service cuts. There are a number of examples of cases in which participation has been successfully used, but there is much that not known and has not been systematically considered (Ebdon & Franklin 2006, pps. 444 - 445).

2. Budget Process Analysis Step For this paper's purpose, conducting the budget process analysis (i.e., identifying priority topics and analysis) is Step 5. Step 6 is the summaries of the problems identified in Step 5 into the CI/CP budget process issues. The analysis in Chapter V is the synthesis of Chapters II - IV to a logical opinion of the authors of the CI/CP issues.

Phase I. Introduction/Purpose

- Step 1: Chapter I. Introduction/Purpose

Phase II. Environment Of Budgeting

- Step 2: Chapter II. Oregon Budget Law Excerpts
- Step 3: Chapter III. Excerpts from JO CO Budgets: FY 2006-07 to FY 2016-17

Phase III. Brainstorming Questions

- Step 4: Chapter IV. Budget Process Brainstorming Questions From Oregon Local Budget Law & JO CO Budgets: FY Budget 2006-07 to FY 2016-17

Phase IV. Analysis

Analysis Of Budget Questions Identified During the Study of the Law, and a Final Identification of Budget Issues.

- **Step 5: Chapter V. Analysis: Elements and Components of Citizen Participation in Budgeting Process**
- Step 6: Chapter VI. Budget Process Issues

Phase V. Recommendations

About the local JO CO budget process to the JO CO BCC and the Exploratory Committee.

- Step 7: Chapter VII. Budget Process Recommendations
- Step 8: Chapter VIII. Budget Process Conclusions

The budget process analysis topics were derived from the budget process questions identified in Chapter IV. Analysis topics are a combination of ideas from Oregon Budget Local Law (Chapter II), and from the JO CO budgets from FY 2006-07 to FY2016-17 (Chapter III). Others are the Authors' view of priority question topics which focus on citizen involvement and understanding the budget process for the preparation of the budget from start to finish.

The budget process analysis supports the identification of budget process issues (Chapter VI) and recommendations (Chapter VII).

Step 5: Chapter V. Analysis: Elements and Components of Citizen Participation in Budgeting Process This analysis chapter is first organized around Ebdon and Franklin’s four citizen-participation elements and their components (elements 1 - 4). It also includes elements 5 - 7: Government Finance Officers Association (GFOA) Budget Presentation Award Program (BPAP), budget action plans, and GFOA’s best practices in public participation.

- Element 1. Government Environment Of Budgeting
 - Component 1. Structure And Form Of Government
 - Component 2. Political Culture
 - Component 3. Legal Requirements
 - Component 4. Population Size And Density & Managers’ Characteristics
- Element 2. Budgeting Process Design
 - Component 1. Citizen Participation Timing In Budget Process
 - Component 2. Type of Budget Allocation
 - Component 3. Budget Process Participants
 - Component 4. Budget Process Stages
 - Component 5. Sincere Preferences/Willingness To Pay
- Element 3. Citizen Participation Mechanisms In Budgeting
 - Component 1. Public Meetings
 - Component 2. Focus Groups
 - Component 3. Simulations
 - Component 4. Advisory Committees
 - Component 5. Surveys
 - Component 6. Third-Party Intermediation
 - Component 7. Workshops
- Element 4. Budgeting Goals and Outcomes
 - Component 1. Goals
 - Component 2. Outcomes
- Element 5. Government Finance Officers Association Budget Presentation Award Program
- Element 6. Budgeting Action Plans
- Element 7. Government Finance Officers Association Best Practices In Public Participation
- Element 8. Taxpayers Understanding Purposes Of Budget Issues

Each of the components has the following sections. They will be the same for all chapter V sections.

1. Literature about the component.
2. Josephine County Government’s situation relating to the component. Sometimes summary Authors’ views of questions/issues are identified and addressed further in the analysis section.
3. CI/CP analysis in budgeting for JO CO by the Authors.
4. Is it working?

C. Government Environment Of Budgeting

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. Governmental Environment.
2. Design of the Process.
3. Mechanisms Used to Elicit Public Participation.

A fourth element represents the goals and outcomes desired from participation in budgetary decision making (Ebdon & Franklin 2006, p. 438).

1. Structure And Form Of Government

a) Literature Scholars have considered the influence of variation in the structure and form of local government on the likelihood that participation will be utilized. Kweit and Kweit (1981) found that communities with the council-manager form of government, because they employ a full-time professional, are more likely to seek citizen input. Ebdon (2000a) found differences between at-large mayoral elections and district-based city council elections in terms of the city's likelihood of seeking citizen budget input, but the results were not statistically significant. Nalbandian (1991) suggested that cities with a council-manager form of government may be more likely to encourage citizen participation, and he later found (1999) that city managers have become much more focused on facilitating participation in public policies during the past 10 years. This was supported by Ebdon (2002), who found that council-manager cities are more likely to use formal budget-participation methods as well as methods that are not specifically related to the budget, such as **citizen surveys and strategic planning** (emphasis added) (Ebdon & Franklin 2006, pps. 438-439). Zhang & Yang (2009, p. 289) identify that different forms of government have "borrowed" features from each other and many now have mixed forms of government. They demonstrate that managers' professionalism, perceived political environment, and attitude toward citizen input are important factors explaining local governments' adoption of participatory budgeting.

b) Josephine County (JO CO) Government

(1) Profile (Appendices, JO CO FY 2015-16 Budget, p. 7). JO CO is located in the southwestern corner of the State of Oregon. The southern border of the JO CO forms the Oregon/California state line. The county was established on January 22, 1856. Its boundaries encompass an area of 1,641 square miles. The county's population showed steady increases by growing from 77,411 in 2002 to 82,794 in 2009; and has shown signs of leveling off to about 82,730 in 2011 with slight growth in 2014 at 83,105.

JO CO has three non-partisan commissioners who are elected at large for four-year terms. In broad terms the JO CO Board of County Commissioners (BCC) has legislative, management, and administrative duties. The daily administrative functions of each county office/program/division are overseen by managers appointed by the BCC, or one of seven other elected officials. The **BCC sets county policy, adopts the annual budget, and passes resolutions and ordinances** (emphasis added) in accordance with state law. The BCC appoints many volunteers to citizen's advisory and review committees, including the budget committee. These committees assist the county and the BCC in providing needed and desired services to the community (JO CO FY 2015-16 Budget, p. 7). Like most local counties, staff take their cue from the governing body, and the BCC determines the extent of public involvement in decision-making.

As to budget experience, Commission Simon Hare, has the most as he took office January 2011. Commissioners Cheryl Walker and Keith Heck both took office January 2013, the year after the major budget cuts in 2012. Commissioner Chair Walker has worked to improve the quality of life for people living in rural communities through access to education and health care, and increased economic opportunities (Walker's web page). Commissioner Vice-Chair Heck looks

forward with a great sense of optimism to our county's future (Heck's web page). Commissioner Hare is a proponent of small, fiscally responsible government, and a long-term funding solution for the county (Hare's web page).

JO CO does not have a county manager, county administrator, county executive, or county chief administrative officer (CAO) which means that the BCC assumes more of these types of duties a county manager is responsible for. In local government in the U.S, a county manager or county administrator is a person appointed to be the administrative manager of a county, in a council-manager form of county government. In some counties, the equivalent position is the county executive or CAO in some counties. The term "county manager," as opposed to CAO, implies more discretion and independent authority that is set forth in a charter or some other body of codified law, as opposed to duties being assigned by the BCC.

The BCC has an informal policy that its CI/CP program requirements are those that are identified in Oregon Local Budget Law (LBL). Informal is used because the county does not have any plan by resolution or ordinance explaining CI/CP in its budget process. For example, JO CO does not have one of the following.

1. County Budget Manual.
2. Citizen Involvement in Budgeting Plan.
3. County Citizen's Guide to the Budget.

JO CO does have what it has identified as budget in brief handbooks from FY 2011-12 to FY 2013-14. These budget in brief handbooks provide a good overview of the accounting end of the budget with graphs and charts. They accomplish their purpose to provide a summary of JO CO's budget in a format that is easy to read and understand. It is a "big picture" overview of the budget intended to show where the money comes from and how it is spent

Budget in Brief Handbook

JO CO Finance Department

<http://www.co.josephine.or.us/Page.asp?NavID=1315>

- Adopted Budget Brief Handbook 11-12 (7 pages).
- Adopted Budget Brief Handbook 2009-10 (7 pages).
- Adopted Budget Brief Handbook 2010-11.
- Adopted Budget Brief Handbook 2012-13
- Adopted Budget Brief Handbook 2013-14.

The JO CO Budget Committee is comprised of the three commissioners and three citizens appointed from the public at large by the BCC. Each of the citizens serves a three-year term (terms are staggered so one is up for replacement each year), and they are not paid for their services. Each commissioner serves as long as they remain elected, and they are paid. The budget committee reviews and approves the annual proposed budget in meetings open to the public for comment. All funds are budgeted in conformance with LBL. The BCC adopts a resolution authorizing appropriations for each department or expenditure category within a fund, setting the levels that expenditures cannot legally exceed.

JO CO government provides a wide range of services. The services include public health, parks and recreation, airport operations, public road maintenance and construction, planning and development, building safety, county fair activities, probation and juvenile justice activities. In addition, it provides services to the economically disadvantaged in the county. In addition to the three elected members of the BCC, the county has seven other elected officials. The sheriff provides patrols and operates the jail. The district attorney prosecutes the criminals of the community and maintains a family support division. The assessor is responsible for certifying all levies and computing the valuation of property for taxation. The clerk conducts elections and maintains official records. The county surveyor maintains county land survey records. The treasurer is the custodian of county and district monetary funds. Finally, the county's legal counsel provides legal support to all county departments.

(2) Home Rule County What are the Josephine County Charter, Chapter II Powers? Home rule in Oregon is an arrangement that uses a local charter instead of the traditional general law of the state as the basis for local government. Home rule permits residents of a county or city to determine for themselves, through development and adoption of a charter, how their local government is organized and what functions it performs. Without home rule, local government organization and functions are determined by state constitutions and state laws, rather than by charters developed and adopted locally. Cities in Oregon have had home rule authority since 1906, but home rule is relatively recent for counties. It was made available to counties by a constitutional amendment in 1958 and enabling legislation in 1959.

County home rule means more self-determination, more local control, and more local responsibility in the way JO CO is organized and operates. It also can mean more opportunity to determine the need for and nature of many public services in each county. For better or worse, home rule tends to transfer management of county affairs from the state legislature to the county. An important purpose is to permit and encourage local solution of local problems and to authorize innovation and adaptation without seeking or waiting for state enabling legislation. Originally, counties functioned almost exclusively as agents of the state government. In 1958, an amendment to the Oregon Constitution authorized counties to adopt "home rule" charters, and a 1973 state law granted all counties power to exercise broad "home rule" authority.

County Government in Oregon

Oregon Blue Book

<http://bluebook.state.or.us/local/counties/countiesgen.htm>

Viewed July 13, 2016

Originally, counties functioned almost exclusively as agents of the state government. Their every activity had to be either authorized or mandated by state law. However, in 1958, an amendment to the Oregon Constitution authorized counties to adopt "home rule" charters, and a 1973 state law granted all counties power to exercise broad "home rule" authority. As a result, the National Advisory Commission on Intergovernmental Relations (NACIR) has identified county government in Oregon as having the highest degree of local discretionary authority of any state in the nation.

Nine counties have adopted "home rule" charters, wherein voters have the power to adopt and amend their own county government organization. Lane and Washington were the first to adopt "home rule" in 1962, followed by Hood River (1964), Multnomah (1967), Benton (1972), Jackson (1978), Josephine (1980), Clatsop (1988) and Umatilla (1993).

Twenty-eight of Oregon's 36 counties, including the nine with charters, are governed by a board of commissioners comprised of three to five elected members. The remaining eight less populated counties are governed by a "county court" consisting of a county judge and two commissioners.

Josephine County Charter The county has a "home rule" charter.

Josephine County Charter

Josephine County Charter

Josephine County, Oregon

<http://www.co.josephine.or.us/Page.asp?NavID=193>

Viewed July 9, 2016

CHAPTER II. POWERS

Section 5. GENERAL GRANT OF POWERS. Except as this charter provides to the contrary, the county has authority over matters of county concern to the fullest extent now or hereafter granted or allowed by the constitutions and laws of the United States and the State of Oregon, as fully as though each power comprised in that authority were specified in this charter.

Section 6. CONSTRUCTION OF POWERS. In this charter no mention of a specific power is exclusive or restricts the authority that the county would have if the specific power were not mentioned. The charter shall be liberally construed, to the end that, within the limits imposed by the charter or the constitution or laws of the United States or the State of Oregon, the county has all powers necessary or convenient for the conduct of its affairs, including all powers that counties may now or hereafter assume under the **home rule provisions of the constitution and laws of Oregon** (emphasis added). The powers are continuing powers.

Section 7. WHERE POWERS VESTED. Except as this charter provides to the contrary and subject to the initiative and referendum powers residing in the people of the county,

- (1) the legislative power of the county is vested in, and is exercisable only by the Board of County Commissioners, and
- (2) all other powers of the county not vested by this charter elsewhere are vested in the Board of County Commissioners and are exercisable only by it or by persons acting under its authority.

Oregon Constitution Section 10.

"Section 10. County home rule under county charter. The Legislative Assembly shall provide by law a method whereby the legal voters of any county, by majority vote of such voters voting thereon at any legally called election, may adopt, amend, revise or repeal a county charter. **A county charter may provide for the exercise by the county of authority over matters of county concern** (emphasis added). A county charter shall prescribe the organization of the county government and shall provide directly, or by its authority, for the number, election or appointment, qualifications, tenure, compensation, powers and duties of such officers as the county deems necessary. Such officers shall among them exercise all the powers and perform all the duties, as distributed by the county charter or by its authority, now or hereafter, by the Constitution or laws of this state, granted to or imposed upon any county officer... [Created through H.J.R. 22, 1957, and adopted by the people Nov. 4, 1958; Amendment proposed by S.J.R. 48, 1959, and adopted by the people Nov. 8, 1960; Amendment proposed by H.J.R. 21, 1977, and adopted by the people May 23, 1978]"

See Clatsop County's web page for more information on home rule.

Home Rule

County Government

Clatsop County, Oregon

<https://www.co.clatsop.or.us/county/page/home-rule>

Viewed July 10, 2016

The central question when such conflicts arise is whether, to what extent, and under what circumstances does a state law, rule, or other action prevail over a conflicting local government charter, ordinance, regulation, or policy – and vice versa enactment. The other main approach has been to identify some circumstances under which a local enactment may prevail in a conflict with a general state law. The Oregon courts have vacillated between these two general points of view for many decades (AOC 2005, pps. 72-73).

- Association of Oregon Counties (AOC). June, 2005. *County Home Rule in Oregon*. Prepared by Tollenaar and Associates for the Association of Oregon Counties. Salem, OR (AOC 2005).

It's important for county officials and county citizens (including especially members of county charter committees) to be aware of legal interpretations and guidelines that determine the scope of local discretion exercisable by counties under either constitutional or statutory home rule. County home rule is a relatively recent development in Oregon, and relatively few appellate court decisions are available to provide that kind of guidance. Since the courts have generally interpreted both constitutional and statutory county home rule in a manner that parallels their interpretation of city home rule, **a review of the city home rule cases may shed some light on the scope of county home rule** (emphasis added) (AOC 2005, p. 73).

City of LaGrande and City of Astoria v. Public Employees Retirement Board Since 1978 *City of LaGrande and City of Astoria v. Public Employees Retirement Board* 281 Or 137 (1978) aff'd on rehearing 284 Or 173. has been commonly regarded as the leading case in municipal home rule, with implications for county home rule (AOC 2005, p. 78).

The LaGrande/Astoria court viewed **local charters as involving primarily matters of local governance forms, organization, and procedures** (emphasis added), although it acknowledged that, in the absence of conflicting state law, home rule jurisdictions might enact substantive regulations under their general police powers. The decision, however, abandoned the Heinig view that a local enactment could prevail over a conflicting state enactment if the subject matter of the enactment was predominately of local rather than state concern. It substituted a new rule that a state law would prevail if “addressed primarily to substantive social, economic, or other regulatory objectives of the state” and “is clearly intended to” so prevail, even though the subject matter might be predominately of local concern. Even the small sphere of “structure and procedures of local agencies” and “the community’s freedom to choose its own political form” protected by what was left of home rule was qualified where “the interests of persons or entities” were affected by the local enactment.⁴ (AOC 2005, p. 79).

To summarize, it appears that since 1978 the appellate courts have consistently applied the LaGrande/Astoria **“substance/procedure” test** (emphasis added) to constitutional county home rule cases, abandoning the “state v. local concern” test established by Heinig and earlier cases. In cases involving no conflict between state and local enactments, they have given a liberal interpretation to the “matters of county concern” phrase in the county home rule constitutional amendment. However, in cases involving conflict between state and county enactments, they have consistently followed LaGrande/Astoria, holding for the state where the LaGrande/Astoria tests for intent and substantive content are met (AOC 2005, p. 83).

Another major difference between the city and county home rule amendments is that the county amendment specifies that **“A county charter may provide for the exercise by the county of authority over matters of county concern,”** (emphasis added while the city home rule amendments are silent as to what kind of authority a city charter may bestow on city governments. The absence of such specification in the city home rule amendments has opened the door for the courts to fill the void with a variety of interpretations, as discussed in the preceding section.

(3) Enhanced Citizen Participation (CP) Procedures For the purposes of this paper, the central question is whether there are any known conflicts under Oregon Local Budget Law's citizen involvement procedures, and a potentially conflicting local government charter, ordinance, regulation, or policy – and vice versa enactment.

Oregon Local Budget Law

- Oregon Revised Statutes: 294.305 to 294.565
- Oregon Administrative Rules: 150-294.175 to 150-294.920

Although minimal, there is no doubt that there are Oregon Local Budget Law requirements that all local governments must follow. Some examples of Oregon Local Budget Law requirements follow.

- That a budget officer be appointed and a budget committee formed.
- Notices are published, budgets are made available for public review, and opportunities for public comment are provided during at least two points in the budget process (i.e., budget committee meeting and local governing body hearing).
- Budget meetings and hearings are held as prescribed before budget approval and adoption.
- The timing and frequency of public notices.
- Budget committee's first meeting must meet publication requirements (i.e., notice of other meetings of the Budget Committee must be provided as required by Oregon public meeting law).
- Governing body adopt a budget and approve the tax levies no later than June 30.
- Prohibits changes between the approved and adopted budgets that would result in a fund's expenditures growing by more than 10%.

In summary, there are LBL budget process requirements for citizen participation applicable to all local governing bodies. These minimal requirements must be followed. However, under JO CO's home rule charter, it may provide for the exercise of county authority over matters of county concern, such as enhanced CI/CP procedures beyond the minimums of the Oregon Local Budget Law.

Examples of enhanced citizen participation procedures are widespread in Oregon counties (Appendix L). A few examples of enhanced citizen participation procedures follow.

Clackamas County, Oregon (Appendix L)

- County budget process begins in late fall of each calendar year.
- While not required by local budget law, a budget calendar is developed.
- Quarterly Clackamas County Budget Committee budget planning sessions.
- Budget workshop for departments.
- **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** (emphasis added).
- Each department submits its completed budget package to county's budget office.

Clatsop County, Oregon (Appendix L)

- For convenience the county provides a "**Budget in Brief**" (emphasis added) (i.e., abbreviated document) which summarizes the most essential elements of the budget.
- While not required by local budget law, a budget calendar is developed.
- Clatsop County Budget Committee meetings are open to the public and are advertised on the county's website and in the Daily Astorian newspaper.
- The proposed budget – submitted to the Clatsop County Budget Committee in May – and the Approved Budget – submitted to the Clatsop County Board of Commissioners in June – **are available to the public prior to each meeting** (emphasis added).

Local Governments in Multnomah County, Oregon (Appendix L). A quote from *Budget Manual for Local Governments in Multnomah County* and a few examples of county enhanced citizen participation procedures follows.

"STATUTORY REQUIREMENTS 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." (Appendix L; TSCC 2008 p. 17).

- A comprehensive public budget manual developed for all local governments in Multnomah County, Oregon.
- While not required by local budget law, a budget calendar is developed.
- The Completed Proposed Budget Document. The local government can determine the policy it will use for making the budget document available. 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 Manual, City of Portland, Oregon: FY 2016-17 (Appendix L)

- **The Mayor released his budget fiscal policy guidance on November 19th** (emphasis added). The detailed guidance was published on the city’s web page.
- The requirements for the expected results from program narratives for “Requested Budget” decision packages, **performance measure values and characteristics** (emphasis added), and program narrative have been updated to include additional guidance for comparing program outcomes to established targets.
- City bureaus are responsible for distributing paper copies and one electronic PDF copy of their “Requested Budgets.” All “Requested Budget” documents are posted on the city’s website shortly after submittal.
- Each city bureau is responsible for development of its budget. As in prior years, bureaus are directed to include a **Budget Advisory Committee** (emphasis added) (BAC) in their budget development process.
- Analysis of bureaus’ Requested Budgets reports serve as a basis for discussion of the bureaus’ budgets during budget work sessions.
- Other budget issues, such as information on **how the budget responds to Council priorities and strategic issues** (emphasis added).
- **City has a major public involvement component in its budget process** (emphasis added).
- **Each year, bureaus are required to include a public involvement component in developing their Requested Budgets** (emphasis added).
- A **panel of community budget advisors** (emphasis added) is appointed to work with Council on reviewing “Requested Budgets.”
- Public budget forums are held around the city.
- Budget hearings are held as prescribed by Oregon Local Budget Law before budget approval and adoption.
- The city’s website **includes information about how and when the public can be involved in the budget process** (emphasis added).
- Budget forums provide an opportunity for members of the community to discuss services and priorities with the elected officials.
- **Each bureau is required to have a budget advisory committee consisting of bureau staff, labor representation, and community members** (emphasis added).
- **City’s Public Involvement Advisory Council (PIAC) developed guidelines for Budget Advisory Committees (BACs) which were approved by Council as binding City policy** (emphasis added). The full report is included on the city’s website.
- **Creation of bureau BAC budget process websites: Every bureau must maintain a website that includes pertinent BAC information** (emphasis added) such as meeting locations and dates, opportunities for participation, and significant budget documents. For a complete list of the requirements, please visit the city’s website.
- All BAC meetings will have established times for public comment. Written comments will be allowed and reflected in summary notes.
- 7. **Two or more BAC members have the opportunity to jointly write a minority report** (emphasis added) that will be included with the bureau’s “Requested Budget” submission.

c) CP Analysis Of “Structure And Form Of Government” In Budgeting for JO CO The opinions in this analysis are the Authors. The literature supports that communities with a council-manager form of government are more likely to seek citizen input, because they employ a full-time professional. In this case the city manager is more likely to encourage citizen participation, and facilitating participation in public policies. This type of city is more likely to use formal budget-participation methods as well as methods that are not specifically related to the budget, such as citizen surveys and strategic planning. The idea that the type of city is the indicator of seeking citizen input is being challenged by later research (Yang & Callahan, 2007, p. 290) which the authors agree with that what is more important are the managers’ characteristics (see Section V.C.4).

The literature is relatively silent on counties without a county manager. Per Section V.B. the Authors are comfortable in using the literature applicable to a council-manager form of city government for a BCC form of government without a county manager because the commissioners are full-time and assume most of these county manager duties. The authors view full-time commissioners like Yang (2007) views full-time mayors (Yang & Callahan, 2007, p. 298).

JO CO is a home rule county with three commissioners who are elected at large for four-year terms. The daily administrative functions of each county office/program/division are overseen by appointed managers or one of seven elected officials in addition to the elected JO CO Board of County Commissioners (BCC). The JO CO BCC sets policy, adopts the annual budget, and passes resolutions and ordinances in accordance with state law. The county does not have a county administrator, county manager, county executive, or county chief administrative officer (CAO).

The JO CO Budget Committee is comprised of the three Commissioners and three citizens appointed from the public at large by the BCC. Each of the citizens serves a three-year term (terms are staggered so one is up for replacement each year), and they are not paid for their services. Each commissioner serves as long as they remain elected, and they are paid. The budget committee reviews and approves the annual budget in hearings open to the public

One of the most significant aspects of the structure and form of JO CO government is that the BCC has an informal policy that its citizen participation (CP) requirements are those that are identified in LBL. Informal is used because JO CO does not have a citizen involvement in budgeting plan or any other plan explaining CP in its budget process (e.g., no county budget manual, no citizen participation budget plan, no county citizen’s guide to the budget, etc.).

This informal CP policy is quite a restriction on the potential for enhanced CP beyond LBL presently being practiced by most local governments across Oregon. Examples of county enhanced citizen participation procedures were previously provided.

Josephine County home rule means more self-determination, more local control, and more local responsibility in the way we organize and operate county government. An important purpose is to permit and encourage local solution of local problems and to authorize innovation and adaptation without seeking or waiting for state enabling legislation. There can be conflicts between county and state law.

A central question of when such conflicts arise is whether, to what extent, and under what circumstances does a state law, rule, or other action prevail over a conflicting local government charter, ordinance, regulation, or policy – and vice versa enactment. The other main approach has been to identify some circumstances under which a local enactment may prevail in a conflict with a general state law.

For the purposes of this CP issue, the central question is whether there are any known conflicts under Oregon Local Budget Law’s CI/CP procedures, and a potentially conflicting local government charter, ordinance, regulation, or policy — and vice versa enactment. Although minimal, there are budget process requirements for CP applicable to all local governing bodies. However, under JO CO’s home rule charter, it may provide for the exercise of county authority over matters of county concern, such as enhanced citizen participation procedures beyond the minimums of the LBL (Appendix L).

d) Is The “Structure And Form Of JO CO Government” Working?

The county does not have the equivalent of a city manager (i.e., a county manager). The BCC performs many of those functions along with many others.

There are no known individual JO CO leaders championing “Budgeting For Outcomes” (BFO) (e.g., JO CO commissioners, other elected officials, department heads, etc.). It was observed that one JO CO Budget Committee member made BFO an issue for the FY 2016-17 budget. Let’s start with what champions and leaders have in common. Both are often seen out in front of people, the idea, or the process. They both have influence. They both work to enable themselves and others to the progression of positive outcomes. And, they’ve experienced some level of success.

So what is the difference between a local BFO government leader and a champion? This one is simple, a BFO champion is someone who commits themselves and their local government, to winning in their place through agility, creativity, and honesty. They are not afraid to make bold moves that not only benefit their government, but also serve the greater good. In other words, they are not just focused on motivating top performance now, but also to helping their government evolve to meet future needs. Moreover, they are not just looking at the local government, but the broader world.

There must be hundreds of different ideas about the differences. A list of ten differences is provided by one author to get us thinking (Thompson 2009). The Authors have not defined their CI/CP champions; for the present they take the easy way and assume they will know them when they see them.

- Champions are personally grounded through values; Leaders can be situational.
- Champions influence through love; Leaders can influence through power.
- Champions pursue mutual value; Leaders can be self-serving.
- Champions drive transformation; Leaders drive transaction.
- Champions embrace the mission; Leaders embrace the role.
- Champions are operational & visionary; Leaders are one or the other.
- Champions aren't defined by circumstance; Leaders are limited by circumstance.
- Champions are emotional; Leaders are guarded.
- Champions are curious systems thinkers; Leaders can be linear thinkers.
- Champions are fully present in every moment; Leaders can be consummate multi-taskers.

There is a wide range of legitimate and effective forms of structures and forms of government JO CO can use. The Authors believe the present form is one of them. The question is whether it is working for CP in budgeting? The answer is no if citizen participation in budget meetings and hearings is the criteria. The answer is still no if trust in JO CO government by a majority of its voters is the criteria. However, the important answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

2. Political Culture Political culture is the set of attitudes, beliefs, and sentiments which give order and meaning to a political process and which provide the underlying assumptions and rules that govern behavior in the political system. It encompasses both the political ideals and operating norms of a polity. Political culture is thus the manifestation of the psychological and subjective dimensions of politics. A political culture is the product of both the history of a political system and the histories of the members. Thus it is rooted equally in public events and private experience (International Encyclopedia of the Social Sciences 1968, Vol. 12, p. 218).

a) Literature: JO CO Uses a Traditional Budget Process Political culture may also be an important variable in the environment's influence on budget participation because the history of participation is a fairly good predictor of the forms that participation will take (Kweit and Kweit 1981). Miller and Evers (2002) suggest 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 (emphasis added). Using Elazar's political culture typology, Ebdon (2002a) found differences in the use of budget participation methods in cities with varying political cultures. Northern moralistic cities generally have greater use of participation, followed by southern cities with traditional cultures, with the least participation in individualistic cities in the middle portion of the country (Ebdon & Franklin 2006, p. 439).

There was also literature on budget participation depending on whether the majority of voters are conservative or liberal.

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.

JO CO uses a traditional CI budget process as interpreted by the Budget Officer.

Traditional in Oregon means using the minimal CI requirements of LBL as there are no formal JO CO Board of County Commissioners (BCC) legislative decisions (i.e., resolutions or ordinances) identifying the public participation requirements in the budget process for the BCC, JO CO Budget Committee, and/or the public (e.g., no county budget manual, no citizen participation budget plan, no county citizen's guide to the budget, etc.). This traditional or normal Oregon budget method focuses on a minimum one formal meeting before the JO CO Budget Committee and a minimum of one formal hearing before the JO CO BCC. Oddly, the *Local Budgeting Manual* (LBM, Chapter 9, Publication Requirements) emphasizes meeting notices and a financial summary of the budget more than CI.

"Publishing meeting notices and a financial summary of the budget are some of the most important parts of the budget process." (ORS 294.426; 294.438; and 294.448) (LBM 2012, p.47)

This "normal" Oregon county budget process easily satisfies the **Oregon Citizen Involvement Advisory Committee's** (CIAC) questions criteria 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.).

b) Josephine County Government

(1) Why Is Josephine County A Crucial Case? Davis described Josephine County, Oregon as a crucial case to test the prediction offered by Group Engagement Theory (Appendix J). Group engagement theory describes the relationship between citizen perceptions of policy, individual identify and status judgement, and individual group engagement decisions (e.g, voting on policies, tax levies, etc.) (Davis 2016, pps. 4 & 28).

- 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).

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, perceived peer groups, relationships with decision makers, locality of decision-making, and political ideologies. JO CO is unique in that a particular policy instrument, a property tax, had been recently proposed (i.e., proposed levies in 2012, 2013, 2014, and 2015) to provide funding for public safety at a local level, and next month a fifth is proposed. This took place in a county that was very unique in terms of political ideology and demographic statistics (emphasis added) (Davis 2016, p. 28).

(a) Political Ideology JO CO is unique because it is politically conservative* in comparison to the rest of Oregon and to the rest of the country. 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 a non-Republican presidential candidate was able to secure the county's vote was in 1936 when JO CO 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) (Davis 2016, pps. 29-30).

* *Conservatism* is a political and social philosophy that promotes retaining traditional social institutions in the context of culture and civilization. Some conservatives seek to preserve things as they are, emphasizing stability and continuity, while others, called reactionaries, oppose modernism and seek a return to "the way things were." The term, historically associated with right-wing politics, has since been used to describe a wide range of views. There is no single set of policies that are universally regarded as conservative, because the meaning of conservatism depends on what is considered traditional in a given place and time (Wikipedia viewed July 27, 2016).

* Conservatives believe in personal responsibility, limited government, free markets, individual liberty, traditional American values and a strong national defense. They believe the role of government should be to provide people the freedom necessary to pursue their own goals. Conservative policies generally emphasize empowerment of the individual to solve problems. *Conservative vs. Liberal Beliefs*. 2005 (revised 2010). <https://www.studentnewsdaily.com/conservative-vs-liberal-beliefs/>.

* Which one applies to JO CO? Which one, if any, enhances citizen participation in JO CO's budget process?

This effect of ideology on JO CO residents' 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** (emphasis added). 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; JO CO residents opposed this measure with 55% of the county residents voting in opposition. Measure 67 sought to increase corporate taxes. Again, Oregon voters supported this measure 53-47, but only 44% of JO CO 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 JO CO (Davis 2016, p. 30).

(b) Demographic Statistics The situation in JO CO is particularly unique because of the demographics of the population that resides in the county. The population of the county is much older than the rest of the state, with an average age of 47 (compared to 39 for the state of Oregon). 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). 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. JO CO 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 JO CO residents live on a fixed income, making an increase in property taxes undesirable for much of the population** (emphasis added) (Davis 2016, p. 29).

Davis' summary of JO CO demographic statistics is corroborated by research of the Exploratory Committee.

**Community Health Assessment Summary Highlights: 2013 Josephine County
Community Health Assessment (Public Outreach 5.8)**
http://www.hugoneighborhood.org/JSPSS_Outreach.htm

- **Migration and Growth** JO CO has experienced out migration of younger populations while seeing an influx of older populations at the same time. Both the exodus of younger and the influx of older demographic groups in the county ultimately influences the health status and burden for care on the community. According to 2012 census data, 23.6% of the county population is over 65 years old. That is nearly double the state average of 14.9%.
- **Poverty** Nearly one in three children in JO CO live in poverty, creating significant challenges to their overall health and long-term development. 18.8% of the total county population lives in poverty (2007 - 2011), higher than the state average of 14.8%.
- **Homelessness** continues to be a challenge for many living in JO CO. Causes of homelessness are varied, they include drug and alcohol abuse, high rents, domestic violence and unemployment.
- **Employment** Unemployment in JO CO continues to be higher than state and national averages. Although the trend shows slight decreases in the seasonally adjusted unemployment rates from the Oregon Employment Department, they continue to hover around 11.2-11.3% annually, 4% higher than the national average.

- Crime Crime continues to be top of mind for residents living in JO CO. The Report of Oregon Offenses known to Law Enforcement lists JO CO as 14th highest in the state for property crimes (out of 36), 14th for person crimes and 23rd for behavior crimes in 2010.
- County Health Rankings JO CO has one of the worst health rankings in the state, raking 29th out of 33 Oregon counties (health outcomes category), a second year in a row. Mortality (death) was also ranked 29th out of 32, morbidity (disease) was ranked slightly better at 18th out of 32.
- Oral and Dental Health National and state level data shows that tooth decay is five times more common than asthma in Oregon children, making dental health a priority concern for the County and State.
- Mental Health Sixty-seven (67)% of residents in JO CO describe themselves as having good mental health. Although that is close to the state average, it still shows that close to 1 in 3 people don't consider themselves as having good mental health. When people don't feel as though their mental health is good, health-related quality of life is reduced.
- Addictions JO CO residents have significant addictions of alcohol, tobacco, other drugs and gambling.
- Food Insecurity The USDA defines food insecurity as lack of access to enough food for all members in a household and limited or uncertain availability of nutritionally adequate foods. Over 17.8% of JO CO households, or approximately 14,650 people are food insecure. Seventy-eight (78)% of the food-insecure households in the county have incomes below the poverty level.
- Access to Medical Care Lack of health insurance coverage continues to be a significant barrier to accessing needed health and medical care. JO CO far exceeds the national benchmark of 11% and state percentages in all age groups - 29.7% of adults 19- to 64-years-old in the county were uninsured in 2011.

Josephine County — and much of Southern Oregon — has once again ranked near the bottom of the state for quality of health, according to the recently released 2015 County Health Rankings.

Gini Coefficient The Grants Pass Metropolitan Statistical Area (MSA) (i.e., JO CO) has the third-largest gap between the haves and the have-nots in the U.S. Out of 381 MSAs in the entire U.S., only two are higher (worse) than JO CO. For example, nearly 30 percent of all income in JO CO goes to just 5 percent of area households, while the lowest-earning 20 percent of households take home just 3.2 percent of all income generated. Even though the cost of living is lower than the national level, 24.3 percent of the population still was on food stamps. The conclusion is drawn from the Gini coefficient, a measure of statistical dispersion intended to represent the income distribution of a nation's residents, and is the **most commonly used measure of inequality** (emphasis added). (Dwewel, Jeff. July 18, 2015. USA Today Says GP Has Huge Income Gap. TGPDC. Grants Pass, OR. http://www.thedailycourier.com/articles/2015/07/18/front_page_news/news000004.txt).

(c) Public Trust In Government While ideology likely plays a role for both JO CO opponents and supporters of four public safety tax levies from 2012-15, ideology is not the only factor influencing citizen perceptions, particularly on the opponent side. **Fair treatment** (emphasis added) within processes is the second most common argument utilized by levy opponents (41% of opponents). Reading through the letters (i.e., letters-to-the-editor in *The Grants Pass Daily Courier*), **this is likely a result of a lack of trust in governmental processes** (emphasis added). Opponents of the levy are much more likely to oppose the levy because they see government as wasteful or otherwise untrustworthy (Davis 2016, pps. 45-46).

Davis' research found opponents are likely to utilize distributive justice motivations to support their decisions because of ideological opposition to property taxes. Supporters, on the other hand are more likely to utilize outcome favorability arguments to support their decisions. This is likely due to the nature of the public safety issue. Public safety is an issue that is highly present in the mind of supporters. Compared with other public goods, failing to have a proper level of public safety seems to carry relatively dire consequences. For this reason, supporters likely utilize outcome favorability arguments rather than procedural justice arguments (Davis 2016, p. 46).

Given these results, JO CO residents appear to want certain policies from their local 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 (emphasis added). The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services. Many JO CO residents opposed the four levies proposed (i.e., 2012 by county, 2013 by county, 2014 by Securing Our Safety, and 2015 by Community United For Safety), but that is not the problem that JO CO faces. Some residents resent the decisions made by the JO CO BCC because they feel disconnected from the process of policymaking and policy delivery and distrust the officials in charge of making policy decisions. **If the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the decision-making process** (emphasis added). Davis recommended that JO CO do this through using co-productive models of governance (Davis 2016, p. 47).

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. The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services.

Co-production can be defined as “the provision of public services through regular, long-term relationships between professionalized service providers and service users or members of the community, where all parties make substantial resource contributions” (Bovaird, 2007). Co-production utilizes input from both civilian and professional sources in order to determine a **level of service** (emphasis added) delivery that is desired by service providers, users, and funders. Because of this inherent use of citizen voices, co-production is often seen as more democratic than traditional forms of public service provision (Davis 2016, p. 47).

Systems of co-production can be viewed along a spectrum. Systems can range from citizens having very little input into planning, to having full citizen control over planning and service delivery. Systems of co-production are judged along two axes of citizen participation: involvement in service planning and involvement in service delivery. Traditional service provision minimizes citizen involvement in both of these areas, favoring professional control over most service delivery procedures. **Within this model, citizens may have some control over the system by being able to elect decision makers, however, the ability of citizens to make direct decisions or help in the provision of services is limited** (emphasis added) (Davis 2016, pps. 47-48).

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

The results of Davis' study would suggest one of the two following options (Davis 2016, p. 48).

- Option 1 Would continue the traditional professional service delivery of public safety, but **expand citizen involvement in service funding planning** (emphasis added).
- Option 2. **Expand citizen involvement in both service planning** (emphasis added) and in service delivery.

Option 1 would continue the traditional professional service delivery of public safety, but expand citizen involvement in service funding planning (emphasis added). One method under which this has been achieved is through participatory budgeting. Under participatory budgeting, citizens gather at set intervals (normally annually) to discuss issues facing the community and to prioritize government spending. Concerns voiced within these gatherings then have a direct impact on the decisions made by government officials. This system enhances citizen engagement by giving an outlet to public opinion. Since citizen voices were involved in the process of service planning, citizens are also more likely to view decisions as legitimate (Davis 2016, p. 48).

Option 2 could expand citizen involvement in both service planning and in service delivery (emphasis added). This expansion would result in a system of full user professional coproduction. Given that public safety is a public good that deals with more risk, **professionals should be the primary providers of service. The professional models of "citizen leadership," "technocratic expert," and "bureaucratic indifference"** provide different theoretical perspectives to think about how professional administration affects managers' behavior in regard to involving citizens in the budget process (Yang & Callahan, 2007, p. 310 - 311; Section III.C.4). **However, finding ways to incorporate citizen involvement into service delivery could further display the legitimacy of the process of public safety provision** (emphasis added) (Davis 2016, pps. 48-49).

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 manager's professional status (i.e. citizen leadership, technocratic expert," and bureaucratic indifference) and background in order to better understand how city managers relate to citizen participation in the budget process (Yang & Callahan, 2007, p. 310 - 311). The competing theoretical perspectives examine how the adoption of citizen participation in the budget process is associated with 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 (Section III.C.4).

Troubling is that neither the JO CO Budget Officer or the JO CO Budget Committee, have been available to discuss the budget process since the Authors first formally requested their assistance last January 2016. Several official communications to Arthur O'Hare, Finance Director, or copies to him on budget matters from the Exploratory Committee starting with a request to meet with him on January 20, 2016. As of November 14, 2016 he has been too busy to meet with the Committee (<http://www.hugoneighborhood.org/budgets.htm>; Section II.A.2).

These suggestions do come with some limitations. First and foremost, **no matter how much citizen involvement is granted within the process, some individuals will not be satisfied with the results** (emphasis added). This is particularly the case within JO CO where citizen opinions are so varied. Furthermore, shifting responsibilities to the public may result in some resentment amongst formerly empowered service professionals. Also, if the results of decisions made by the public are perceived as undesirable, prescribing blame and holding decision makers accountable is much more difficult. While these difficulties may arise, **coproducing policy rather than utilizing traditional service methods should allow for more democratic voice and thus increase perceptions of procedural justice within the JO CO government** (emphasis added) (Davis 2016, p. 49).

(d) Summary JO CO voters are likely to view taxation and larger government as inherently unfair. Both the ideology of voters in JO CO and the demographics of the population suggest that individuals will likely be opposed to future levies on the basis of the levies' perceived fairness. Fair treatment within processes is the second most common argument utilized by levy opponents (41% of opponents). This is likely a result of a lack of trust in governmental processes, including the JO CO Budget Officer's professional status (i.e. citizen leadership, technocratic expert," and bureaucratic indifference).

However, there are CI/CP opportunities to enhance the role of citizens in the budget process to increase perceptions of procedural justice, and finding ways to incorporate citizen involvement into service delivery could further display the legitimacy of the process of public safety provision. The bottom line, if the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into all decision-making processes, including budgeting.

(2) Josephine County, Oregon From Wikipedia JO CO has been among the most consistently Republican counties in Oregon with regard to Presidential elections. In 1964, it was one of two Oregon counties to give a majority to Barry Goldwater. The last Democratic candidate to win the county was Franklin D. Roosevelt in 1936. Although shifting Democratic in the last 12 years John McCain received 55.2% of the county's vote in the 2008 U.S. presidential election. In 2004 Democrat Dennis Kucinich spoke publicly while campaigning in Josephine County, making appearances in both Grants Pass and Cave Junction. Robert Kennedy made a campaign stop in Grants Pass in late May of 1968 at the conclusion of a whistle stop campaign tour by train originating in Portland. Kennedy spoke to a crowd of several hundred in a supermarket parking lot on the site of the former Southern Pacific passenger station which had been demolished some years previously just a week before his assassination in California June 5, 1968 (Wikipedia viewed July 9, 2016; https://en.wikipedia.org/wiki/Josephine_County,_Oregon)

c) CP Analysis Of “Political Culture” In Budgeting For JO CO The opinions in this analysis are the Authors. A major idea is that the political culture of 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) Political Ideology and Demographics Influence Citizen Perceptions JO CO is unique in that a property tax had been proposed (i.e., proposed levies in 2012, 2013, 2014, and 2015) 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.

JO CO is unique because it is politically conservative in comparison to the rest of Oregon and to the rest of the country. This effect of this ideology on county resident’s decisions to support or oppose tax measures can be considered a determinant of tax measure support in JO CO.

The situation in JO CO is particularly unique because of the demographics of the population that resides in the county. The population of the county is much older than the rest of the state. 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). JO CO 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 compared to \$43,024 for the entire state. The end result of these statistics is that most JO CO residents live on a fixed income, making an increase in property taxes undesirable for much of the population.

(2) Public Trust In Government Fair treatment within processes is the second most common argument utilized by levy opponents. This is likely a result of a lack of trust in governmental processes. Opponents of the levy are much more likely to oppose the levy because they see government as wasteful or otherwise untrustworthy. JO CO residents appear to want certain policies from their local 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.

JO CO residents have some control over budgeting as it concerns to property tax issues, but for the most part, decisions are made by the JO CO BCC. Since this system appears to be inadequate at ensuring procedural justice, The county should seek to change its mechanisms of service provision to allow for more citizen voices.

(3) Citizen Participation Budget Plan Needed Is a citizen participation budget plan or other JO CO BCC legislative decisions on CI/CP needed? Is there a citizen participation issue/problem? If so, what is it? Is going beyond the Oregon Local Budget Law’s public meeting/hearing requirements part of the solution? The basic question on citizen participation 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. The majority of citizen participation researchers conclude that the objective of traditional models is legal conformity, inform and educate, and gain support of public for governing body 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 (Chapter II, Appendix A1).

Arnstein's now classic "ladder of participation" 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 (Chapter II, Appendix A1).

Per informal policy direction from local governing bodies, financial planning professionals, with public policy responsibilities have institutionalized the practice of public meetings and hearings as the method to involve the public in planning. **The one-way technocratic expert, and/or bureaucratic flow of information in public hearings on proposed policies, the 'review and comment' methodology** – government 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). Commonly used efforts such as public meetings, open houses, and public hearings are viewed by the majority of citizen participation researchers as mediocre or average in their effectiveness to include the public (Chapter II, Appendix A1).

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)? The position of the Authors of this paper, *Citizen Participation In the Josephine County Budget Process*, identify the answers as both of the above.

(4) Josephine County Goals of "Inform" The Authors conclude that the level of public participation as defined by the public meetings and public hearings in the JO CO budget process is the BCC's informal goal of "Inform." The public participation goal of "Inform" is to provide the public with balanced and objective information to assist them in understanding. This would be the purpose of CI per the Oregon Local Budget Law purpose of ORS 294.321(6), to enable the public to be apprised.

“(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 IAP2 Spectrum identifies a public meeting as “Consult”, but the **public participation goal of “Consult” is to obtain public feedback on analysis, alternatives, and/or decisions**. It is not apparent that the JO CO budget process meaningfully reaches the consult goal as there is no written record how the specific public input was considered. For example, there was no written record from the budget committee or BCC as to what the specific public comments were, how they were used, or how they affected the budget for the stage the comments were applicable (i.e., complete proposed budget, complete approved budget, and complete adopted budget).

The Authors’ position is that the BCC’s public participation goal of “Inform” might be very satisfactory with many citizens where there are not issues/problems as identified by voters, especially if the majority of the public has no problems or trust issues. This is not the case for JO CO with the significantly reduced JO CO revenue since FY 2012 -13. The BCC has the specific issue of funding mandated and essential public safety programs at levels it determines appropriate, and it has public trust issues (Davis 2016). Adding to the problem is that the public safety issue is not the simple focus of taxes versus safety. The JO CO public safety issue is multifaceted with citizen perceptions and engagement decisions, pro and con, involving a multitude of reasons for involvement and not participating.

d) Is The “Political Culture Of JO CO Government” Working? JO CO’s political culture is not working in terms to promoting trust in government, and, therefore, support for taxes. Fair treatment is a common argument utilized against the last four years of proposed levies.

Is a citizen participation budget plan or other BCC legislative decisions on CI/CP needed to address the public trust issue, or is there a citizen participation issue/problem? If so, what is it? Is going beyond the LBL’s public meeting/hearing requirements part of the solution? If so, JO CO 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.

Since political culture is the product of both the history of a political system and the histories of the members, can it be changed? The Authors believe political culture can be changed over the long-term (i.e., 10 - 20 years). It is about the availability of legal CI/CP tools to JO CO government. It is about the will to identify CI/PC goals beyond the LBL’s “apprise” (i.e., inform).

JO CO is stuck with its historical political culture. The Authors believe the present CI/CP budgeting process is legitimate, and if undertook, it will take a significant long-term effort to change it. The question is whether its CI strategy is working to potentially ameliorate distrust in government? The answer is up to the county’s BCC, elected officials, county government staff, and, especially the public.

3. Legal Requirements

a) Literature Most states impose certain legal budget requirements on local governments (such as public hearings) that may either enhance or constrain participation. In Kansas, for example, public hearings must be held after publication of the maximum amount of the budget and tax levy, reducing the potential influence of citizens (Ebdon and Franklin 2004). In other cases, voter referenda are required for governments to increase taxes or to issue general-obligation debt. The City of Dayton, Ohio, did not lose a tax election over a 20-year period, a feat that was at least partially attributed to its use of community neighborhood boards (Gurwitt 1992). Referenda are even used for budget approval in a few places, such as New York State school districts, where districts with referenda were found to spend less than districts without this requirement (Ebdon 2000). Legal requirements can also have unintended effects. Orosz (2002) suggests that a focus on minimum legal requirements can lead to a gap between advocated and actual participation opportunities (Ebdon & Franklin 2006, p. 439).

It is time to face facts we know, but prefer to ignore. Legally required methods of public participation in government decision making in the US—public hearings, review and comment procedures in particular—do not work. They do not achieve genuine participation in planning or other decisions; they do not satisfy members of the public that they are being heard; they seldom can be said to improve the decisions that agencies and public officials make; and they do not incorporate a broad spectrum of the public. Worse yet, these methods often antagonize the members of the public who do try to work with them. The methods often pit citizens against each other, as they feel compelled to speak of the issues in polarizing terms to get their points across (emphasis added). This pattern makes it even more difficult for decision makers to sort through what they hear, much less to make a choice using public input. **Most often these methods discourage busy and thoughtful individuals from wasting their time going through what appear to be nothing more than rituals designed to satisfy legal requirements** (emphasis added). They also increase the ambivalence of planners and other public officials about hearing from the public at all. Nonetheless, these methods have an almost sacred quality to them, and they stay in place despite all that everyone knows is wrong with them (Innes & Booher 2004, p. 419).

In many states so-called ‘open meeting’ requirements have become integral to participation. Open meeting rules essentially making it illegal for public officials to meet privately to discuss public issues. All these bodies must publish agendas days ahead of time and follow them in the meeting. These ‘sunshine laws’ are designed to assure transparency in government and give citizens the chance to be informed and aware so they can comment appropriately (Innes & Booher 2004, p. 423).

Ultimately the differences between the methods legally required in the US and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices (emphasis added) (Innes & Booher 2004, p. 430; Davis 2016, pps. 45 - 49).

b) Josephine County Government JO CO has the following informal legal citizen involvement (CI) budget requirements interpreted by the JO CO Budget Officer, mostly from the State of Oregon's LBL (i.e., ORS 294.305 to 294.565).

- (1) State of Oregon
 - (a) Oregon Revised Statutes
 - (b) Oregon Administrative Rules
 - (c) Local Budgeting Manual
 - i) Introduction: Purpose & Citizen Involvement
 - ii) Chapter 1, Who Is Involved In The Budget Process
 - iii) Chapter 3, The Budget Process
 - iv) Chapter 8, The Budget Committee and Approving the Budget
 - v) Chapter 9, Publication Requirements
 - vi) Chapter 11, The Budget Hearing and Adopting the Budget
 - (d) Local Budgeting in Oregon
- (2) Josephine County Government
 - (a) Traditional Citizen Involvement Process
 - (b) Meetings/Hearings Open to Public Comments

(1) State Of Oregon

(a) Oregon Revised Statutes (Section II.A.) Oregon imposes certain legal budget requirements of local governments (i.e., LBL, ORS 294.305 to 294.565). Most of the statutes are not about CI in the budget process. There are six LBL purposes identified (ORS 294.321 Purposes). Two purposes touch on CI. They are minimalist in terms of promoting citizen participation (CP) with two major purposes (see Section II.A for all six purposes).

Major CI Purpose #1. **Provide specific methods to the local governments for obtaining public views in the preparation of fiscal policy.**

Major CI Purpose #2. **Enable the public, taxpayers and investors to be apprised of the financial policies.**

A budget committee is required of local governments (ORS 294.414). This ORS provides no information about the purpose of the budget committee, or anything about CI or CP.

Proposed Budget. The citizen learns more about the purpose of the budget committee from a statute on its budget committee meeting.” ORS 294.426(1) provides the following on CI/CP as it applies to the JO CO Budget Committee (i.e., it is possible to hold only one meeting before the budget committee for the public to perform the following purposes: receive the budget message and the proposed budget document for the first time, review them, and ask questions about and comment on the budget, all in one meeting).

- ORS 294.426(1) The budget committee established under ORS 294.414 (Budget committee) shall hold one or more meetings for the following purposes:
- (a) Receiving the budget message prepared under ORS 294.403 (Budget message) and the budget document; and
 - (b) Providing members of the public with an opportunity to ask questions about and comment on the budget document.

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 (ORS 294.403; Section II.A.2).

JO CO applies the Governmental Finance Officers Association's (GFOA) best practices that are part of the GFOA Budget Presentation Award Program. There are 27 criteria in the GFOA's award program (GFOA 2014; Section V.H; Appendix U). One of them on the budget message follows.

GFOA BPAP #P3. Mandatory Criteria: 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*) (GFOA 2014 p. 2).

Criteria Location Guide Questions

1. Does the message highlight the principal issues facing the governing body in developing the budget (*e.g., policy issues, economic factors, regulatory, and legislative challenges*)?
2. Does the message describe the action to be taken to address these issues?
3. Does the message explain how the priorities for the budget year differ from the priorities of the current year?
4. Is the message comprehensive enough to address the entire entity?

Explanation This criterion requires a summary explanation of key issues and decisions made during the budget process. **The budget message also should address the ramifications of these decisions** (emphasis added). It is recommended that the total amount of the budget be included in the budget message.

In summary, the minimum compliance standard of Oregon Local Budget Law (LBL) is that citizens have at least one meeting day before the budget committee to ask questions about and comment on the proposed budget document (ORS 294.453).

Approved Budget The same goes for opportunities for public comments on the approved budget. In summary, the minimum compliance standard of LBL is that citizens have at least one hearing day before the governing body to ask questions about and provide input on the approved budget document (ORS 294.453(1)).

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 (Publication of notice of meeting, financial summary and budget summary) 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. . .

Adopted Budget The final CI standard is a requirement for the governing body to adopt the budget with consideration of matters discussed at a public meeting. In summary, the minimum compliance standard of Oregon Local Budget Law is that citizens comments before the governing body are considered (ORS 294.456(1)).

ORS 294.456(1)(a) After the public hearing required under ORS 294.453 (Hearing by governing body on budget document as approved by budget committee) (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 . .

In summary, LBL establishes standard budget procedures to prepare local budgets. It also provide specific methods (i.e. meetings/hearings) for obtaining public views in the preparation of fiscal policy and it enables the public, taxpayers and investors to be “apprised” of the financial policies. Further, there must be public disclosure of the budget before it is formally adopted. A budget officer must be appointed and a budget committee formed. The budget officer prepares a draft budget and the budget committee reviews and revises it before it is approved. Notices are then published, copies of the budget are made available for public review and at least two opportunities for public comment are provided.

Under LBL, the minimum requirement of CI in budget preparation is one public meeting opportunity for the public to provide comments on the proposed budget before the budget committee, and one public hearing opportunity to provide comments on the approved budget before the local governing body.

There are some questions about Oregon Department of Revenue responsibilities being researched.

ORS 294.495 Construe Local Budget Law
ORS 294.500 Petition by 10 Interested Taxpayers
ORS 294.505 Budgetary Irregularities
ORS 294.510 Budgetary Procedure Enforcement

(b) Oregon Administrative Rules (OAR) (Section II.C.) There is very little in the OARs applicable to citizen involvement in the local government’s budget process.

There are some questions about quorums being researched.

BUDGET PROCESS BRAINSTORMING QUESTIONS (Chpt IV, p. 101)?
h) OAR 150-294.414. Quorum Necessary to Hold Meeting. (Chpt IV, p. 115)
h-1) Is it true that all members of the budget committee are equal?
j) OAR 150-294.453(1). Quorum Necessary to Hold Meeting. (Chpt IV, p. 115)
j-1) What is the difference between OAR 150-294.414 and OAR 150-294.453(1)?

(c) Local Budgeting Manual (*Manual* 150-504-420; Section II.D.) The simple summary is that Oregon Local Budget Law (LBL: ORS 294.305 to 294.565) provides minimal compliance standards for CP, and that the quote from *Budget Manual for Local Governments in Multnomah County* is worth repeating.

“STATUTORY REQUIREMENTS 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.” (Appendix L; TSCC 2008 p. 17).

i) Introduction: Purpose & Citizen Involvement 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 (*Manual*, p. 5).

The Purpose of Local Budget Law (*Manual*, 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 to complete a cycle (12 months for JO CO).** The budgeting process has four parts. The budget is: 1. prepared and proposed, 2. approved, 3. adopted, and 4. executed. Oregon’s LBL has six objectives identified in ORS 294.321. They are faithfully identified in the introduction of the *Manual*. Two the six objectives are about citizen involvement (CI – ORS 294.321).

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.

Authors’s Question. Significant is the word “apprised” as it sums up the CI budget objectives. Question: Does “Apprise” mean something like “Inform” which is at the bottom of Arnstein’s ladder of citizen participation, just above nonparticipation (Section V.B.2; Appendix A1)?

Citizen Involvement There are 14 chapters in the 113 pages of the *Manual* (all in 10 point text size). CI is not covered in any of the 14 chapters. Besides the CI caption, it is identified one time in one paragraph in the introduction of the *Manual* (LBM, pps. 5-6). The three paragraphs under the Citizen Involvement caption follow.

Paragraph 1. 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.

Paragraph 2. Citizen involvement in the budget cycle varies from one community to another. It is up to each local government to prepare a budget that clearly outlines its fiscal policies for the patrons of the district. If a budget is clear and concise, taxpayers have a better understanding of what services their tax dollars are buying. Local governments may find citizen input informative and rewarding.

Paragraph 3. 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 Appendix B.

Question: It appears the CI section of the “Introduction” to the *Manual* was developed as an afterthought to the LBL ORS by the Oregon Department of Revenue (ODR). It implies it is a clarification of the LBL in the sense of suggesting LBL has a companion CI purpose or plan “To give the public ample opportunity to participate in the budgeting process.” There is no CI purpose or plan and it does not enable the public.

Paragraph 1. The first paragraph of the CI section starts out with an opinion statement: “To give the public ample opportunity to participate in the budgeting process.” “Ample opportunity” sound good, but the actual reality is that the best the ORS can do is: provide specific methods to the local government for obtaining public views in the preparation of fiscal policy, and to enable the public, taxpayers and investors to be apprised of the financial policies. Question: Ample opportunity to participate and being apprised is a major difference between the ORS and the *Manual*.

The center and majority of the paragraph is about the budget process leading to a public hearing before the budget committee.

The last part of the paragraph includes the following.

Fact: Any person may appear at a meeting before the budget committee and a hearing before the governing body, for or against any item in the budget.

Opinion Statement: “These requirements encourage public participation in budget making.” Question: This is an optimistic belief of the ODR as nowhere in the ORS is public participation identified, nor any citizen involvement program to accomplish the goal of encouraging public participation in budget making.

Fact: “They [budget procedures] also give public exposure [i.e., enable the public to be apprised] to budgeted programs and fiscal policies before the governing body adopts the budget.”

All this paragraph does, except for the misleading phrases about giving the “public ample opportunity,” and “these requirements encourage public participation,” is to explain LBL about public meetings/hearings.

Paragraph 2. The CI’s second paragraph is all generic providing no information about a CI process and/or plan. It has the only sentence in the *Manual* with CI identified in the text - “***Citizen involvement*** (emphasis added) *in the budget cycle varies from one community to another.*” However, the statement says nothing about a CI process for local governments, except that it will vary.

It ends with “Local governments may find citizen input informative and rewarding.”

Authors’s question from C. S. Lewis quote: *If you look for truth, you may find comfort in the end; if you look for comfort you will not get either comfort or truth only soft soap and wishful thinking to begin, and in the end, despair.*

Paragraph 3. The last CI paragraph is about the major steps of the budgeting process. The *Manual’s* “Statutory and Administrative Rule References” in Appendix A3III are excellent.

In summary, there is nothing in LBL nor the *Manual* about a CI process or plan in the sense of the Government Finance Officers Association’s best practice – *GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management* (GFOA 2009; Appendix V).

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 (GFOA 2009; Appendix V):

- *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.*

ii) Chapter 1. Who is Involved in the Budget Process? (*Manual*, pps. 7 - 11). The main idea from a CI point of view is that the Oregon Department of Revenue (ODR) has the sole authority to interpret and administer LBL and to issue administrative rules for compliance.

iii) Chapter 3, The Budget Process (*Manual*, pps. 13 - 18). 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 for evaluating a local government's needs and identifying revenue sources to meet those needs (*Manual*, p. 13).

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 (*Manual*, p. 13). The Author's view follows.

- ORS Fact: A local government's budget is a public document.
- ORS Fact: Anything connected with the budget is subject to public inspection.
- ORS Fact: The budget is a guide to the financial management of the local government.
- Optimism: **It provides information that encourages public participation in government** (Question; see previous).
- Recommend: Temper the detail of the budget with common sense to make the document as informative and uncomplicated as possible.

Under LBL the budget message is delivered to the budget committee at its first meeting. The budget message must be in writing, since it is a **part of the complete budget document** (*Manual*, p. 14). True, but this is in dispute by the Budgeting Officer for JO CO. His interpretation is that the only complete budget is the adopted budget (see Sections IV.A.1, IV.A.3b), IV.A.5). Therefore, this view is that the budget message is not required as part of the proposed budget.

Authors's question. The question of whether the budget message is part of the budget document is not answered by the legislative definition of the budget message (ORS 294.403); one of its main purposes is to describe proposed financial policies. The *Manual* (p. 14) identifies that the budget message is part of the complete budget document. The JO CO government also provides an opportunity for public comment in the local budget process at three final evolutions, or stages, of the complete budget.

1. Complete Budget Officer Proposed Budget Document.
2. Complete Budget Committee Approved Budget Document.
3. Complete BCC Adopted Budget Document.

In is incomprehensive how JO CO could provide an opportunity for the public to provide input on the proposed budget's financial budgets without providing the budget message in the budget. This is because the significant major financial policies are in the budget message and not in the budget, except if it is part of the budget.

It would seem logical that the budget message's financial policies are part of all three final complete budgets as they evolve since the budget process enables the public to be "apprised" of the financial policies at the three distinct legal evolutions of the budget (i.e., proposed, approved, and adopted). The legal process also provides opportunities for the public to comment at a JO CO Budget Committee (JOCOBC) meeting and a JO CO BCC hearing, and the public has a right to comment during the budget process on the financial policies of the budget (Appendix A, Budget Message; Sections IV.A.1, IV.A.3b), and IV.A.5)).

Budget Committee Meets (ORS 294.426). The JOCOBC meets publicly to review the budget document as proposed by the JO CO Budget Officer. The committee receives the proposed budget and the budget message and holds at least one meeting in which the public may ask questions about and comment on the budget. The budget officer may make the proposed budget available to the members of the budget committee at any time before the first meeting, or may distribute the budget at the first meeting.

Oregon LBL meetings fall within the Public Meeting Law (ORS 192.610 to 192.690). The Public Meeting Law policy statement (ORS 192.620) requires an informed public and that decisions of governing bodies be arrived at openly.

"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."

iv) Chapter 8, The Budget Committee and Approving the Budget. The *Manual* provides the following which the Authors question.

- The budget committee is a local government's fiscal planning advisory committee. . . . All members of the budget committee have equal authority. Each member's vote counts the same. Any member can be elected by the committee as its chair (LBM, p. 44).

Budget committee members should develop a general understanding of the budget process, the departments or programs 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 (*Manual*, p. 44).

The budget committee may meet from time to time throughout the year at the governing body's discretion (emphasis added) for purposes such as training. All of these meetings are open to the public (*Manual*, p. 45).

The budget officer may make the proposed budget available to the budget committee at any time before the first budget committee meeting advertised in the notice. Alternatively, the budget officer may choose to make the budget available at the first budget committee meeting [ORS 294.426(6)(b)]. This copy becomes a public record (*Manual*, p. 45).

The budget committee elects a presiding officer from among the members at the first meeting [ORS 294.414(9)]. The budget committee also hears the budget message at its first meeting. **One of the committee's most important duties is to hear and consider any testimony presented by the public about the budget** (emphasis added) (*Manual*, p. 45).

The budget committee reviews and, if a majority of the committee feels it is necessary, revises the proposed budget submitted by the budget officer. It must ultimately balance each fund and approve the budget. Committee members may not discuss or deliberate on the budget outside of a public meeting (*Manual*, p 45). ORS Fact: During this process the committee may ask questions of the executive officer or other staff, and request additional information. The committee is entitled to receive any information it needs to make decisions about the budget (ORS 294.428) (*Manual*, p. 45).

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]. **The budget committee may approve the budget at the first meeting** (emphasis added). However, it could take several meetings to do so. [ORS 294.428(2)] (*Manual*, p. 45).

Approving the taxes Once the budget committee has approved the budget, it has completed all of the duties required of it by LBL. 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 that are up to the discretion of the governing body (*Manual*, p. 46).

After the budget committee approves the budget, it is turned over to the governing body and the process enters into the adoption stage. The governing body has the final responsibility for allocating the resources of the budget to the programs and departments of the local government [ORS 294.456(1)] (*Manual*, p. 46).

v) Chapter 9, Publication Requirements Publishing meeting notices and a financial summary of the budget are some of the most important parts of the budget process (emphasis added) (ORS 294.426; 294.438; and 294.448; *Manual*, p. 47).

Narrative publication—an alternative. As an alternative to the publication forms discussed above, LBL permits the use of a 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 (*Manual*, p. 50).

vi) Chapter 11, The Budget Hearing and Adopting the Budget. After the budget committee has approved the budget, the governing body must hold a public hearing on that budget and then adopt the budget (*Manual*, p. 55).

Budget hearing. One of the most important steps in the budget process is publishing a summary of the budget that has been approved by the budget committee and a notice of the budget hearing (emphasis added) (*Manual*, p. 55).

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 (ORS 294.453). **It gives consideration to matters discussed at the hearing** (emphasis added) (ORS 294.456). **Keep careful minutes of the budget hearing proceedings to document your compliance with these requirements** (emphasis added) (*Manual*, p. 55).

The budget committee is not required by law to be present at the budget hearing. However, some local governments make it their policy to ask the budget committee to participate (emphasis added) (*Manual*, p. 55).

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 should also reflect the version of the budget that was approved by the budget committee (*Manual*, p. 55).

There is no provision in law for adopting the budget after June 30. Planning ahead and having a budget calendar will help ensure that governing body members do not find themselves operating outside the law (*Manual*, p. 55).

(d) Local Budgeting in Oregon (full excerpts in Appendix A3; Section II.D). The bottom line is so clear that LBL provides minimal compliance standards for citizen participation, that the quote from *Budget Manual for Local Governments in Multnomah County* is repeated.

“STATUTORY REQUIREMENTS 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.” (Appendix L; TSCC 2008 p. 17).

Local Budgeting in Oregon (LBIO is a supplement to the *Local Budgeting Manual* (150-504-420), hereafter called the *Manual* (LBIO, p. 1). The following are excerpts from LBIO applicable to CI involvement in the preparation of the budget, and understanding fiscal policies, program purposes, and the budget message.

Oregon’s Local Budget 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.

The Authors’ view of the two important things that LBL does from *Local Budgeting in Oregon* follows.

- | | |
|------------------|---|
| ORS Fact: | It establishes standard procedures for preparing, presenting, and administering the budget. |
| Optimism: | It requires citizen involvement in the preparation of the budget before its formal adoption (Question: How could this statement stand as nowhere is CI required in the LBL/ORS? ; it is not even identified; see previous). |
| ORS Fact: | It requires public disclosure of the budget before its formal adoption (see previous). |

The Authors’ question the following statements.

1. **Optimism:** *Citizens check to see that programs they want* [Question: some do] *and need* [Question: need is rarely scientifically identified (i.e. programs and levels of service: mandatory, necessary, essential, minimal (i.e., MALPSS)) are adequately funded [Question: citizen make no decisions on funding] (LBIO, p. 1).
2. **Optimism:** *This makes budgeting in Oregon a joint effort between the people affected by the budget and the appointed and elected officials responsible for providing the services* (LBIO, p. 1). Question: What is the evidence? Have you ever heard a statement from the general public that budgeting in Oregon is a joint effect between the people and the government?

Author's question. From the *Manual* the ODR must believe that *"To give the public ample opportunity to participate in the budgeting process"* is satisfied by LBL that requires that a budget officer be appointed and a budget committee be formed (LBIO, p. 1). Does the budget officer or the budget committee work for the public? Does the public have official appointment and/or supervision duties? Does it identify anywhere in LBL that the budget officer and/or the budget committee have the role/responsibility to *"To give the public ample opportunity to participate in the budgeting process."* No it does not. If it did, somewhere in the LBL does it would define what an "ample opportunity to participate" is.

ORS Facts: Notices are published, budgets are made **available for public review review** (emphasis added), and **at least two opportunities for public comment** (emphasis added) are provided (LBIO, p. 1).

Author's question. From the *Manual* the ODR must believe that LBL requirements to make budgets available for public review and providing at least two opportunities for public comment encourage public participation in the budget-making process (LBIO, p. 1). This level of support for citizen involvement may actually decrease participation (see following analysis section).

ORS Facts: Give public exposure to budgeted programs and fiscal policies before their adoption (LBIO, p. 1).

Author's question. Optimism: *"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."* (LBIO, p. 1). Not even close to the ORS purpose of "apprise" citizens (see following analysis section).

Author's question. Opinion: "You may also find the citizen input informative and beneficial." (LBIO, p. 1). What does "you may find" mean? Is it a contrast to what the ODR is implying is some other normal? (see following analysis section).

The budget outlines programs for the coming year, and controls the local government's spending authority. Under the ORS it is also a vehicle for obtaining public input about proposed programs and fiscal policies (i.e., at a minimum the public can give testimony at two meetings/hearings) of the local government (LBIO, p. 1).

Authors Question. It is not understood how the LBL requirement of requiring the vehicle of giving public testimony at two meetings/hearings can be implied to encourage citizen input in the budget process (LBIO, p. 1).

Authors Question. There are nine steps in the budget cycle (LBIO, pps. 2 - 3). How many steps and/or components of steps are specific about CI in the budget process? Answer - None.

The Budget Cycle (LBIO, pps. 2 - 3). The nine budget steps identified match LBL. 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). The nine step budget process is shown on The Local Budget Process Chart (LBIO, p. 6)

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.

Authors' Observation. The *Local Budgeting in Oregon* (LBIO) guide is not law (LBIO, pps. 9 - 12), but it is a laudable effort to communicate with the public in plain language. The "Questions and Answers" section in the LBIO guide is even more so taking on sub-topics in more detail than other sources. However, this praise does not mean that the Authors accept everything in the LBIO as it relates to a CI/CP.

The following questions and answers are on the general topic of more detailed information on the budget committee, its required and its possible roles, functions, and processes not identified in the ORS.

What is a budget committee? The budget committee is the district's [local government] fiscal planning advisory committee (see earlier Authors' comments on committee as the 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 is the budget committee's main function? In a series of public meetings the budget committee meets to review, discuss, make additions or deletions, and approve the proposed budget presented by the local government's budget officer. Upon completion of its deliberations, the committee approves the budget and sets the tax rate or amount needed to balance the budget.

Authors' Question. See earlier question on what the LBIO identifies as the two important things that Oregon's Local Budget Law does (LBIO, p. 1) – public testimony function at ORS 294.426(1)(b).

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 (LBIO, p. 10).

The following questions and answers are on the general topic of more detailed information on the budget committee's first formal scheduled meeting with the public not identified in the ORS.

What happens at the first budget committee meeting? Generally, the budget committee elects a chair and other officers, **receives the budget message, hears patrons, sets dates for future meetings, and adopts rules of order** (emphasis added) (LBIO, p. 10; see earlier and following Authors' comments on the role of the budget committee, and whether its members are equal).

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** (emphasis added). 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).

The following questions and answers are on the general topic of the budget committee's possible roles and functions not identified in the ORS.

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 assist 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** (emphasis added). 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).

Local Governing Body

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).

(2) Josephine County Government

(a) Traditional CI Budget Process JO CO uses a traditional CI budget process as interpreted by the JO CO Budget Officer. Traditional in Oregon means using the minimal CI requirements of Oregon Local Budget Law as there are no formal JO CO Board of County Commissioners (BCC) legislative decisions (i.e., resolutions or ordinances) identifying the public participation requirements in the budget process for the BCC, JOCOBC, and/or the public (i.e., no county budget manual, no citizen participation budget plan, no county citizen's guide to the budget). This traditional or normal Oregon budget method focuses on one formal meeting before the JOCOBC and one formal hearing before the JO CO BCC.

In 2016 this view was corroborated by an Oregon State University researcher (Davis 2016, pps. 47 - 48)

Systems can range from citizens having very little input into planning, to having full citizen control over planning and service delivery. Systems of co-production are judged along two axes of citizen participation: involvement in service planning and involvement in service delivery. Traditional service provision minimizes citizen involvement in both of these areas, favoring professional control over most service delivery procedures. Within this model, citizens may have some control over the system by being able to elect decision makers, however, the ability of citizens to make direct decisions or help in the provision of services is limited (Davis 2016, pps. 47 - 48).

The current system in Josephine County is very similar to the traditional model. Josephine County residents have some control over budgeting as it concerns to 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).

The JO CO budget process stakeholders follow.

- JO CO BCC (3 Elected Commissioners) and their department heads.
- Other Elected Officials (i.e., Sheriff, District Attorney, Assessor, Clerk, Surveyor, Treasurer, and Legal Counsel) and their staff.
- JO CO Budget Committee (3 members of BCC; 3 citizen representatives are appointed by BCC).
- Grants Pass City Council.
- JO CO & City of Grants Pass Citizens.

(b) Meetings/Hearings Open To Public Comments

All budget meetings are open to the public for comments per the agenda of the meetings (meeting between Simon Hare, JO CO Commissioner, and Mike Walker, July 8, 2016).

[Search the budget meetings/hearings minutes available on the county's budget web page.](#)

c) CP Analysis Of “Legal Requirements” In Budgeting For JO CO The opinions and conclusions of this analysis are the Authors. The present JO CO CI citizen budget process participation model, in terms of the opportunity for one-way testimony in budgeting is centered on BCC fiscal policies turned into the proposed complete budget by the JO CO elected officials, the JO CO Management Team, and the JO CO Budget Officer.

(1) Oregon Revised Statutes (Section II.A; Section V.C.3.b)(1)(a); Appendix K). ORS requirements are the most important State of Oregon budgeting authorities.

1. Oregon Revised Statutes: 294.305 to 294.565
2. Oregon Administrative Rules: 150-294.175 to 150-294.920
3. *Local Budgeting Manual* (document)
4. *Local Budgeting in Oregon* (document)
5. Josephine County Budget Process Policies

Oregon imposes certain legal budget requirements of local governments. Most of the budget statutes (ORS 294.305 to 294.565) 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. Citizen involvement (CI) is introduced not in the applicable ORS and/or the OAR, but in the “introduction” of the Oregon Local Budgeting Manual (*Manual*).

The word “public” is identified 43 times in ORS 294.305 to 294.565.

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

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

There are six ORS Oregon Local Budget Law purposes identified. Two purposes address CI. They both identify the “public.”

- 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 ORS apprised “public” purpose is in conflict with several non-ORS/OAR policy documents. The most recent one is the 2016 training workshop by the ODR on basic local budget law. One of the training power point panels identifies five “Purposes of Local Budget Law” with ORS 294.321 as the authority for the five purposes.

1. Establish standard procedures.
 2. Outline programs and fiscal policies.
 3. Require estimates of resources and expenditures.
 4. **Encourage citizen involvement** (emphasis added).
 5. Control expenditure of public funds.
- Oregon Department of Revenue Finance, Taxation & Exemptions. 2016. *Basic Local Budget Law 2016*. DER workshop on local budget law. Salem, OR.

It is uncomfortable for the Authors to share their position that the ODR is blatantly teaching a falsehood that Oregon Local Budget Law (ORS 294.305 to 294.565), specifically ORS 294.321, encourages citizen involvement. It is a professional organization and knows better. However, the Authors believe the ODR promotes and/or takes credit for CI through the authority of the *Manual* and the *Local Budgeting In Oregon* document, both of which it authored. However, this provision of the ORS and the *Manual* statement are not remotely the same. This is because the minimal CI provisions of “to enable the public . . . to be apprised [“informed”] of the financial policies ” in the LBL purposes are barely above nonparticipation on Armstein’s “Ladder of Citizen Participation.” (Appendix A1).

The Authors had previously identified that the BCC’s public participation goals of “Inform” might be very satisfactory with many citizens where there are not issues/problems as identified by voters, especially if the majority of the public have no problems or trust issues. However, the Authors believe that the CI model of “Inform” is not satisfactory during times of fiscal stress and for issues such as the county public safety issue which is multifaceted, with citizen perceptions and engagement decisions, pro and con, involving a multitude of reasons for involvement and/or engagement (Section V.C.2.c)).

Other questions about economic stress that the JO CO BCC have to consider are other major economic factors that have to be considered like future unforeseen unemployment, bankruptcies and foreclosures. That scary horrific past, along with the normal state forecasts of revenue growth in Oregon and other states facing downward pressure over the 10-year extended forecast horizon is a concern. As the baby boom population cohort works less and spends less, traditional state tax instruments such as personal income taxes and general sales taxes will become less effective, and revenue growth will fail to match the pace seen in the past. The monster in the bedroom today is the potential of unanticipated PERS costs (i.e., 30 percent of all government

payroll expenses within a decade?) and with few reforms known that will meet the courts' rulings on abrogating a legal labor agreement.

The problem is that CI/CP purposes are like goals, they are usually not legal requirements (Appendix F), and they are not a legal penalty for non-compliance, because goals and purposes are usually too general, without measurable objectives. Regardless, CI/CP purposes are not even identified in the ORS, except to enable the public to be apprised.

A budget committee is required of local governments (ORS 294.414), but this ORS provides no information about CI.

In summary, CI appears to be an afterthought in ORS 294.305 to 294.565. There are no requirements for CI, such as in the requirement of a citizen involvement budget plan, or any other formal procedure program to help the public understand the local budget process and how to most effectively participate.

Oregon's LBL's minimalist ORSs establish standard budget procedures and provide for the specific methods of meetings and hearings for obtaining public views on the preparation of fiscal budget policy. However, the focus is to enable the public, taxpayers and investors to be apprised, or informed of fiscal policies.

(2) Oregon Administrative Rules (Section II.B); Section V.C.3.b)(1)(b)) There is very little in the OARs applicable to citizen involvement in the local government's budget process.

(3) Oregon Local Budgeting Manual (Section II.C; Section V.C.3.b)(1)(c)). The *Manual* does not address CI in its own chapter, and nowhere in the budget ORS/LBL can the reader find CI and/or CP identified. Citizen involvement is introduced in the “introduction” of the *Manual* as if it were a purpose of LBL. This was a tricky approach by the ODR, almost deceiving, but they were stuck with the ORS as legislation and tried to tie CI into rules expressed in the *Manual* and the *Local Budgeting In Oregon* document (or at least take credit for it).

Significantly, the LBL recommends what the budget committee members need to do for themselves to learn LBL, not what the budgeting process will do to educate the committee members on their CI job responsibilities.

Budget committee members should develop a general understanding of the **budget process**, the departments or programs 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 (*Manual*, p. 44).

The minimal statutory CI budget committee responsibility under LBL is to have one meeting for public testimony. The budget officer may make the proposed budget available to the members of the JO CO Budget Committee at any time before the first meeting. Yes, under LBL the budget committee could become a real fiscal planning advisory committee to the BCC, meeting all year as necessary, versus the present focus of approving (recommending) the budget to the BCC.

Oregon LBL falls under Public Meeting Law policy statement which requires an informed public and that decisions of governing bodies be arrived at openly.

“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.”

Informing the public under the LBL fits under its sixth purpose which is to enable the public to be apprised of the budget. How does LBL meet the other purpose of the Oregon Public Meeting Law which is to “*require an informed public aware of the deliberations and decisions of the governing bodies and the information upon which such decisions were made.*”? The Authors’ analysis is that it is not in compliance with the Oregon Public Meeting Law requiring an informed public. However, LBL allows the local governing body to go beyond its own minimums in accomplishing a CI/CP purpose. The JO CO BCC may, or may not, take on the purpose of requiring an informed public aware of its deliberations and decisions and the information upon which the fiscal policies and decisions are made in its annual budget process, and at present it has elected not to do so.

An issue is that the JO CO budget message is not part of the JO CO proposed budget. The question of whether the budget message is part of the budget document is not answered by the legislative definition of the budget message (ORS 294.403); one of its main purposes is to describe proposed financial policies. The *Manual* (LBM, p. 14) identifies that the budget message is part of the complete budget document. The JO CO government also provides an opportunity for public comment in the local budget process at three final evolutions, or stages, of the completed budget.

1. Complete Budget Officer Proposed Budget Document.
2. Complete Budget Committee Approved Budget Document.
3. Complete BCC Adopted Budget Document.

It is logical that the budget message is part of all three complete final budgets as they evolve because of the following reason: The budget process provides for the public to be apprised of financial policies, and be given the opportunity to comment at a budget committee meeting and a BCC hearing on these policies in the budget. The budget message is where most of the significant financial policies reside. Therefore, the JO CO budget process for the proposed and approved budgets are not in compliance as, per JO CO policy, the budget message is only in the complete adopted budget.

Oregon LBL allows the budget committee to meet from time to time throughout the year for purposes such as training, but only with the JO CO BCC's approval (LBM, p 45). The bottom line is that the BCC plans and authorizes the budget committee's training, major procedures, and role, if any, the committee has in assisting the BCC in the budget process for the entire time it takes for the BCC to prepare and adopt the budget. JO CO's present informal policy is that the budget committee's main job is to figure out its responsibilities from the time it first meets the public until it approves the proposed budget over a time period of approximately 2 months. Informal policy is used as JO CO does not have any official public policy position (i.e., resolution or ordinance) such as a citizen involvement plan in the budget process, or a budget manual that the public and the budget committee could use in preparation of the proposed budget.

One of the JO CO Budget Committee's most important duties is to hear and consider any testimony presented by the public about the budget. However, besides giving public testimony and any the members of the budget committee saying thank you to the citizen commenting, there is no written record of how the committee considered public testimony (i.e., what were the citizen's issues and recommendations and how did the committee specifically "consider" them?).

The budget committee reviews and, if a majority of the committee feels it is necessary, revises the proposed budget submitted by the budget officer. During this process the committee may ask questions of the executive officer or other staff, and request additional information. Getting additional information and revising the proposed budget is almost impossible to do as any budget committee action requires the affirmative vote of a majority of the total budget committee membership. The difficulty for the citizens on the committee is that half the members of the budget committee are the governing body (in this case the JO CO BCC), and the BCC had already developed the proposed fiscal policies and approved the individual departments

submissions to the proposed budget prior to the budget committee seeing it (see Section IV.A.3.g) on brainstorming questions on the budget committee).

The minimalist local budget process is that after the budget committee's first public meeting and the time it approves the budget, it has completed all of the duties required of it by LBL, and the process is turned over to the JO CO BCC as the process enters into the adoption stage. The BCC has the final responsibility for allocating the resources of the budget to the programs and departments of the local government. However, LBL, allows the participation of the budget committee in any phase of the process as long as it is not in conflict with the law. Several local governments have policies of including the budget committee in other parts of the process, such as building the proposed budget and adopting a supplemental budget. These are local policy decisions that are up to the discretion of the JO CO BCC.

“Publishing meeting notices and a financial summary of the budget are some of the most important parts of the budget process.” (ORS 294.426; 294.438; and 294.448) (*Manual*, p 47). This “most important parts” statement is telling because compliance with the financial summary form and timing of the notice is an appealable standard. Therefore, one of the most important parts of the budget process is not about ample opportunities for CI/CP, but about a measurable form and timing compliance criteria.

The LBL's narrative publication alternative's (ORS 294.438) purpose of giving meaning to the budget figures while highlighting significant features in the budget is a startlingly honest statement of the flexibility of the JO CO BCC's latitude to do what it wants to in terms financial policies for the budget process and products. The fact that the *Manual* explicitly explains that the BCC “can include any other information [it] wants to provide, in any form or format” in the budget beyond the requirements is significant. Stated in another way is the Authors' position in Section V.C.1.b(3) and Section V.C.1.c) (Appendix L).

In summary, there are budget process requirements for citizen participation applicable to all local governing bodies. These minimal requirements must be followed. However, under JO CO's home rule charter, it may provide for the exercise of county authority over matters of county concern, such as enhanced citizen participation procedures beyond the minimums of the Oregon Local Budget Law Section (V.C.1.b)(3).

For the purposes of this CP issue, the central question is whether there are any known conflicts under Oregon Local Budget Law's citizen involvement procedures, and a potentially conflicting local government charter, ordinance, regulation, or policy – and vice versa enactment. Although minimal, there are budget process requirements for citizen participation applicable to all local governing bodies. These minimal requirements must be followed. However, under JO CO's home rule charter, it may provide for the exercise of county authority over matters of county concern, such as enhanced citizen participation procedures beyond the minimums of the Oregon Local Budget Law. Other local governments have utilized the enhanced CP participation procedures (Appendix L; Section V.C.1.c)).

Compliance standards for publishing meeting notices and budget summaries for the budget committee's first meeting and the governing body's first hearing have twins in chapters 9 and 11 of the *Manual*. Chapter 11 fills in some of "why" these criteria are important.

1. Publishing meeting notices and a financial summary of the budget are some of the most important parts of the budget process (Publication Requirements, Chapter 9, LBM, p 47).
2. One of the most important steps in the budget process is publishing a summary of the budget that has been approved by the budget committee and a notice of the budget hearing (Budget hearing, Chapter 11, LBM, p 55).

Chapter 11. 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**. Timing: the normal short approximately two month schedule from the first meeting of the budget committee and the first meeting of the hearing body does not leave much room for any needed additional budget committee meetings. Therefore, they are usually voted down by the majority of the budget committee when additional information and/or meetings are requested by any member of the committee as there is no provision in law for adopting the budget after June 30. Planning ahead and having a budget calendar will help ensure that governing body members do not find themselves operating outside the law.

The governing body conducts the hearing and receives testimony from any person present (ORS 294.453). It gives consideration to matters discussed at the hearing (ORS 294.456). **Keep careful minutes of the budget hearing proceedings to document your compliance with these requirements** (LBM, p 55). Considering public testimony that is received at the public meeting and public hearing is crucial as consideration is an essential element for the formation of a contract. For example, the government side of the contract is to enable the public to be apprised of the budget's financial policies and to give the public an opportunity to provide input in the budgeting process. The public's side of the contract is to meaningfully participate. The problem is that consideration must have a value that can be objectively determined and to enable the public to be apprised and to give opportunity to provide input without the specifics is not enforceable because of the general statement and subjective nature of the promise.

The budget committee is not required by LBL to be present at the budget hearing. However some local governments make it their policy to ask the budget committee to participate. The JO CO BCC could enact policy to facilitate enhanced CP. It is not required to stay with the minimums.

The Authors had several brainstorming questions on the budget committee (see brainstorming questions at Section IV.A.3g)).

- Brainstorming Question g-7-1) How does the JO CO Budget Committee perform the role of fiscal planning advisory committee to JO CO the when it is not involved in fiscal policies delivered to the JO CO departments by the JO CO BCC prior to the JO CO Budget Committee's first meeting?
- Brainstorming Question g-7-4) What are the authorities of appointed members of the budget committee versus the elected members? Do all members of the JO CO Budget Committee have equal authority as each member's vote counts the same, and any member can be elected by the committee as its chair?

- Brainstorming Question g-7-4b) How are the three electors (i.e., qualified JO CO voters) equal to the three members of the JO CO BCC when many budget law requirements exist in the JO CO budget process whose outcomes dictate otherwise?

Citizen Involvement (LBM, p. 5)

- Ample opportunity for public to participate in the budgeting process.
- 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.
- Citizen involvement in the budget cycle varies from one community to another.
- Budget that clearly outlines its fiscal policies.
- If a budget is clear and concise, taxpayers have a better understanding.

Authors. Ample opportunity is in the eyes of the beholder. The majority of citizen participation in budgeting researchers would disagree that the meeting/hearing comment format is more than a minimalist traditional approach.

- A local government's **budget is a public document**. Authors - True.
- Anything connected with the budget is subject to **public inspection**. Authors - True, but access is issue.
- The budget is a **guide to the financial management of the local government**. Authors - True.
- It provides **information that encourages public participation in government**. Authors - False.
- Temper the detail of the budget with common sense to make the **document as informative and uncomplicated as possible**. Authors - Goal is almost never reached, but not normally the fault of the preparers and the budget is just too comprehensive and complex.

The budget committee is a local government's fiscal planning advisory committee. What does being a fiscal planning advisory committee mean? An advisory board is a body that provides non-binding strategic advice to the BCC. According to the Government Finance Officers Association Executive Board (GFOA), long-term financial planning combines financial forecasting with strategizing (GFOA 2008 <http://www.gfoa.org/long-term-financial-planning-0>). It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as part of an overall strategic plan, but JO CO has no strategic plan for budgeting. Financial forecasting is the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables.

Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges. Many governments have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders. **The GFOA recommends that all governments regularly engage in long-term financial planning that encompasses certain elements and essential steps, including updating long-term planning activities as needed in order to provide direction to the budget process (GFOA 2008).**

The JO CO Budget Committee is JO CO's fiscal planning advisory committee if its job is short-term for about two months each year (see Appendix C) reacting to a proposed budget prepared by the JO CO Budgeting Officer based on information provided department staff through the point it approves the budget. By definition this reactionary mode of advising is not the needed long-term fiscal planning.

Budget Calendar FY 2016-17

April 19: 1st JO CO Budget Committee Meeting
May 18, 2016: JO CO BCC Hold Budget Hearing.

Budget Calendar Fy 2015-16

April 30: 1st JO CO Budget Committee Meeting
June 17th: JO CO BCC Hold Budget Hearing and Adopt Budget & Certify Tax

Budget Calendar 2014-15

May 8: 1st JO CO Budget Committee Meeting
June (TBA): JO CO BCC Hold Budget Hearing and Adopt Budget & Certify Tax

Budget Calendar Fy 2013-14

May 7: 1st JO CO Budget Committee Meeting
June 19th: JO CO BCC Hold Budget Hearing and Adopt Budget & Certify Tax

All members of the budget committee have equal authority (See V.D.3, Budget Process Participants)

(4) Local Budgeting in Oregon (Section II.D; Section V.C.3.b)(1)(d)). *Local Budgeting in Oregon* (LBIO is a supplement to the *Local Budgeting Manual* (150-504-420), hereafter called the *Manual* (LBIO, p. 1). When there are interpretation differences, or conflicts, between LBL (budget ORS), *Manual*, and LBIO, the LBL is the final legislative authority.

Local Budgeting in Oregon (Section II.D) The bottom line is so clear that Oregon LBL provides minimal compliance standards for CI/CP, that the quote from *Budget Manual for Local Governments in Multnomah County* is repeated.

“STATUTORY REQUIREMENTS 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.” (Appendix L; TSCC 2008 p. 17).

Community and regional planning, including budget planning has evolved since the turn of the twentieth century to include the public in community planning. However, public hearings are still the prevalent practice when there are public participation mechanism that could enhance participation in planning.

Legal Constraints. Federal, state and local laws can be barriers to citizen involvement. If the law is not written to incorporate or incentivize broad-based participatory exercises then it is unlikely that agencies/local governments will implement CI programs (i.e., laws, policies, ordinances and regulations may hinder the ability of planners to facilitate meaningful public involvement; Peterson 2012 p. 16)

Occupational Mandates. County commissioners (i.e., legislation, executive, and administration responsibilities) and financial planners must balance job duties that may take priority over developing a CI/CP program. Occupational mandates vary depending on the hierarchy of the local government and may include its priorities, governing body orders, interdepartmental issues, and general job descriptions. Sometimes planning is heavily reactionary with a short time period and a deadline to respond to, and the time to react may not facilitate meaningful public input. Planners may have required tasks that utilize or monopolize their time and resources. If occupational mandates result in the local government making a decision prior to consultation with the public then citizen involvement is not effective. In *The Public Participation Handbook*, James Creighton writes that citizen involvement should not take place if a decision has already been made. Creighton writes, “*If the agency has already made a decision, public participation is a sham*” (Creighton, 2005, p. 41). Planners must carefully consider the credibility and integrity of the decisions and potential occupational mandates as a barrier to public participation. Local governments are constrained by mandates and authorities that limit what they can do. Job duties and occupational mandates can be challenges to adopting and implementing a meaningful CI program (Peterson 2012 p. 16).

(5) Josephine County Government (Sections II-III; Section V.C.3.b)(2)). JO CO uses a traditional CI budget process as interpreted by the JO CO Budget Officer. Traditional in Oregon means using the minimal CI requirements of Oregon LBL as there are no formal JO CO BCC legislative decisions (i.e., resolutions or ordinances) identifying the public participation requirements in the budget process for the BCC, JO CO Budget Committee, and the public. This traditional or normal Oregon budget method focuses on a minimum of one formal meeting before the JO CO Budget Committee and one formal hearing before the JO CO BCC.

(6) Summary Oregon imposes certain legal budget requirements of local governments (i.e., ORS 294.305 to 294.565). Most of the LBL statutes are not about CI in the budget process. They are minimalist in terms of promoting CI with two major purposes.

- Major CI Purpose #1. Provide specific methods to the local governments for obtaining public views in the preparation of fiscal policy.
- Major CI Purpose #2. Enable the public, taxpayers and investors to be apprised of the financial policies.

There is very little in the OARs applicable to CI in the local government's budget process.

The Local Budgeting Manual (*Manual*) provides minimal compliance CI standards beyond the LBL. There are 14 chapters in the *Manual*. Citizen involvement is not a subject of any of the chapters. Besides "one" CI caption, it is identified "one" time in "one" paragraph in the introduction of the *Manual*. The CI section inclusion in the *Manual* must have been developed as an afterthought to the LBL and the *Manual* by the Oregon Department of Revenue (ODR) as it doesn't really add anything beyond LBL except the new caption. It implies it is a clarification of the LBL in the sense of suggesting LBL has a companion CI purpose or plan "To give the public ample opportunity to participate in the budgeting process." However, there is no CI purpose in the LBL or any CI plan requirement. The LBL is about "apprising" or informing the public, not about giving the public an ample opportunity to participate in the budgeting process.

The *Manual's* conclusion that all members of the budget committee have equal authority is in error; they do not. The unequal power of the BCC budget members is staggering compared to the citizen elector members of the committee. Some how the ODR came to that conclusion from one point in the ORS and one point in the OAR.

1. Any member can be elected by the committee as its chair (ORS 294.414).
2. Each budget committee member's vote counts the same (i.e., both the three elected commissioners and the three citizen electors - OAR 150-294-414).

Local Budgeting in Oregon (LBIO is a supplement to the *Local Budgeting Manual* (150-504-420), hereafter called the *Manual*). The LBIO provides that LBL does two important things.

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

It is true that the LBL established standard budget procedures. It is false that the LBL requires citizen involvement. Nothing could be further from the truth. The one CI/CP purpose of the LBL is to enable the public, taxpayers and investors to be “apprised” of the financial policies. The local practice of this “inform” level of public participation is a non-participator on Arnstein’s *Ladder of Citizen Participation*. There are other problems with the LBIO’s liberal interpretation of what the LBL supports in terms of CI/CP. The LBIO does provide some of the most clarifying explanations about the budget process in its Q and A section.

The summary is concluded with a quote from JO CO public perceptions researcher Davis (2016, p. 48).

“The current system in Josephine County is very similar to the traditional model. Josephine County residents have some control over budgeting as it concerns to 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.”

d) Are The “Legal Requirements Of JO CO Government” Working? Most states impose certain legal budget requirements on local governments (such as public hearings) that may either enhance or constrain participation. The literature suggest it is time to face facts we know, but prefer to ignore. Legally required methods of public participation in government decision making in the US – public hearings, review and comment procedures in particular – do not work. They do not achieve genuine participation in planning or other decisions; they do not satisfy members of the public that they are being heard; they seldom can be said to improve the decisions that agencies and public officials make; and they do not incorporate a broad spectrum of the public. Ultimately the differences between the methods legally required in the US and collaborative approaches include: **one-way talk** vs. dialogue; **elite or self-selected** vs. diverse participants; **reactive** vs. involved at the outset; **top-down education** vs. mutually shared knowledge; **one-shot activities** vs. continuous engagement; and **use for routine activities** vs. for controversial choices.

Citizen involvement and citizen participation appear to be an afterthought in ORS 294.305 to 294.565. There are no requirements for CI or CP to occur such as in the requirement of a citizen involvement budget plan, or any other formal procedure program to help the public understand the local budget process and how to most effectively participate. A minimalist LBL approach establishes provide for the specific methods of meetings and hearings for obtaining public views on proposed fiscal budget policy. The focus is to enable the public, taxpayers and investors to be apprised, or informed of fiscal policies. However, the LBL also allows local governments to use enhanced CI/CP beyond the LBL minimums.

The Authors do not believe the legal budget requirements of JO CO government are working if the goal is to have informed citizens actively involved and supporting controversial budget decision-making times of fiscal stress. The BCC’s public participation goals of “Inform” was probably very satisfactory with many citizens pre-2012, especially if the majority of the voters

had no problems or trust issues. However, the Authors believe that the CI model of “Apprise” is not satisfactory during times of fiscal stress and for issues such as the county public safety issue, which is multifaceted, with citizen perceptions and engagement decisions pro and con, involving a multitude of reasons for involvement and/or engagement – All within the context of mistrust in government by a majority of the voters. The Authors support the following ideas becoming local JO JO legislation (i.e., resolution or ordinances) for the purpose of transparency in government and, hopefully, the beginning of a long road to improved public trust in government.

1. GFOA’s best practice recommendation that all governments regularly engage in long-term financial planning that encompasses certain elements and essential steps, including updating long-term planning activities as needed in order to provide direction to the budget process.
2. An expanded budget CI/CP process allowed by an expanded publication narrative (ORS 294.438), JO CO’s home rule charter, and practiced by many local governments in Oregon (Appendix L). This includes local JO CO legislative action plans (Section V.I) which can assist the local government body in carrying out its budgeting goals: strategic plan, long-term financial plan, citizen involvement plan, county budget manual, citizen involvement in budgeting plan, and county citizen’s guide to the budget.
3. Legislatively establish the GFOA’s 27 budget program criteria, already used informally by JO CO through the GFOA Distinguished Budget Presentation Award Program, as budget standards (Section V.I; Appendices U & V). Establish a JO CO budget presentation goal of an “Outstanding” budget presentation award.

There is a wide range of legitimate and effective CI/CP legal requirements the JO CO government can consider for use in future budgeting processes. The Authors believe the present form is one of them. The question is whether it is working for CI/CP? The answer is up to the county’s BCC, other elected officials, county government staff, and, especially the public.

4. Population Size and Density - Managers' Characteristics

a) Literature Population size and heterogeneity may also affect the participation environment. Participation has been found to be more prominent in larger cities (Wang 2001; O'Toole, Marshall, and Grewe 1996; Ebdon 2000a). Larger cities are more heterogeneous, which might lead to increased political conflict because of varying group demands (Protasel 1988). Citizens in these cities might desire increased access to decision makers (Nalbandian 1991). However, heterogeneity as defined by racial diversity was not found to be related to the use of budget participation in council-manager cities (Ebdon 2000a; Ebdon & Franklin 2006, p. 439).

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) (emphasis added). The literature also contains ambiguities about city managers' role in participatory budgeting. We demonstrate that managers' professionalism, perceived political environment, and attitude toward citizen input are important factors explaining local governments' adoption of participatory budgeting. Participatory budgeting is a process of democratic policy-making in which the government invites citizen inputs during the budget process and allow their influence in budget allocations (emphasis added) (Zhang & Yang 2009, p. 289).

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).

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). The Authors are using the Ebdon typology in this Chapter V, "Analysis: Elements And Components of Citizen Participation in Budgeting Process."

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. 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 (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.

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).

CONCLUSION (Yang & Callahan, 2007, p. 310 - 311) 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.

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 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.

b) Josephine County Government

(1) Population JO CO is located in the southwestern corner of the State of Oregon. The southern border of the county forms the Oregon/California state line.

On January 22, 1856, a bill was passed by the territorial legislature separating what is now JO CO from Jackson County. The bill made Sailor Diggings (later known as Waldo) the county seat. It was the nineteenth, and last, county created before statehood (Wikipedia, Viewed July 29, 2016).

JO CO is a county located in the U.S. state of Oregon. As of the 2010 census, the population was 82,713. The county seat is Grants Pass. The county is probably named after a stream in the area called Josephine Creek, which in turn is probably named after Virginia Josephine Rollins Ort. The entire county is the Grants Pass Metropolitan Statistical Area (Wikipedia, Viewed July 29, 2016).

According to the U.S. Census Bureau, the county has a total area of 1,642 square miles of which 1,640 square miles is land and 2.2 square miles (0.1%) is water (2010 Census Gazetteer Files. United States Census Bureau (Wikipedia, Viewed July 29, 2016).

The county's population showed steady increases by growing from 77,411 in 2002 to 82,794 in 2009; and has shown signs of leveling off to about 82,730 in 2011 with slight growth in 2014 at 83,105 (Appendices, JO CO FY 2015-16 Budget, p. 7).

(2) Density As of the census of 2000, there were 75,726 people, 31,000 households, and 21,359 families residing in the county. The population density was 46 people per square mile.
Urban and Rural Classification

The U.S. Census Bureau's urban-rural classification is fundamentally a delineation of geographical areas, identifying both individual urban areas and the rural areas of the nation. The Census Bureau identifies two types of urban areas: 1. Urbanized Areas (UAs) of 50,000 or more people; 2. Urban Clusters (UCs) of at least 2,500 and less than 50,000 people. "Rural" encompasses all population, housing, and territory not included within an urban area.<http://www.census.gov/geo/reference/urban-rural.html>

There were 33,239 housing units at an average density of 20 per square mile. As of the 2010 United States Census, there were 82,713 people, 34,646 households, and 22,498 families residing in the county. The population density was 50.4 inhabitants per square mile. There were 38,001 housing units at an average density of 23.2 per square mile (Wikipedia, Viewed July 29, 2016). There are two cities in JO CO: 1. Grants Pass, and 2. Cave Junction.

Standard population density – total population divided by total land area – is a useless statistic until you identify the issue/problem to be solved. In general, it does not tell you anything you really want to know. The population density of JO CO is typical of no particular place within the county. Most of the county is resource lands administered by the government and vacant of population. Most of JO CO population is concentrated in its two cities, but all of that vacant land is added to the denominator, which causes the average density to be much lower than the density

of the built-up urban areas -- the density at which most people live -- and much higher than the density of most of the land, which is sparsely settled.

There are different definitions of urban and rural. For this paper’s purposes, the simple Census Bureau definition will be used that "urban" is 1,000 people per square mile and “rural” is a smaller density.

Grants Pass is a city in, and the county seat of, JO CO, Oregon, United States. The city is located on Interstate 5, northwest of Medford. Attractions include the Rogue River, famous for its rafting, and the nearby Oregon Caves National Monument located 30 miles (48 km) south of the city. Grants Pass is 256 miles south of Portland, the largest city in Oregon. The population was 34,533 at the 2010 census (Wikipedia, Viewed July 29, 2016). This means that in 2010 the population of Grants Pass was almost half (i.e., 42%) of JO CO.

Cave Junction, incorporated in 1948, is a city in Josephine County, Oregon, United States. As of the 2010 census, the city population was 1,883 Its motto is the "Gateway to the Oregon Caves" and the city got its name by virtue of its location at the junction of Redwood Highway (U.S. Route 199) and Caves Highway (Oregon Route 46) (Wikipedia, Viewed July 29, 2016). This means in 2010 the population of Cave Junction was 42%) of JO CO.

Local Governments	2010 Population	2010 Population Density
Grants Pass City	34,533 (41.75%)	
Cave Junction City	<u>1,883</u> (2.27%)	
Sub-Total	36,416 (44.03%)	
Rural JO CO*	46,294 (55.97%)	
Josephine County Total	82,713 (100.00%)	46 people per square mile

* Rural JO CO outside of cities (i.e., Grants Pass and Cave Junction).

Local Governments	Size
Grants Pass City	11.03 square miles (%)
Cave Junction City	1.82 square miles (%)
Josephine County	1,642 square miles (100.00%)

Research Being Conducted:

- Driving Distances
- Time to respond

(3) JO CO Managers' Characteristics The JO CO BCC is comprised of three non-partisan county commissioner positions without a county manager or its equivalent. It does have a Finance Officer that acts like a Budget Officer as needed. The BCC has important jobs: legislators, quasi-judicial, managers, and administrators. JO CO has four areas of interest to the JO CO public safety issue: 1. Elected JO CO Sheriff (e.g., adult jail, sheriff rural patrol deputies, etc.), 2. Appointed JO CO Juvenile Justice Program Director, 3. Elected JO CO District Attorney and 4. Animal Control/Protection (Appointed JO CO Public Health Director).

The Authors have been studying the JO CO public safety issue since 2012. Since 2015 they have interviewed all three county commissioners and public safety department heads at least once, and most of them twice or more. The Authors consider them all to be professionals, friendly and helpful. Most appear to the Authors to be distant, in some degree, in terms of sharing controversial information, or perhaps the right questions are not being asked.

The Authors' have observed the commissioners and the JO CO public safety department managers exhibit all three of the very different perspectives about how managers' characteristics* might impact citizen involvement (see previous section; Appendix M).

- | | |
|-------------------------------------|---|
| 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 Authors are comfortable in using the literature applicable to a council-manager form of city government for a BCC form of government without a county manager because the commissioners are full-time and assume most of these county manager duties. The authors view full-time commissioners like full-time mayors: "We also consider whether the mayor is full-time because a full-time position can be taken as an indicator of professionalism; full-time mayors have more policy knowledge and skills than part-time mayors." (Section V.B.1; Yang & Callahan, 2007, p. 298).

c) CP Analysis Of “Population Size and Density - Managers’ Characteristics” In Budgeting for JO CO The opinions and conclusions of this analysis are the Authors.

(a) Controversial Political Conditions. The 2012 expiration of federal SRS payments to JO CO, used mostly for public safety services, resulted in five county levies and one city sales tax as solutions. They all failed. However, there is a high probability for another levy to be on a future ballot. This is reasonable, as public safety services are needed, even though the form and the cost are issues.

Justice System & Public Safety Services Study Design: 2015
<http://www.hugoneighborhood.org/justicesystemexploratorycommittee.htm>

- 1. May 15, 2012** JO CO-wide Primary Election Measure 17 - 43, Criminal Justice System Operations Four Year Local Option Tax (i.e., \$1.99 per \$1,000 of assessed value), failed 57 - 43 percent, Voter Turnout - Total 52.59%; 25,405 votes for Measure 17 - 43/ 49,561 registered voters = 51%.
- 2. May 21, 2013** JO CO-wide Special Election Measure 17 - 49, Criminal Justice and Public Safety Three Year Local Option Tax (i.e., \$1.48 per \$1,000 of assessed value), failed 51 - 49 percent, Voter Turnout - Total 51.97%; 26,331 votes for Measure 17 - 49/ 50,944 registered voters = 52%.
- 3. May 20, 2014** JO CO-wide Primary Election Measure 17 - 59, Criminal Justice and Public Safety Three Year Local Option Tax (i.e., \$1.19 per \$1,000 of assessed value), failed 53 - 48 percent, Voter Turnout - Total 56.51%; 27,991 votes for Measure 17 - 59/ 50,655 registered voters = 55%.
- 4. May 19, 2015** JO CO-wide Special Election Measure 17-66, For Patrol, Jail, Shelter of Abused Youth; Five Year Levy (i.e., \$1.40 per \$1,000 of assessed value), failed 54 - 46 Percent, Voter Turnout - Total 50.65%; 25,824 votes for Measure 17 - 59/ 51,143 registered voters = 51%.
- 5. November 3, 2015** Grants Pass City-wide Special Election Measure 17-67 2 Percent Sales Tax for City Public Safety and Criminal Justice Services, failed 78 - 22 Percent.
- 6. November 8, 2016** JO CO-wide General Election Measure 17-74 (Referred to the People by Initiative Petition), For Four-Year Deputies, Prosecution, Treatment and Jail Beds Tax; Four Year Levy (i.e., \$1.42 per \$1,000 of assessed value), failed 60 - 40 Percent.

In 2015, after the 4th levy failure in four years, the JSEC Committee, HNAHS, had asked the question, "What can we do to shed some light on the issues?" Members of the committee believed that the first important step was the identification of the issues for why the levies failed. **Except for the recent vetted study, *Citizen Perceptions of Public Safety Levies in Josephine County, Oregon: A Test of Group Engagement Theory (Davis 2016)*, reasons for the levy failures are complex and unknown as facts (i.e., interested citizens debate and provide opinions on their non-vetted facts).** However, it is believed that vetted research of citizen issues is the most important step in developing a successful, *Justice System & Public Safety Services Study Design: 2015*.

- 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.

Citizen Perceptions of Public Safety Levies in Josephine County, Oregon: A Test of Group Engagement Theory
Justice System Exploratory Committee
Justice System & Public Safety Services Study Design: 2015
Hugo Neighborhood Association & Historical Society
http://www.hugoneighborhood.org/JSPSS_Studies.htm

Understanding and designing solutions are complicated tasks as there are substantial differences between Oregon counties in terms of their geographic and demographic characteristics, priorities, historic crime rates, willingness to tolerate certain levels of crime, and past and present funding of various public safety services. This complexity is also found at the local level in JO CO. The issue is not simply taxes versus safety. The range of pro and con reasons for the last four levies and one proposed sales tax from 2012 - 2015 are broad and complex (see the public outreach publications on the Exploratory Committee's web page).

Outreach Publications
Justice System Exploratory Committee
Justice System & Public Safety Services Study Design: 2015
Hugo Neighborhood Association & Historical Society
http://www.hugoneighborhood.org/JSPSS_Outreach.htm

(b) Public Distrust in Government Public distrust of JO CO government is a major issue. A summary of what the Authors found in 2015 on trust in government is summarized in the document entitled, "Publicly Identified Problems/Issues."

- **Mistrust in Government Growing: Honesty, Transparency and Accountability**
- **Citizens Feel Their Voices Are Not Being Heard. What Part Of "No" Don't They Understand?**

Outreach 3.1. Publicly Identified Problems/Issues
Outreach
Justice System Exploratory Committee
Justice System & Public Safety Services Study Design: 2015
Hugo Neighborhood Association & Historical Society
http://www.hugoneighborhood.org/JSPSS_Outreach.htm

Researcher Nathan Davis found the following in 2016 (see section V.C.2 on Political Culture, and section V.C.2(b)(1)(c), Public Trust In Government)

While ideology likely plays a role for both JO CO opponents and supporters of four public safety tax levies from 2012-15, ideology is not the only factor influencing citizen perceptions, particularly on the opponent side. Fair treatment within processes is the second most common argument utilized by levy opponents (41% of opponents). Reading through the letters, this is likely a result of a lack of trust in governmental processes. Opponents of the levy are much more likely to oppose the levy because they see government as wasteful or otherwise untrustworthy (Davis 2016, pps. 45-46).

As Davis' research found opponents are likely to utilize distributive justice motivations to support their decisions because of ideological opposition to property taxes. Supporters, on the other hand are more likely to utilize outcome favorability arguments to support their decisions. This is likely due to the nature of the public safety issue. Public safety is an issue that is highly prescient in the mind of supporters. Compared with other public goods, failing to have a proper level of public safety seems to carry relatively dire consequences. For this reason, supporters likely utilize outcome favorability arguments rather than procedural justice arguments (Davis 2016, p. 46).

Given these results, JO CO residents appear to want certain policies from their local 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. The county should seek to accomplish all three of these items if it truly wants to pass

legislation to fund public safety services. Many JO CO residents opposed the four levies proposed (i.e., 2012 by county, 2013 by county, 2014 by Securing Our Safety, and 2015 by Community United For Safety) but that is not the problem that JO CO faces. Some residents resent the decisions made by the JO CO BCC because they feel disconnected from the process of policymaking and policy delivery and distrust the officials in charge of making policy decisions. If the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the decision-making process. Davis recommended that JO CO do this through using co-productive models of governance (Davis 2016, p. 47).

(c) Stakeholder Distrust in the Authors’ Purpose Over the last four years the Authors have found that the involved public (i.e., stakeholder government and private citizens) with the JO CO public safety issues, pro or con, generally don’t trust the Authors motives, believing instead that they secretly might support the side of the pro-con issue on the opposite of their values. They therefore are reticent to provide information as it might be able to be used against their positions.

(2) CP Analysis For “Population Size and Density - Managers’ Characteristics” In Budgeting for JO CO The Authors view is that JO CO commissioners and public safety department heads exhibit all three of the manager characteristics’ models that might impact citizen involvement. However, the dominant characteristic is the Technocratic Expert Model which had served the county well for decades.

- | | |
|-------------------------------------|--|
| 1. Citizen Leadership Model | Managers 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. |
| 3. Bureaucratic Indifference Model. | Managers’ personality and behaviors are shaped by their professional experiences in a way that constrains citizen participation in the budget process. |

The result is the basic minimal CI/CP requirements of the Oregon LBL, versus the enhanced CI/CP approach that is allowed by budget law and the approach of many local governments in Oregon (Appendix L).

(a) Interview JO CO BCC & Public Safety Department Managers The Authors had completed meetings with two commissioners and all the JO CO managers on their *Justice System & Public Safety Services Study Design: 2015* project by the end of 2015. During that process they encountered an August 19, 2014 recommendation from the JO CO Management Team.

(b) JO CO Managers 2014 Recommendation on Strengthening County Services The Authors were beginning to arrive at the conclusion of the dominance of the Technocratic Expert Model late 2015, especially after researching a August 19, 2014 recommendation from the JO CO Management Team to the JO CO BCC that mandated and elective services be identified.

- JO CO Management Team. August 19, 2014. Exhibit A. Managers Recommendation on Strengthening County Services. September 3, 2014 Approved Minutes of August 19, 2014 JO CO BCC’s Weekly Business Session. Grants Pass, OR. http://www.hugoneighborhood.org/JSPSS_Studies.htm

The purpose of the JO CO Management Team (JOCOMT) recommendation was the following.

- Identify what county services are mandated by state law and what level of those services is optimal.
- Determine what it would cost to provide these mandated services at an appropriate and sustainable level.
- Identify what other county services may be desired by the citizens of the county.
- Determine what it would cost to provide these elective services at an appropriate and sustainable level

It took approximately three months for the Authors to meet the Josephine County Management Team.

1. January 20, 2016 Invitation to JO CO Management Team Members (MTM) from Authors.
2. Minutes of March 7, 2016 Meeting of MTM and Authors. In summary, what the Authors heard from the MTM was that any necessary or mandated services their work unit identified were in their submitted budget documents, and they had not offered any supplemental documentation to the BCC as a result of Cheryl Walker's urging of August 19, 2014. In hindsight, the Authors feel "necessary or mandated services" were the equivalent of the MTM's August 19, 2014 recommended strategy elements for a future committee to identify mandated public safety services. It appears this committee was never formed.

Budgets: Josephine County, Oregon
Justice System Exploratory Committee
Hugo Neighborhood Association & Historical Society
<http://www.hugoneighborhood.org/budgets.htm>

MALPASS - Minimally Acceptable Level Of Pubic Safety Services
Justice System Exploratory Committee
Hugo Neighborhood Association & Historical Society
<http://www.hugoneighborhood.org/malpss.htm>

The JOCOMT was respectful and tried to provide answers to the Authors questions. However, its basic answer was that the members did their professional jobs and the answers are in the JO CO budget document(s). The answer was not satisfactory to the Authors, in light of the August 19, 2014 recommendation from the JOCO Management Team to the JO CO BCC that mandated and elective services be identified. However, they followed the JOCOMT's recommendation to study the budget document(s).

(c) Prototype Work With JO CO Juvenile Justice Program An April 5, 2016 meeting between James Goodwin, Director, JO CO JJ Department, and the Authors resulted in an informed meeting. The Authors continued interest in learning more about the JO CO JJ resulted in an idea by Goodwin and a commitment by the Authors to study the FY 2015-2016 JJ JO CO Budget compared to the FY 2010-11 JO CO Budget. The idea was to research, study and compare the two JJ budgets to understand the historic JJ program and what we have today. What are the differences, including the adverse and beneficial impacts. What was gained and what was lost?

The Authors' JJ studies resulted in the development of three research documents and recommendations for all JO CO public safety departments. They are available on the Exploratory Committee's web site at <http://www.hugoneighborhood.org/juvenile.htm>.

Josephine County Juvenile Justice Public Safety Services

- Whalen, Jon & Walker, Mike, Members, JS&PSS Exploratory Committee. First Draft - April 27, 2016. Josephine County Juvenile Justice Public Safety Services. Hugo Neighborhood Association & Historical Society. Hugo, OR.

Understanding The Juvenile Justice Josephine County Budget: FY 2015-16

- Whalen, Jon & Walker, Mike, Members, JS&PSS Exploratory Committee. First Draft - April 27, 2016. Understanding The Juvenile Justice Josephine County Budget: FY 2015-16. Hugo Neighborhood Association & Historical Society. Hugo, OR.

Purpose, Conceptual Prototype, Chapter VI Recommendations, Part of "Understanding The Juvenile Justice Josephine County Budget: FY 2015-16" (Conceptual Prototype)

- Whalen, Jon & Walker, Mike, Members, JS&PSS Exploratory Committee. First Draft - April 27, 2016. Purpose, Conceptual Prototype, Chapter VI Recommendations (Voter Educational Outreach Projects), Part of Understanding The Juvenile Justice Josephine County Budget: FY 2015-16. Conceptual Prototype. Hugo Neighborhood Association & Historical Society. Hugo, OR.

In the opinion of the Exploratory Committee, 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”?

Public Outreach. Outreach is targeted to provide information to groups of current or potential voters and/or to community partners regarding available public safety services (PSS) or benefits. The target audience is the average group of voters who generally could be better informed. The Committee also feels that rational ignorance by the voter is refraining from acquiring knowledge of PSS when the cost of educating oneself exceeds the potential unknown benefit that the knowledge would provide.

Issue voting is often contrasted with party voting. This is when voters switch between issue voting and party voting depending on how much information is available to them about a given candidate. Low-information elections, such as those for congressional candidates, would thus be determined by party voting, whereas presidential elections, which tend to give voters much more information about each candidate, have the potential to be issue-driven. The Committee’s goal for understanding the public safety issue is issue voting.

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., PSS, 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 to the JO CO Public Safety Departments by the Committee are intended to be some of those low-growing fruits (full text recommendations in originals).

1. Understanding Staffing Analysis
2. Department Descriptions & Relationships
3. Supplemental Web Page for Public Safety Departments
4. Use Of References & Links
5. Flow Chart of Josephine County Public Safety Departments
6. Citizen's Guide To The Budget

(d) Enhanced Citizen Participation Although not specifically for the JO CO budget process, to his credit, JO CO Sheriff Daniel has experimented with going beyond the LBL standards to answer questions about the JO CO Sheriff's Office via Facebook. It was still a limited inform and consult format acting like a one-way communication. However, actual written responses were a real plus.

A newspaper article, *Sheriff Daniel holds Facebook Q&A session*, explained the purpose. The questions and responses can be read of all of the exchanges at www.facebook.com/jcsosheriff.

- Patricia Snyder. July 29, 2016. *Sheriff Daniel holds Facebook Q&A session*. The Daily Courier Daily Courier, page 3A. Grants Pass, OR.

Sheriff Dave Daniel believes his experiment with a Facebook question-and-answer session this week was a success.

Daniel opened the Josephine County Sheriff's Office social media page to public questions Wednesday. While it was a time-consuming activity, it was important, the sheriff said. He could reach a lot of people through the process.

"It's an attempt to be as transparent as possible," he said.

People submitted questions, comments and suggestions from a total of 15 Facebook accounts. They sometimes had back-and-forth discussions.

The sheriff expected more people to participate, but he said participation could increase as people become familiar with the effort. He plans to do another Facebook Q&A session in a couple of weeks.

Daniel said he tried to focus on questions related to the processes of his office, although he did get queries related to topics such as funding and personal activities.

The Authors anticipate that additional questions might be asked, such as on the following.

1. What is Jail Deputy to Inmate Ratio? <http://www.hugoneighborhood.org/jail.htm>
Background. The Board of Commissioners, under direction of the Sheriff, proclaimed a ratio of 1 deputy to 5 inmates as an absolute. In 2003, a recommendation presented to our "then" county commissioners proposed a limit on the number of inmates incarcerated in our jail. The Board of Commissioners adopted the recommendations made by the Sheriff, agreed upon by the District Attorney, and Legal Counsel in compliance with Oregon law. See Oregon Revised Statute 169.042 thru 046, and JO CO Court ORDER No. 2003-023.

2. Why does the JO CO Sheriff's Office use proprietary Oregon Jail Standards owned by a private nonprofit Oregon State Sheriffs' Association that are not available to the public? The association says the standards are proprietary content. The standards, which are voluntary, are distinct from state and federal laws and are used in biannual inspections of county jails. The issue of proprietary standards being used for public services funded by the public seems at odds with a democratic government dedicated to transparency in government.

3. Why does the JO CO Sheriff rely on his professional opinion for most complex public safety issue questions versus providing vetted information to the public?
 - Crime in JO CO is increasing.
 - JO CO Sheriff's Office mandated, essential, elective, and necessary programs, and levels of services as mandated, essential, elective, necessary.
 - JO CO Sheriff's Office is below a Minimally Adequate Level of Public Safety Services (MALPSS) <http://www.hugoneighborhood.org/malpss.htm>.

(e) JO CO Uses Technocratic Expert Model For CI In Budgeting The Authors view is that all the JO CO commissioners and public safety department heads exhibit three of the manager characteristics' models that might impact citizen involvement, and that the "Technocratic Expert" CI in budgeting model is dominant.

1. As JO CO managers become more professional, is it less likely to open the budget process to citizen involvement? (the technocratic expert model)
2. As JO CO managers are more constrained by their inability to take action within the government structure, is JO CO less likely to open the budget process to citizen involvement? (the bureaucratic indifference model)
3. As JO CO managers become more willing to listen to citizens, is JO CO more likely to open the budget process to citizen involvement? (the citizen leadership model)

The "Technocratic Expert" Model is concerned with the tension between professional administration and citizen involvement. For instance, the tension between professional expertise and democratic governance is an important political dimension of our time. As public problems become highly sophisticated in modern society, policy processes are increasingly dominated by professional experts. Such technocratic dominance is likely to hamper citizen participation because administrative decision-making based on expertise and professionalism may leave little room for participatory processes. From the "technocratic expert" model perspective, one might argue that since budgeting is a central and complex management function, professional administrators may fear that citizen involvement reduces administrative efficiency, and, as a result, they may discourage citizen involvement in budgeting.

The technocratic model echoes the writings on bureaucratic personality and bureaucratic experience. For example, 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.

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.

All manager characteristics' models operate within a political context. The Authors' position is that easy and stable local politics encourages managers to consider formal citizen participation in government budgeting. 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 the observation that a supportive political environment enables organizations to involve their stakeholders in performance measurement.

Traditional service provision minimizes CI, favoring professional control. Within this model, citizens may have some control over the system by being able to elect decision makers, however, the ability of citizens to make direct decisions or help in the provision of services is limited. The current system in the county is very similar to the traditional model. JO CO residents have some control over budgeting as it concerns to property tax issues, but for the most part, decisions are made by the BCC. Since this system appears to be inadequate at ensuring procedural justice, JO CO should seek to change its mechanisms of service provision to allow for more citizen voices (Davis 2016, p. 48).

However, the budget reality in JO CO is a “Technocratic Expert” CI Model which is the basic minimal citizen involvement requirements of the LBL. This is in contrast with the enhanced CI/CP approach that is allowed by LBL and the approach of many local governments in Oregon.

JO CO’s present minimal CI model was not because of the present JO CO situation of hard controversial unstable local politics during a time of fiscal stress, as this same minimal CI budgeting model was used for many decades prior to the budget revenue issue starting in 2012. Quite simply, so far, JO CO has not been able to change the budgeting model to an enhanced form of CI/CP. It did make a major innovation for the FY 2007 - 08 budget cycle by identifying a “budgeting for outcomes” process, which on paper, is still in effect today (Section V.G).

The literature finds JO CO stuck in the past of stable O&C passthrough funding with a minimal CI budgeting model.

d) Is The “Technocratic Expert Model For CI In Budgeting” Working? JO CO’s population size and density are certainly factors that could affect the CI/CP environment. However, this section’s focus is how JO CO managers’ characteristics might impact CI operating in the basic minimal citizen involvement environment of LBL combined with a lack of trust in government. There are at least three very different CI/CP models: “citizen leadership,” “technocratic expert,” and “bureaucratic indifference.” They provide different perspectives to think about how professional administration affects managers’ behavior in regard to involving citizens in the budget process. For this section, managers are equal to the JO CO commissioners, the other seven elected officials, and the JO CO department heads because they all perform some managers’ responsibilities in the budget process.

In the opinion of the Exploratory Committee, JO CO government is plagued by a lack of trust by a majority of county voters, and by ineffective informed voter outreach, especially educational budget program descriptions, including public safety services. How can citizens 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 Dragnet, “just the facts”? Does the Technocratic Expert Model for CI in budgeting with minimal LBL tools do it? Would an enhanced citizen participation model in the budgeting process help in the long-term, or not? The Authors say, Yes!

All three CI/CP models are legitimate and can be in the budgeting process. The Authors believe the present form is one of them. The question is whether it is working for CI/CP? The answer is up to the county’s BCC, elected officials, county government staff, and, especially the public.

5. Summary of Government Environment Of Budgeting For this analysis four components make up the government environment in budgeting.

1. Structure And Form Of Government.
2. Political Culture.
3. Legal Requirements.
4. Managers' Characteristics.

a) Literature

- 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.
- Policy decisions and implementation details over a protracted series of meetings is an activity most citizens prefer to avoid.
- 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.
- There is a critical difference between going through the empty ritual of participation and having the real power needed to affect the outcome of the process.
- 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 local governing bodies can promote new policies in communities, where anti-government sentiment runs high.
- Most states impose certain legal budget requirements on local governments (such as public hearings) that may either enhance or constrain participation.
- Legal requirements can also have unintended effects. A focus on minimum legal requirements can lead to a gap between advocated and actual participation opportunities.
- It is time to face facts we know, but prefer to ignore. Legally required methods of public participation in government decision making in the US—public hearings, review and comment procedures in particular—do not work. They do not achieve genuine participation in planning or other decisions; they do not satisfy members of the public that they are being heard; they seldom can be said to improve the decisions that agencies and public officials make; and they do not incorporate a broad spectrum of the public. This pattern makes it even more difficult for decision makers to sort through what they hear, much less to make a choice using public input.
- Most often these legal methods discourage busy and thoughtful individuals from wasting their time going through what appear to be nothing more than rituals designed to satisfy legal requirements.
- Ultimately the differences between the methods legally required in the US and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices.
- Managers' professionalism, perceived political environment, and attitude toward citizen input are important factors explaining local governments' adoption of participatory budgeting. Participatory budgeting is a process of democratic policy-making in which the government invites citizen inputs during the budget process and allow their influence in budget allocations.
- 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. However, empirical research has left ambiguities about the impact of government form on citizen participation.

- Evidence is inconclusive as to why some local governments include citizen participation in the budget process while others do not. The factors drive a local government to invite citizen participation deserves more attention.
- The mechanisms and motivations within the position of manager shape the adoption of citizen participation.
- The models of “citizen leadership,” “technocratic expert,” and “bureaucratic indifference” provide different theoretical perspectives to think about how professional administration affects managers’ behavior in regard to involving citizens in the budget process.
- The results strongly support the 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.
- The 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 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.
- The “Technocratic Expert” Model is concerned with the tension between professional administration and citizen involvement. For instance, the tension between professional expertise and democratic governance is an important political dimension of our time. As public problems become highly sophisticated in modern society, policy processes are increasingly dominated by professional experts. Such technocratic dominance is likely to hamper citizen participation because administrative decision-making based on expertise and professionalism may leave little room for participatory processes.
- Financial planning professionals, with public policy responsibilities have institutionalized the practice of public meetings and hearings as the method to involve the public in planning.
- The one-way flow of information in public hearings on proposed policies, the ‘review and comment’ methodology – government 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.
- Commonly used efforts such as public meetings, open houses, and public hearings are viewed by the majority of citizen participation researchers as mediocre or average in their effectiveness to include the public.
- Arnstein’s now classic “ladder of participation” 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.

b) Josephine County Government

The JO CO BCC is comprised of three non-partisan county commissioner positions without a county manager or its equivalent. The BCC has important jobs: legislators, quasi-judicial, managers, and administrators. JO CO has four areas of interest to the JO CO public safety issue: 1. Elected JO CO Sheriff (e.g., adult jail, sheriff rural patrol deputies, etc.), 2. Appointed JO CO Juvenile Justice Program Director, 3. Elected JO CO District Attorney and 4. Animal Control/Protection (Appointed JO CO Public Health Director).

Understanding and designing solutions are complicated tasks as there are substantial differences between Oregon counties in terms of their geographic and demographic characteristics, priorities, historic crime rates, willingness to tolerate certain levels of crime, and past and present funding of various public safety services. This complexity is also found at the local level in JO CO. The issue is not simply taxes versus safety. The range of pro and con reasons for the last four levies and one proposed sales tax from 2012 - 2015 are broad and complex

There are particular individual characteristics that can heavily influence citizen perceptions and engagement decisions for support or opposition to new taxes. These differences vary by ability to measure public service value/tax burden, perceived peer groups, relationships with decision makers, locality of decision-making, and political ideologies. JO CO is unique in that a particular policy instrument, a property tax, had been proposed (i.e., proposed levies in 2012, 2013, 2014, and 2015) 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.

JO CO is unique because it is politically conservative in comparison to the rest of Oregon and to the rest of the country. The effect of ideology on county resident's decisions to support or oppose tax measures can be seen in the county's vote on state tax initiatives. It has a history of rejecting tax measures that would traditionally be deemed politically progressive. Based on these results, ideology can be considered a determinant of tax measure support in JO CO.

The situation in JO CO is particularly unique because of the demographics of the population. It is much older than the rest of the state, with a higher number of retirees. JO CO residents are also less well off than those in other parts of the state. The end result is that most JO CO residents live on a fixed income, making an increase in property taxes undesirable for much of the population. This income distribution is corroborated by the Gini coefficient, a measure of statistical dispersion intended to represent the income distribution of a nation's residents, and is the most commonly used measure of inequality. The Grants Pass Metropolitan Statistical Area (MSA) (i.e., JO CO) has the third-largest gap between the haves and the have-nots in the U.S. Out of 381 MSAs in the entire U.S., only two are higher (worse) than JO CO. For example, nearly 30 percent of all income in JO CO goes to just 5 percent of area households, while the lowest-earning 20 percent of households take home just 3.2 percent of all income generated. Even though the cost of living is lower than the national level, 24.3 percent of the population still was on food stamps.

Public distrust of JO CO government is a major issue. Researcher Nathan Davis found the following in 2016.

While ideology likely plays a role for both JO CO opponents and supporters of four public safety tax levies from 2012-15, ideology is not the only factor influencing citizen perceptions, particularly on the opponent side. Fair treatment within processes is the second most common argument utilized by levy opponents (41% of opponents). Reading through the letters, this is likely a result of a lack of trust in governmental processes. Opponents of the levy are much more likely to oppose the levy because they see government as wasteful or otherwise untrustworthy.

As Davis' research found opponents are likely to utilize distributive justice motivations to support their decisions because of ideological opposition to property taxes. Supporters, on the other hand are more likely to utilize outcome favorability arguments to support their decisions. This is likely due to the nature of the public safety issue. Public safety is an issue that is highly prescient in the mind of supporters. Compared with other public goods, failing to have a proper level of public safety seems to carry relatively dire consequences. For this reason, supporters likely utilize outcome favorability arguments rather than procedural justice arguments.

Given these results, JO CO residents appear to want certain policies from their local 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. The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services. Many JO CO residents opposed the four levies proposed (i.e., 2012 by county, 2013 by county, 2014 by Securing Our Safety, and 2015 by Community United For Safety) but that is not the problem that JO CO faces. Some residents resent the decisions made by the JO CO BCC because they feel disconnected from the process of policymaking and policy delivery and distrust the officials in charge of making policy decisions. If the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the decision-making process. Davis recommended that JO CO do this through using co-productive models of governance.

c) CP Analysis Of “Government Environment Of Budgeting” In Budgeting for JO CO

JO CO uses a traditional CI budget process as interpreted by the Budget Officer. Traditional in Oregon means using the minimal CI requirements of Oregon Local Budget Law as there are no formal JO CO Board of County Commissioners (BCC) legislative decisions (i.e., resolutions or ordinances) identifying the public participation requirements in the budget process for the BCC, JO CO Budget Committee, and/or the public (i.e., no county budget manual, no citizen participation budget plan, no county citizen’s guide to the budget). This traditional or normal Oregon budget method focuses on the legal LBL minimum one formal meeting before the JO CO Budget Committee and a minimum of one formal hearing before the JO CO BCC. Oddly, the *Local Budgeting Manual* (LBM, Chapter 9, Publication Requirements) emphasizes meeting notices and a financial summary of the budget more than CI.

This informal CP policy is quite a restriction on the potential for enhanced CP beyond Oregon Local Budget Law presently being practiced by local governments across Oregon. Examples of county enhanced citizen participation procedures being used are identified in Appendix L.

There are no known individual JO CO leaders championing enhanced CI/CP or BFO (e.g., JO CO commissioners, other elected officials, department heads, etc.).

Under JO CO’s home rule charter, it may provide for the exercise of county authority over matters of county concern, such as enhanced citizen participation procedures beyond the minimums of the Oregon Local Budget Law. Other local governments have utilized the enhanced CP participation procedures.

A major idea is that the political culture of 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.

Political Ideology and Demographics Influence Citizen Perceptions JO CO is very unique in terms of political ideology and demographic statistics. JO CO is unique because it is politically conservative in comparison to the rest of Oregon and to the rest of the country. The situation in JO CO is particularly unique because of the demographics of the population that resides in the county. The population of the county is much older than the rest of the state. This number is inflated due to the higher number of retirees in the county, with almost half of the households collecting some form of social security income. JO CO residents are also less well off than those in other parts of the state. The end result of these statistics is that most JO CO residents live on a fixed income, making an increase in property taxes undesirable for much of the population.

Public Trust In Government Fair treatment within processes is the second most common argument utilized by JO CO levy opponents. This is likely a result of a lack of trust in governmental processes. Opponents of the levy are much more likely to oppose the levy because they see government as wasteful or otherwise untrustworthy. JO CO residents appear to want certain policies from their local 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.

JO CO residents have some control over budgeting as it concerns to property tax issues, but for the most part, decisions are made by the JO CO BCC. Since this system appears to be inadequate at ensuring procedural justice, the county should seek to change its mechanisms of service provision to allow for more citizen voices.

The Authors are definitely not government, but over the last four years they have found that the involved public (i.e., stakeholder government and private citizens) with the JO CO public safety issues, pro or con, generally didn't trust their motives, believing instead that they secretly might support the side of the pro-con issue on the opposite of their values. They therefore are reticent to provide information as it might be able to be used against their positions.

Citizen Participation Budget Plan Needed Is a citizen participation budget plan or other JO CO BCC legislative decisions on CI/CP needed? Is there a citizen participation issue/problem? The majority of citizen participation researchers conclude that the objective of traditional models is legal conformity, inform and educate, and gain support of public for governing body policies. In contrast, 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.

Sadly, 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? The position of the Authors of this paper, *Citizen Participation In the Josephine County Budget Process*, identify the answers as both of the above.

Josephine County Goals of “Inform” The level of public participation as defined by the public meetings and public hearings in the JO CO budget process is the BCC's informal goal of “Inform.” The public participation goal of “Inform” is to provide the public with balanced and objective information to assist them in understanding. This would be the purpose of CI per the Oregon Local Budget Law purpose of ORS 294.321(6), to enable the public to be “Apprised”. The IAP2 Spectrum identifies a public meeting as “Consult”, but the public participation goal of “Consult” is to obtain public feedback on analysis, alternatives, and/or decisions. It is not apparent that the JO CO budget process meaningfully reaches the consult goal as there is no written record how the specific public input was considered. There was no written record from the budget committee or BCC as to the specific affect the public comments had on the budget for the stage the comments were applicable (i.e, complete proposed budget, complete approved budget, complete adopted budget).

JO CO residents have some control over budgeting as it concerns to property tax issues, but for the most part, decisions are made by the BCC. Since this system appears to be inadequate at ensuring procedural justice, JO CO should seek to change its mechanisms of service provision to allow for more citizen voices. However, the budget reality in JO CO is a “Technocratic Expert” CI Model which is the basic minimal citizen involvement requirements of the LBL. This is in contrast with the enhanced CI/CP approach that is allowed by LBL and the approach of many local governments in Oregon.

JO CO’s present minimal CI model was not because of the present JO CO situation of hard controversial unstable local politics during a time of fiscal stress, as this same minimal CI budgeting model has been used for many decades prior to the budget revenue issue starting in 2012. Quite simply, so far, JO CO has not been able to change, or does not want to change, the budgeting model to an enhanced form of CI/CP. The county did make a major innovation for the FY 2007 - 08 budget cycle by identifying a “budgeting for outcomes” process, which on paper, is still in effect today (Section V.G).

d) Is The “Government Environment Of Budgeting” In Budgeting Working? The Authors observe it is not working. Within JO CO’s traditional model of budgeting, citizens may have some control over the system by being able to elect decision makers, however, the ability of citizens to make direct decisions or help in the provision of services is limited. Its residents have some control over budgeting as it concerns to property tax issues, but for the most part, decisions are made by the JO CO BCC.

Supporters of the tax levies 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. The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services.

Finding ways to incorporate citizen involvement into service delivery could further display the legitimacy of the process of public safety provision. Enhanced CI/CP rather than utilizing traditional service methods should allow for more democratic voice and thus increase perceptions of procedural justice within the JO CO government.

The government environment of budgeting is not working because JO CO voters are likely to view any new taxes as inherently unfair. Both the ideology of voters in JO CO and the demographics of the population suggest that individuals will likely be opposed to future levies on the basis of the levies’ perceived fairness. This is likely a result of a lack of trust in governmental processes.

However, there are CI/CP opportunities to enhance the role of citizens in the budget process to increase perceptions of procedural justice, and finding ways to incorporate citizen involvement into service delivery could further display the legitimacy of the process of public safety provision. The bottom line, if the JO CO wants to resolve issues regarding citizen disenfran-

chisement from county processes, it should seek to incorporate more citizen voices into all decision-making processes, including budgeting.

JO CO's political culture is not working in terms to promoting trust in government, and, therefore, support for new taxes. Fair treatment is a common argument utilized against the last four years of proposed levies.

Is a citizen participation budget plan or other BCC legislative decisions on citizen involvement needed to address the public trust issue, or is there a citizen participation issue/problem? Is going beyond the LBL's public meeting/hearing requirements part of the solution? If so, JO CO 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.

Political culture is the product of both the history of a political system and the histories of the members. With difficulty it can be changed with effort over a long time period. It is about the availability of legal enhanced CI/CP tools to JO CO government. It is about the will to identify CI/PC goals beyond the LBL's "apprise" (i.e., inform).

Are The "Legal Requirements Of JO CO Government" Working? Legally required methods of public participation in government decision making in the US – public hearings, review and comment procedures in particular – do not work.

Citizen involvement and citizen participation appear to be an afterthought in ORS 294.305 to 294.565. There are no requirements for CI or CP to occur such as in the requirement of a citizen involvement budget plan, or any other formal procedure program to help the public understand the local budget process and how to most effectively participate. A minimalist LBL approach establishes provide for the specific methods of meetings and hearings for obtaining public views on proposed fiscal budget policy. The focus is to enable the public, taxpayers and investors to be apprised, or informed of fiscal policies. However, the LBL also allows local governments to use enhanced CI/CP beyond the LBL minimums.

The Authors do not believe the legal budget requirements of JO CO government are working if the goal is to have informed citizens actively involved and supporting controversial budget decision-making times of fiscal stress. The BCC's public participation goals of "Inform" was probably very satisfactory with many citizens pre-2012, especially if the majority of the voters had no problems or trust issues. However, the Authors believe that the CI model of "Apprise" is not satisfactory during times of fiscal stress and for issues such as the county public safety issue, which is multifaceted, with citizen perceptions and engagement decisions pro and con, involving a multitude of reasons for involvement and/or engagement – All within the context of mistrust in government by a majority of the voters. The Authors support the following ideas becoming local JO JO legislation (i.e., resolution or ordinances) **for the purpose of transparency in government and, hopefully, the beginning of a long road to improved public trust in government.**

1. GFOA's best practice recommendation that all governments regularly engage in long-term financial planning that encompasses certain elements and essential steps, including updating long-term planning activities as needed in order to provide direction to the budget process.
2. An expanded budget CI/CP process allowed by an expanded publication narrative (ORS 294.438), JO CO's home rule charter, and practiced by many local governments in Oregon (Appendix L). This includes local JO CO legislative action plans (Section V.I) which can assist the local government body in carrying out its budgeting goals: strategic plan, long-term financial plan, citizen involvement plan, county budget manual, citizen involvement in budgeting plan, and county citizen's guide to the budget.
3. Legislatively establish the GFOA's 27 budget program criteria, already used informally by JO CO through the GFOA Distinguished Budget Presentation Award Program, as budget standards (Section V.I; Appendices U & V). Establish a JO CO budget presentation goal of an "Outstanding" budget presentation award.

Is The "Technocratic Expert Model For CI In Budgeting" Working? In the opinion of the Exploratory Committee, JO CO government is plagued by a lack of trust by a majority of county voters, and by ineffective informed voter outreach, especially educational budget program descriptions, including public safety services. How can citizens 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 Dragnet, "just the facts"? Does the Technocratic Expert Model for CI in budgeting with minimal LBL tools do it? Would an enhanced citizen participation model in the budgeting process help in the long-term, or not? The Authors say, Yes!

In summary, there is a wide range of legitimate and effective forms of structures and forms of government JO CO can use. The present form is one of them. The question is whether it is working for CP in budgeting? The answer is no if citizen participation in budget meetings and hearings is the criteria. The answer is still no if trust in JO CO government by a majority of its voters is the criteria.

JO CO is stuck with its historical political culture. The present CI/CP budgeting process is legitimate, and if undertook, it will take a significant long-term effort to change it. The question is whether it is working for CI/CP to potentially ameliorate distrust in government?

There is a wide range of legitimate and effective CI/CP legal requirements the JO CO government can consider for use in future budgeting processes. The present minimalist LBL form is one of them. The question is whether it is working for CI/CP?

All three manager characteristic models (i.e., citizen leadership, technocratic expert, and bureaucratic indifference) are legitimate and can be in the budgeting process. The Authors believe the present dominant technocratic expert form is one of them. The question is whether it is working for CI/CP in the sense of an informed public trusting its experts?

All answers are up to the county's BCC, other seven elected officials, county government staff, and, especially the public. Any changes will not occur immediately, many baby steps would be involved. Important is the transparent rationale for any county's direction.

D. Budgeting Process Design

Due to the public policy decisions inherent in the budget, the budget process would seem to be a prime opportunity for citizen input. However, the limited empirical research available suggests that citizen involvement in budgeting is not widespread. Do practitioners [e.g., JO CO commissioners, other seven elected officials, budget officer, and department heads] disagree with academics on the value of citizen input? Is there an intrinsic aspect to the budget process that prevents it? Are there other reasons for the lack of participation? When and how are citizens involved in the budget process? Why is participation not used more? What are the effects of citizen participation (Ebdon 2002, p. 273)?

Participation was found to affect budget decisions, but the public hearing remains the primary formal opportunity for input. Technology is increasingly being used to expand the budget information available to the public. **Budget complexity and citizen disinterest were cited as the major barriers to participation** (emphasis added). However, a number of cities have successfully used participation mechanisms in the budget development process that can serve as models (Ebdon 2002, p. 273).

Citizen participation is seen as a way to reduce the level of citizen distrust in government, and to educate people about government activities (emphasis added). The goal is for citizens to have an active role in decisions and not just be passive “consumers” of government services. This is made difficult by barriers to participation such as lack of knowledge of government, public perceptions that they do not have access or their opinions are unwanted, and citizen apathy and lack of time. However, the positive effects of participation have been demonstrated in the literature. **Citizens in cities with more participation have been found to be less cynical about local government** (emphasis added) (Ebdon 2002, p. 274).

Process-design variables present another set of obstacles that are not easily overcome. **It is difficult to find a group of representative citizens willing to commit the necessary time and effort to learn about complex public budgets** (emphasis added) (Ebdon 2002; Frisby and Bowman 1996; King, Feltey, and Susel 1998; Miller and Evers 2002), particularly in a way that will get beyond the propensity to focus on issues of narrow self-interest. In addition, too much participation may actually dilute effectiveness — for instance, attendance at public meetings by “regulars” who always have something to say (Ebdon 2002; Ebdon & Franklin 2006, p. 442).

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 (emphasis added) (Beckett and King 2002). Although scholars have concluded that participation is more beneficial when it involves two-way communication (Crosby, Kelly, and Schaefer 1986; Frisby and Bowman 1996; Kathlene and Martin 1991; King, Feltey and Susel 1998; Thomas 1995), evidence of this in the budget process is mixed. Individual cases of two-way dialogue are found in the literature (such as Roberts 1997), but results of surveys and multicity interviews show relatively little use of two-way input mechanisms in the budget process (Ebdon 2000a, 2002; Ebdon & Franklin 2006, p. 442).

Cost and frequency of input may be factors in the lack of two-way communication. Two-way methods may take more time and effort (emphasis added). Some studies of budget participation have focused on fairly time-consuming, one-time deliberative methods for a specific purpose, such as dealing with serious fiscal constraints or longterm planning (e.g., Roberts 1997; Simonsen and Robbins 2000). It may be more difficult to use intensive methods on a regular basis, such as the annual budget process (Ebdon & Franklin 2006, p. 442).

There are nine steps in the Oregon LBL budget process. Two are about citizen involvement in the process which amount to the public being able attend two meetings and ask questions and provide input to the budget committee or the governing body at the meetings/hearings.

- The budget committee conducts at least one public meeting for questions or comments.
- The governing body conducts a public hearing on the approved budget.

Oregon Department of Revenue (ODR). Viewed July 11, 2016. *Citizen overview of local budget law*. <https://www.oregon.gov/DOR/programs/property/Pages/local-budget-citizen.aspx>. (ODR 2016).

What are local governments required to do? There are nine steps in the development and final adoption of the annual budget local Oregon budget:

1. The budget officer prepares a proposed budget.
2. Notice of the budget committee meeting is published.
3. The budget document is made available at or before the meeting.
4. The budget committee conducts at least one public meeting for questions or comments.
5. The budget committee approves the budget.
6. Notice of the public hearing and a summary of the approved budget are published.
7. The governing body conducts a public hearing on the approved budget.
8. The governing body, after public comment and deliberations, adopts the budget and enacts resolutions or ordinances by June 30.
9. The government body certifies the district's tax, if any, to the county assessor y July 15.

How can I participate in the process?

- Volunteer to become a budget committee member.
- Attend the budget committee and governing body budget meetings and the public hearing.
- Review a copy of the budget when it's available.
- Vote on ballot measures for when the government proposes additional funding.
- Provide written or oral testimony to the budget committee or the governing body.
- Challenge irregularities observed in the budget process.

The literature cites a variety of considerations, such as timing, type of budget allocation, participants, and gathering sincere preferences, when designing the participation process (emphasis added) (Ebdon & Franklin 2006, p. 439).

1. Citizen Participation Timing In Budget Process

- **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.
- Elected officials, top administrators, and citizens may have **different goals and expectations** about budgeting matters, making decision making (and maybe even discussion) difficult (Ebdon 2002; Appendix G).

a) Literature 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 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).

Research suggests that participation works best when it occurs early in the process, and is a dialogue rather than simply one-way information sharing (Kathlene & Martin, 1991; King, Feltey & Susel, 1998). This study found that budget participation in the sample cities primarily still occurs in the late stages of the budget process, and that changes have focused more on providing additional information to the public than on opening up a two-way dialogue between city officials and citizens (Ebdon 2002, p. 291).

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”

Several cities have used methods that can help to achieve more meaningful participation. One way to help citizens develop a more “macro” level view of budget trade-offs is to combine education and participation early in the process, at the budget development stage. A few cities in this sample are doing this by holding focus groups, workshops, and budget simulation exercises with small groups of people (Ebdon 2002, p. 291).

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; Appendix G). Ironically, even though public hearings are the most common method used, city and county officials alike see them as the least effective way to involve the public. While they considered methods such as special open meetings and opportunities to speak at regular meetings to be relatively ineffective, the clear target of their frustration is public hearings. The main criticism of public hearings concerns timing. Because most jurisdictions hold only the state-mandated hearing, and that hearing usually takes place late in the process, the public has little opportunity actually to influence results. The hearing takes on a perfunctory or symbolic function (Berner 2001, p. 28).

If local governments want to involve the public, timing is vital, regardless of the method used. Those happy with their methods often mentioned the value of doing things early. Respondents expressed a high level of frustration with the use of public hearings, particularly because they most often take place at the end of the process, when little meaningful input can be given. If managers and governing boards wish to have citizens actively involved in the budget process, they must consider at what point in the process that input most effectively takes place. Meetings, surveys, and conversations, when conducted in a timely manner, afford the best opportunities for citizen input. They can tell people about the demands and the opportunities facing the city or the county in both the short

term and the long term. They also allow officials to hear from citizens about preferences for services, taxes, and fees. The exchange is two-way. When this exchange begins early in the budget process, there is a greater likelihood that the information exchanged will be used and that both citizens and officials will be better informed about the other's position and more committed to the result (Berner 2001, pps. 29 - 30).

Sample Responses To Questions On Methods

(Berner 2001, p. 28)

“What Methods Are Least Effective?”

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

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

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

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

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

“What Methods Are Most Effective?”

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

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

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

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

b) Josephine County Government

(1) JO CO CI Requirements From Oregon Local Budget Law (LBL)

- Notice Of Meetings/Hearings.
- Minimum One Meeting Before JO CO Budget Committee With Opportunity to Comment.
- Minimum One Hearing Before JO CO BCC With Opportunity to Comment.
- Televised budget and commissioner meetings and hearings for those with the technology to receive them.

These minimums are in compliance with the purpose of CI in LBL (ORS 294.321 Purposes).

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

(2) Notice In JO CO Budget Process occurs per the Oregon LBL requirements.

- Notice Of Meetings/Hearings: ORS 294.426 - The Budget officer shall publish prior notice of each meeting of the budget committee.

ORS 294.426 Budget committee meeting; notice; . . .

(1) The budget committee established under ORS 294.414 (Budget committee) shall hold one or more meetings for the following purposes: (emphasis added)

(a) Receiving the budget message prepared under ORS 294.403 (Budget message) and the budget document; and

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

(3)(a) . . . the budget officer designated under ORS 294.331 (Budget officer) shall publish prior notice of each meeting of the budget committee (emphasis added) held pursuant to subsection (1) of this section.

(b)(A) If the budget committee holds more than one meeting for the purposes described in subsection (1) of this section, the budget officer may publish a combined notice for all the meetings.

(B) If the budget committee holds more than one meeting for the purpose described in subsection (1)(b) of this section, the budget officer may publish notice of only the first meeting. Notice of subsequent meetings may be given as provided in ORS 294.428 (Budget committee hearings) (emphasis added) (2). . . .

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

(a) The purpose, time and place of the meeting or meetings and the place where the budget document is available;

(b) That the meeting is a public meeting where deliberations of the budget committee will take place; and (emphasis added)

(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 (emphasis added).

(5)(a) If the notice required under subsection (3) of this section is **published only by publication in a newspaper, the notice must be published at least two separate times, not more than 30 days before the meeting date and not less than five days before the meeting date.** (emphasis added)

(b) The notice may be published once in a newspaper, not more than 30 days before the meeting date and not less than five days before the meeting date, and once on the municipal corporations Internet website, in a prominent manner and maintained on the website for at least 10 days before the meeting date. The newspaper notice must contain the Internet website address at which the notice is posted. (emphasis added)

(6)(a) At any time before the first meeting required under subsection (1) of this section, the budget officer may provide one copy of the budget document to each member of the budget committee solely for the information and use of the individual members (emphasis added). The budget committee may not deliberate on the budget document as a body before the first meeting.

(b) If the budget officer does not provide copies of the budget document to the members of the budget committee under paragraph (a) of this subsection, the budget officer shall provide copies at the first meeting required under subsection (1) of this section.

ORS 294.428 Budget committee hearings; approval of budget document

(1) The budget committee shall approve the budget document as submitted by the budget officer or the budget document as revised and prepared by the budget committee.

(2) In addition to the meetings held under ORS 294.426 (Budget committee meeting) (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. **Except for a meeting of the budget committee held under ORS 294.426 (Budget committee meeting) (1), prior notice of each meeting of the budget committee shall be given at the same time as is required for notice of meetings of the governing body of the municipal corporation and may be given in the same manner as notice of meetings of the governing body** (emphasis added) or by any one or more of the methods described in ORS 294.311 (Definitions for ORS 294.305 to 294.565) (35).

- Notice Of Meetings/Hearings: ORS 294.438 - Not more than 30 days and not less than five days before the meeting of the governing body, a notice of the meeting must be published.

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

(1) Not more than 30 days and not less than five days before the meeting of the governing body of a municipal corporation under ORS 294.453 (Hearing by governing body on budget document as approved by budget committee), **a notice of the meeting** and a financial summary of the budget as approved by the budget committee and compared with the actual expenditures and budget resources of the preceding year or preceding budget period and the budget summary of the current year or current budget period **must be published** by one or more of the methods described in ORS 294.311 (Definitions for ORS 294.305 to 294.565) (35) at least once.

- JO CO has meeting and hearings for the public to be “apprised”, but no actual CI/CP mechanisms to solicit public input for the purpose of two-way communications in affecting decision-making.

(3) Citizen Comments On Availability of Proposed Budget Document On April 29, 2016 Sandi Cassanelli summarized her research on the number of days the public and budget committee had to preview the budget before the budget committee’s first meeting. Good job Sandi.

County doesn't allow enough time to see budget

Letters To The Editor

Sandi Cassanelli

Friday, April 29, 2016

In Josephine County's notice published in the paper for the first public budget session on April 19th, it stated: "A copy of the budget document may be inspected or obtained on or after Monday, April 18th, at the Board of County Commissioners Office ... and will be available on the county website, under Finance

Department, Budget Information." However, the county did not post the budget on that Monday. In fact, it was posted only two hours before the first meeting on April 19th. Hardly enough time for the public and Budget Committee to read such a lengthy and detailed document.

According to ORS 294.426(6), the budget must be available at the first Budget Committee meeting, but I wanted to know what other counties did, so I asked them, "Approximately how many days did the public and budget committee have in order to preview the Fiscal Year 2016/17 budget before your first session?" Guess what the results were for giving everyone time to read the budget?

55 days: Yamhill	12 days: Lincoln	7 days: Lane, Lake,
27 days: Jackson	10 days: Klamath	Hood, Douglas
21 days: Umatilla	9 days: Linn	2 days: Columbia
14 days: Wallowa, Clackamas	8 days: Tillamook	0 days: Coos, Josephine

Most counties even gave extra time to their budget committees as well. Seems Josephine County is, once again, at the bottom of the barrel. **Is it any wonder why Josephine County citizens don't trust those in government?** (emphasis added)

Sandi Cassanelli, Merlin

JO CO's minimalist CI/CP standards of LBL allow it to provide its proposed budget to the public the day of the JO CO budget committee's first meeting (ORS 294.426(1)). Zero days before the first meeting does not sound like much, but it is legal.

The budget officer may make the proposed budget available to the budget committee at any time before the first budget committee meeting advertised in the notice. Alternatively, the budget officer may choose to make the budget available at the first budget committee meeting (ORS 294.426(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. The governing body must provide copies of this budget, or a means of quickly duplicating it, to any interested person. A local government may charge a fee for the copy (OAR 150-294.401(7), implementing ORS 294.426). (*Manual*, p. 45).

If a copy of the proposed budget is made available to the budget committee before its first meeting, the minimalist CI/CP standards of LBL provide that it is solely for the information and use of the individual budget committee members, not the public (ORS 294.426(1))(6)(a)).

The saving grace of the LBL is that it allows local governments to pursue enhanced CI/CP per the discretion of the governing body. Yamhill County and many other local governments have taken advantage of this potential to communicate with their citizens (Appendix L).

For the first meeting of the JO CO Budget Committee, a notice of the meeting must be published twice if published only by publication in a newspaper not more than 30 days before the meeting date and not less than five days before the meeting date (ORS 294.426(5)(a)). The notice may be published only once in a newspaper for the same dates as above if web published on the county's website at least 10 days before the meeting date (ORS 294.426(5)(b)).

c) CP Analysis Of “Citizen Participation Timing In Budget Process” In Budgeting for JO CO The opinions and conclusions of this analysis are the Authors. The present JO CO citizen participation timing in the budget process is a very late exposure of the proposed budget to the budget committee and the public. The CI/CP opportunity is for the present one-way testimony in budgeting centered on BCC fiscal policies turned into two-way testimony through a public budgeting process when the BCC “first” shares its proposed fiscal policies to the other seven JO CO elected officials, the JO CO Management Team, and the JO CO Budget Officer.

What uses of CI does government gain at the different stages of the budget? The Authors maintain that the greatest benefits to the government decision-makers, government staff, and the public is at the first stage of developing the proposed budget document, not at the current last stage when the JO CO first receives the complete proposed budget.

(1) JO CO Minimum CI Requirements of Oregon Local Budget Law (LBL). The Authors’ position is that the minimal CI requirements of LBL do not enable or enhance public participation in the JO CO budget process.

- Minimal CI opportunity occurs late in budget process on proposed budget.
- Notice Of Meetings/Hearings
- Minimum One Meeting Before JO CO Budget Committee With Opportunity to Comment
- Minimum One Hearing Before JO CO BCC With Opportunity to Comment

These minimum LBL requirements by themselves are barriers to CP. They appear to focus on one goal - to summarily “apprise” citizens about complex JO CO budget activities after the proposal has been developed. Without active government solicitation of public input, the biggest barrier to CI is budget complexity. The statement that citizens generally do not understand the budget enough to participate was applicable to the Authors prior to this budget project.

The legal option of only making the complete proposed budget available to the public for the first time at the first budget committee meeting at which the public has an opportunity to submit comments is especially egregious – legal, but a flagrant violation of the concepts of meaningful public participation.

The minimal LBL CI process promotes citizen disinterest and rational ignorance which is refraining from acquiring knowledge when the cost of educating oneself on an issue exceeds the potential benefit that the knowledge would provide. Ignorance about an issue is said to be "rational" when the cost of educating oneself about the issue sufficiently to make an informed decision can outweigh any potential benefit one could reasonably expect to gain from that decision, and so it would be irrational to waste time doing so. This has consequences for the quality of decisions made by large numbers of people, such as general elections, where the probability of any one vote changing the outcome is very small, but could be the winning vote.

This is not to minimize very real citizen apathy and citizen lack of time. These other barriers are largely due to the unwillingness of the public to get involved. This could be due to a lack of interest in the budget, the fact that people already have busy lives and this is low on their priority list, or they just believe that what they say will not have any impact anyway.

(2) CI In JO CO Budget Process Occurs Late per the Oregon LBL minimum requirements. The Authors' position is the minimum LBL approach creates a perception that public opinion is not being "heard" or valued.

Structured opportunities for two-way citizen testimony (input) into the JO CO budget are not prevalent. These opportunities do not exist for the budget stage in which the proposed budget is being developed, when public opinion would have the most impact on the decision-making by actually affecting the decisions of the propose budget.

Citizen input would have the best chance of being used to determine budget priorities if it occurs early in the process, prior to, or concurrent with the administration's development of the proposed budget.

In summary, the greatest benefits to the JO CO BCC, JO CO elected officials, government staff, and the public is involvement at the first stage of developing the proposed budget document.

d) Is "Late CI Participation In Budgeting" Working? There are several stages of the budget process.

1. Complete Budget Officer Proposed Budget Document.
2. Complete Budget Committee Approved Budget Document.
3. Complete BCC Adopted Budget Document.
4. Execution of Adopted Budget Document.

JO CO's minimal CI requirements of LBL do not enable or enhance public participation in the first phase (i.e., complete proposed budget) of the JO CO budget process. It misses a great opportunity over the long-term to improve public trust.

- Minimal CI opportunity occurs late in budget process on proposed budget.
- Notice Of Meetings/Hearings
- Minimum One Meeting Before JO CO Budget Committee With Opportunity to Comment
- Minimum One Hearing Before JO CO BCC With Opportunity to Comment

The majority of the academic literature concludes that timing is important because input that is received late in the process is less likely to have an effect on outcomes. This suggests that budget input is more beneficial during the preparation stage rather than the budget-adoption phase.

The present CI approach used by JO CO to involve the public and budget committee late in the proposed budget process is legitimate and can be effective in the budgeting process. The question is whether it is working for CI/CP to improve public trust? The answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

2. Type of Budget Allocation (by program or earmarked funds, operating, capital)

a) Literature Much of the CI research has focused on the operating budget. However, input is also used – and may be more common in – other types of resource allocation. For example, one-third of 28 sampled midwestern cities had participatory processes for the allocation of nonoperating funds or for particular portions of the operating budget. These included capital improvement, Community Development Block Grants, and earmarked funds for community agencies (Ebdon 2002; Ebdon & Franklin 2006, p. 439)

b) Josephine County Government CI CI/CP is used in different types of resource allocations in JO CO.

- Budget.
- Capital Improvement Projects.
- Land Use Plans.

c) CP Analysis Of “Type of Budget Allocation” In Budgeting for JO CO The opinions and conclusions of this analysis are the Authors. The budget allocations for activities beyond the budget process are not pertinent to the purposes of this paper.

3. Budget Process Participants The selection of the Oregon budget committee members is an important design component of the budget process. This section includes the selection method, numbers, representatives, and authorities of the JO CO Budget Committee members.

a) Literature The selection of participants is another important design component. Researchers suggest that participation should be open to large numbers of people (Kathlene and Martin 1991; Thomas 1995). **Participants should also be representative of the community, to give wide access and not close anyone out of the process** (emphasis added) (Crosby, Kelly, and Schaefer 1986; Johnson 1998; Kathlene and Martin 1991; Thomas 1995; Watson, Juster, and Johnson 1991). **The participant-selection method might also be critical; for example, city officials could invite individuals based on neighborhood involvement, or individuals could self-select (Franklin and Ebdon 2004). Selection methods that purposively seek to include a wide range of perspectives are better received than those in which selection is perceived as cronyism that supports a particular political agenda** (emphasis added) (Ebdon & Franklin 2006, pps. 439-440).

The challenge of matching resources to community needs is work that the Institute for Local Government (IFLG) is involved in to promote good government at the local level. The IFLG is the nonprofit research affiliate of the League of California Cities and the California State Association of Counties. Budgeting—the allocation of usually limited resources to fund vital public services and facilities—is a central activity of city and county government. The challenge is that there are typically more local needs than resources to fund them. Many of the basic costs of government are increasing and there are frequently calls for new or expanded services to meet local needs. At the same time, there are serious pressures on local revenues given the impacts of broad economic forces at the local, regional and national levels. Many of the basic costs of government are increasing and there are frequently calls for new or expanded services to meet local needs. At the same time, there are serious pressures on local revenues given the impacts of broad economic forces at local, regional and national levels. Local revenues are further impacted as a result of state budget shortfalls and take-aways, as well as by the reallocation of revenues that local agencies have depended on to serve their communities. Any decision to increase local revenues, especially in challenging economic times, is itself a challenge and typically requires public support (IFLG 2010, p. 3).

Dr. Edward Weeks, Associate Professor of Public Administration and Planning, and Director of the Deliberative Democracy Project, University of Oregon, was a contributor to *A Local Government Guide To Public Engagement In Budgeting* (IFLG 2010). Weeks provides, “**As with all public engagement efforts, especially those more broadly inclusive and deliberative, public engagement increases the likelihood for more lasting public decisions and for an increased trust between residents and their government. Involving the public in budgeting decisions is also an opportunity to invest in a community’s “civic infrastructure” – the community’s ability to work through and solve problems together. Taken together, the results include a more open, responsive and collaborative system of local governance. Public engagement may also help residents to better understand the state-local finance system so that they are better equipped to make well informed decisions at the ballot box.**” (emphasis added) (IFLG 2010, p. 3).

A Local Government Guide To Public Engagement In Budgeting is 48 pages with the entire guide addressing: 1. involving the public in local budgeting, and 2. engagement in local budgeting. It covers the following topics on approaches to public engagement in local budgeting, including budget advisory committees. They are all part of what is possible under the enhanced CI/CP allowed by Oregon LBL (IFLG 2010).

- Budget Education and Outreach.
- Budget Surveys.
- Budget Advisory Committees.
- Budget Workshops.
- Budget Deliberative Forums.
- Relationships with Neighborhood Councils and Committees.

b) Josephine County Government Budget Process Participants As described before the minimal CI requirements of LBL do not enable or enhance public participation in the JO CO budget process.

- Minimal CI opportunity occurs late in budget process on proposed budget.
- Notice Of Meetings/Hearings.
- Minimum One Meeting Before JO CO Budget Committee With Opportunity to Comment.
- Minimum One Hearing Before JO CO BCC With Opportunity to Comment.

These minimum LBL requirements by themselves are barriers to CP. They appear to focus on one goal - to summary educate citizens about complex JO CO budget activities after the proposal has been developed.

Besides the general public minimal CI requirements of LBL described above, the budget process participants are the following.

1. Josephine County Board of County Commissioners (JO CO BCC - governing body's three elected officials that are members of the JO CO Budgeting Committee).
2. Seven Other JO CO Elected Officials.
3. Staff - JO CO Management Team, Including Budget Officer.
4. JO CO Budget Committee (LBL requires JO CO to establish a budget committee per ORS 294.414).
5. Elector Citizens on JO CO Budgeting Committee.
6. Public.

The JO CO governing body must establish a budget committee (ORS 294.414) which is the local government's fiscal planning advisory committee. The budget committee is composed of the governing body and an equal number of electors. An elector is a qualified voter who has the right to vote for a ballot measure submitted by the local government (Chpt II).

The selection of elector citizen participants into the budget process in the form of the budget committee is the responsibility of the JO CO governing body (BCC). The BCC has elected to follow the LBL (Chapter III) in determining the elector citizen participants on the JO CO Budget Committee.

In JO CO there are six members of the budget committee (i.e., all three commissioners and three elector citizens appointed by the JO CO BCC per ORS ORS 294.414). The following sections are on the roles and authorities of the JO CO Budgeting Committee members.

(1) Roles of Budget Committee Members Budget Committee Meetings (Chpt II). The budget committee elects a presiding officer from among the members at its first meeting (ORS 294.414(9)). The budget committee also hears the budget message at its first meeting. One of the committee's most important duties is to hear and consider any testimony presented by the public about the budget.

ORS 294.414(1) . . . the governing body of each municipal corporation shall establish a budget committee in accordance with the provisions of this section.

(2) The budget committee shall consist of the members of the governing body and a number, equal to the number of members of the governing body, of electors of the municipal corporation appointed by the governing body; . . .

(9) The budget committee shall at its first meeting after its appointment elect a presiding officer from among its members.

ORS 294.426 (1) The budget committee established under ORS 294.414 (Budget committee) shall hold one or more meetings for the following purposes:

(a) Receiving the budget message prepared under ORS 294.403 (Budget message) and the budget document; and

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

The budget committee reviews and, if a majority of the committee feels it is necessary, revises the proposed budget submitted by the budget officer. The committee must ultimately balance each fund and approve the budget through the quorum and majority rules committee voting process (Chpt II).

Quorum Necessary to Hold Meeting (Chpt IV). What are the "Quorum Necessary to Hold Meeting" differences between OAR 150-294.414 for total membership of the committee present, and OAR 150-294.453(1) for the total governing board membership present (Chpt II)?

If a majority of the budget committee agrees, it can add or delete funding for specific services. Committee members may not discuss or deliberate on the budget outside of a public meeting (Chpt II).

After the budget committee approves the budget, it is turned over to the governing body and the process enters into the adoption stage. The governing body has the final responsibility for allocating the resources of the budget to the programs and departments of the local government (ORS 294.456(1); Chpt II).

According to Oregon's *Local Budgeting Manual* (pps. 5-6), **citizen involvement is to give the public ample opportunity to participate in the budgeting process** (emphasis added). 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** (emphasis added). They also **give public exposure to budgeted programs and fiscal policies** (emphasis added) before the governing body adopts the

budget. Citizen involvement in the budget cycle varies from one community to another. It is up to each local government to prepare a budget that clearly outlines its fiscal policies for the patrons of the district. **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.

(2) Authorities Of Budget Committee Members According to the *Manual*, all members of the budget committee have equal authority. Each member's vote counts the same (Chpt II). However, the ORS does not identify equal authority. It does identify that it shall elect a presiding officer from among its members ORS 294.414(9).

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. 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.

The concept of quorums and majority voting suggests every member of the budget committee has an equal vote during votes in budget committee meetings. However, even here there are questions as the quorum OARs treat governing body members distinctly different than public members of the budget committee. For example, quorums are determined as if all members of the budget committee attend (e.g., a majority for six budget committee members is a four member quorum with an equal vote, a majority for 10 budget committee members is a five member quorum, etc.). Quorum - the minimum number of members of an assembly or society that must be present at any of its meetings to make the proceedings of that meeting valid.

However, the Authors still do not understand the differences between OAR 150-294.414 for total membership of the committee present, and OAR 150-294.453(1) for the total governing board membership present. The Oregon Department of Revenue's 2016 workshop presentation on basic budget law was not helpful.

- OAR 150-294.414 Quorum Necessary to Hold Meeting (Chpt II). A budget committee must have a quorum, or majority of the total membership of the committee, present in order to hold a meeting. To take any action requires the affirmative vote of a majority of the total budget committee membership. Majority is defined as one more than half unless otherwise specified by law.
- OAR 150-294.453(1) Quorum Necessary to Hold Meeting (Chpt II). To hold a budget hearing there must be a quorum, or majority of the total governing board membership present. To take any action requires the affirmative vote of a majority of the total governing board. Majority is defined as one more than half unless otherwise specified by law.

c) CP Analysis Of “Budget Process Participants” In Budgeting for JO CO The opinions and conclusions of this analysis are the Authors.

(1) Brainstorming Questions On Authorities (Chpt IV) What are the authorities of appointed members of the budget committee versus the elected members? Do all members of the JO CO Budget Committee have equal authority, per the *Manual*, as each member’s vote counts the same, and any member can be elected by the committee as its chair?

How are the three electors (i.e., qualified JO CO voters) equal to the three members of the JO CO BCC when many budget law requirements and real world relationships exist in the JO CO budget process whose outcomes dictate otherwise? Some brainstorming questions follow.

- The JO CO budget process is a continuous process with the JO CO BCC members involved for the 12 months of the year (i.e., the BCC developed the fiscal policies it thought best after months and months of work without the budget committee being involved).
- Electors to the JO CO Budget Committee are appointed by the JO CO BCC, and in JO CO the Electors are involved for about 2 months from when the proposed budget is made available to them and the public to the time the committee approves the proposed budget.
- Members of the JO CO BCC will probably have more training and experience in the budget process.
- Electors are excluded from significant internal steps of the budget process where members of the JO CO BCC are the unequal authority over the JO CO Management Team, including the Finance Director (i.e., Budget Officer) who coordinates the development of the proposed budget.
- Timing Is Late: Even when the Electors are part of the budget process to develop the proposed budget, they like the public are asked to participate too late in the budget process and are less likely to influence outcomes.
- The members of the JO CO BCC are the unequal authority for the final adopted budget.

(2) All Budget Committee Members Do Not Have Equal Authority According to the *Local Budgeting Manual*, budgeting is not simply something a local government does once every year or two. It is a continuous process, taking 12 months in JO CO to complete a cycle. The budgeting process has four parts: 1. prepare complete proposed budget, 2. complete approved budget, 3. complete adopted budget, and 4. executed budget. The JO CO budget process is a continuous process with the salaried JO CO BCC members involved for the 12 months of the year in all four parts of the budgeting process (i.e., the BCC develops the fiscal policies it judges best for the proposed budget after months and months of work without the budget committee being involved).

Unpaid electors (i.e., registered voters) to the JO CO Budget Committee are appointed by the JO CO BCC, and in JO CO are involved for approximately two months from when the proposed budget is made available to them and the public to the time the committee approves the proposed budget. The elected are directly accountable to the voters and the appointed are accountable to the elected officials that appointed them to remain in office and/or be reappointed (i.e., unlike the appointed members of the U.S. Supreme Court that are independent of the executive office that appointed them).

Members of the JO CO BCC, including the seven other JO CO elected officials, will probably have more training and experience in the budget process as it is well established that incumbents win reelection at high rates (i.e., a first time reelected commissioner will have four years of experience in the local budget process versus zero years for a first time appointed Elector on the budget committee). Information is lacking on the annual training of the electors and the process for their reappointment (i.e., appointed budget committee members can be reappointed for additional terms at the discretion of the BCC).

Electors are excluded from significant internal first phase steps of the budget process where members of the JO CO BCC are the unequal authority over the JO CO Management Team, including the Finance Director (i.e., Budget Officer). The BCC also develops the fiscal policies for the seven other elected officials and the JO CO Management Team. Therefore, the BCC and the BCC staff have an investment to protect (i.e., they have developed and/or implemented the fiscal policies, and they have already judged the proposed budget allocations of county revenues per the BCC fiscal policies' priorities).

1. Internal. Fiscal standards and budget parameters (S&BP) established by the JO CO BCC and provided to the JO CO Finance Director (i.e., budget officer), the other seven elected officials, and administrative staff as general guidelines for development of the proposed budget (i.e., February?).
2. Internal. Completed budgets from JO CO departments (includes seven other elected officials) to JO CO Finance Director.
3. Internal. Week of JO CO BCC review with JO CO Finance Director and individual JO CO departments.
4. Internal. The JO CO Finance Director prepares a budget which reflects the JO CO BCC's S&BP.

Timing Is Late: Even when the Electors are part of the budget process to develop the proposed budget, they, like the public, are asked to participate too late in the budget process and they are less likely to effect outcomes (i.e., real decision-making).

5. Public. The JO CO Finance Director's final completed proposed budget is what the JO CO Budget Committee and the public sees for the first time and considers for approximately 2 months until the budget is approved.
6. Public. JO CO 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; it is usually not involved with funding for specific services.
7. Public. Having said that, if a majority of the JO CO Budget Committee agrees, it can add or delete funding for specific services.
8. Public. Public participation at JO CO Budget Committee meetings may influence committee approval decisions.
9. Public. Budget committee quorums must be met (i.e., a quorum majority for six JO CO budget committee members is four members with an equal vote). Quorum - the minimum number of members of an assembly or society that must be present at any of its meetings to make the proceedings of that meeting valid. However, the Authors still do not understand the differences between OAR 150-294.414 for total membership of the committee present, and OAR 150-294.453(1) for the total governing board membership present. The Oregon Department of Revenue's 2016 workshop presentation on basic budget law was not helpful.

- OAR 150-294.414 Quorum Necessary to Hold Meeting (Chpt II). A budget committee must have a quorum, or majority of the total membership of the committee, present in order to hold a meeting. To take any action requires the affirmative vote of a majority of the total budget committee membership. Majority is defined as one more than half unless otherwise specified by law.
- OAR 150-294.453(1) Quorum Necessary to Hold Meeting (Chpt II). To hold a budget hearing there must be a quorum, or majority of the total governing board membership present. To take any action requires the affirmative vote of a majority of the total governing board. Majority is defined as one more than half unless otherwise specified by law.

The budget committee and citizen input would presumably have the best chance of being used to determine priorities if the comment opportunity occurred early in the process, prior to or concurrent with the JO CO administration's development of the proposed budget. A two-way dialogue rather than simply one-way information sharing between the three elected commissions and the three appointed electors and between the budget committee and the public, would have a greater opportunity for shaping fiscal priorities.

The members of the JO CO BCC are the unequaled authority for the final adopted budget.

10. Public. Final authority for administration rests with the JO CO BCC.
11. Public. The JO CO BCC has elected to not involve the budget committee in the adopted budget phase of the budget process.
12. Public. The JO CO BCC can make changes after the JO CO Budget Committee has approved the budget.

Equal authority comes from having 1. the substantial power to remain on the budget committee no matter the potential differences with the other members, and to be involved and influential in the entire budget process, and 2. the substantial and knowledge power to influence a vote of the majority of the budget committee. On the surface it is quite astounding that the Oregon legislature established a committee of appointed citizens and elected governing body members as equals. Nevertheless, it is quite obvious that the citizen electors are not equal to the members of the governing body, and if they try to be independent, they are labeled as being disruptive (i.e., *lashing out* - to suddenly attack someone or something physically or criticize him, her, or it in an angry way) rather than as credible members of the committee expressing a difference of opinion.

"A member of the Josephine County Budget Committee is lashing out against her colleagues and the county's budgeting process." (Hall, Shaun. May 26, 2016. Budget Committee Member Bashes Budgeting Process. The Grants Pass Daily Courier).

Ironically, Goodwin is suggesting a return to a budget approach the county has used in the past, called "budgeting for outcomes," which focuses on funding top priorities first. Heck, Commissioner Simon Hare and Finance Director Arthur O'Hare said that, in the four years since the method was used, the county's priorities have not changed so there is no need to reset them.

"Arthur will tell you, basically, we are doing that (budgeting for outcomes)," Heck said. O'Hare agreed.

"We're not doing it (budgeting for outcomes) because we don't need to reinvent the wheel," he said. "We went through the process. Our priorities are the same."

"The whole theory that we should reassess our priorities this year is Margaret's personal opinion," O'Hare said. "The Board (of Commissioners) already knows we are putting our money in the most important places."

O'Hare added that he took as "pretty offensive" Goodwin's comments during deliberations that she believed the county was not following generally accepted accounting practices.

The article also tells a story about the informal team leader of the JO CO Budget Committee, and certainly the informal expert and leader of the budget process, Finance Director Arthur O'Hare. Acting as the budget officer supervised by the BCC, he prepared the proposed budget and took exception to a citizen elector at a budget committee meeting requesting an additional meeting to discuss budgeting philosophy. More importantly O'Hare is quoted that the budget committee members were not equal, as *"The Board (of Commissioners) already knows we are putting our money in the most important places."* (i.e., we don't need a budget committee considering overturning fiscal policy already established by the BCC).

In summary, the Authors' judgement about the authorities of the governing body members and the public members of the budget committee is not a conclusion of inappropriateness. It does not consider that question as the county process is legal under the LBL. It is a conclusion that the governing body members of the budget committee are exceedingly superior to their citizen members. The Authors challenge the Oregon Department of Revenue, who wrote the *Manual*, to demonstrate in the law (i.e., ORS or OAR) that all members of the budget committee have equal authority.

d) Are the "Authorities Of The Budget Process Participates" In Budgeting" Working? (Prototype). Participation pathologies can come from the inequality of power and information of citizens and government.

The budget process participants operate in a minimum LBL requirements environment that focus on one goal - to summary educate citizens about complex JO CO budget activities after the proposal has been developed. This policy focuses on the roles of the budget committee and the public in the budget processes first phase of developing the complete proposed budget. After the budget committee approves the budget it moves to the adoption phase.

According to the *Manual* for LBL, all members of the budget committee have equal authority as each member's vote counts the same and it elects a presiding officer from among its members. This position is sharply contested by the Authors and they challenge the Oregon Department of Revenue, who wrote the *Manual*, to demonstrate in the law (i.e., ORS or OAR) that all members of the budget committee have equal authority. The BCC members of the budgeting committee have extensive power beyond that of the public members (i.e., Electors) of the committee. The reasons for this position follow.

1. Electors are appointed by governing body members and their reappointment is at the discretion of the BCC.
2. Governing body members work on budget year round while electors have approximately two months.
3. Governing body members are paid full-time professionals, while electors are unpaid and part-time.
4. Governing body members have more budget training and experience than electors.
5. Electors are excluded from the critical first phase of developing the proposed budget until it is a complete proposed budget submitted to the entire budget committee and the public for the first time.

6. Electors are asked to participate too late in the budget process and they are less likely to effect outcomes (i.e., real decision-making).
7. The governing body members are the unequaled authority for the final adopted budget.

It is obvious that the citizen electors are not equal to the members of the governing body, and if they try to be independent, they are labeled as being disruptive rather than as credible members of the committee expressing a difference of opinion (i.e., the JO CO Budget Officer is quoted that the budget committee members were not equal, as *"The Board (of Commissioners) already knows we are putting our money in the most important places."* (i.e., we don't need a budget committee considering overturning fiscal policy already established by the BCC).

The elector budget committee members do not have the substantial power to remain on the budget committee no matter the potential differences with the other members, and to be involved and influential in the entire budget process. They also do not have the substantial and knowledge power to influence a vote of the majority of the budget committee.

The authorities of JO CO's budget process participants in budgeting are legitimate and can be effective in the budgeting process. The question is whether it is working for CI/CP to improve public trust and the quality of the budget allocations? The answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

4. Budget Process Stages Assessment For CI/CP

a) Literature The obstacles to collaborative participation are considerable, but they can be overcome. The most basic starting point, however, is to recognize that many situations are not appropriate for collaborative methods in the first place. Before undertaking a collaborative effort, planners must make sure a conflict assessment is done (Susskind *et al.*, 1999, Ch. 2) to find the obstacles and determine whether they can be overcome. This identifies the potential stakeholders and their interests and resources. It then looks at the costs and at the potential political opposition or support for such an effort and assesses the likelihood that agreements reached will have an impact. Such a study must make a comparison between a realistic estimate of staffing costs and technical assistance in a collaborative process with the costs of litigation, delay and continuing conflict. While properly done collaborative methods may seem costly, the costs of not using such methods can be even greater (e.g., developers were planning investments of many millions of dollars that were being delayed by seemingly intractable conflict over the plans and the citizens were deeply divided over this emotional issue, etc.) (Innes & Booher 2004, p. 431 - 432).

Governmental Finance Officers Association Best Practices Government Finance Officers Association's (GFOA) Budget Presentation Award Program (BPAP) best practices (GFOA 2014; Appendix U).

GFOA BPAP #P5. *Mandatory Criteria:* 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 (GFOA 2014 pps. 4-5).

Criteria Location Guide Questions

1. Is a description of the process used to develop, review, and adopt the budget included in the document?
2. Is a budget calendar provided to supplement (not replace) the narrative information on the budget process?
3. Is a discussion of how the budget is amended provided in the budget document available to the public (including the budgetary level of control)?

Explanation This criterion requires a concise narrative description of the budget process, including an explanation of relevant legal or policy requirements. This description should include the internal process to prepare the budget, the opportunities for public input, and the actual adoption of the budget. A budget calendar should be included (noting both key operating and capital dates), although its format may vary. Inclusion of dates in the narrative description of the budget process will not satisfy this criterion. The process for amending the budget after adoption should be covered. The description of the amendment process should identify the level at which the governing body must approve changes.

Include the public in your budget process. Refer to **GFOA's best practice on "Public Participation in Planning, Budgeting, and Performance Management"** (emphasis added) as a guide on public involvement in the budget process.

b) Josephine County Government JO CO does not consider collaborative participation part of its budget process and, therefore, has not conducted a conflict assessment for its budget process phases.

1. Budget Officer's Complete Proposed Budget
2. Budget Committee's Complete Approved Budget
3. BCC's Complete Adopted Budget

One of the most significant aspects of the structure and form of JO CO government is that the BCC has adopted an informal policy that its CI requirements are those that are identified in LBL. Informal is used because JO CO does not have a citizen involvement in budgeting plan or any other action plan explaining CI in its budget process (e.g., no county budget manual, no citizen participation budget plan, no county citizen's guide to the budget, etc.). This informal CI policy is a restriction on the potential for enhanced CI/CP beyond LBL presently being practiced by local governments across Oregon (Appendix L). Compliance is worked out on a case-by-case basis with the BCC being advised by the budget officer.

JO CO also does not have a citizen involvement in budgeting plan as a guide on public involvement in the budget process (GFOA BPAP #P5. *Mandatory Criteria*).

c) CP Of “Budget Process Stages” Analysis In Budgeting for JO CO The opinions and conclusions of this analysis are the Authors. They recommend that the BCC have a conflict assessment developed to identify the obstacles to collaborative participation. However, it should first develop formal policy for CI/CP per GFOA BPAP #P5. *Mandatory Criteria* (GFOA 2014 pps. 4-5). This description should include the internal process to prepare the budget, the opportunities for public input, and the actual adoption of the budget. The Government Finance Officers Association's (GFOA) Budget Presentation Award Program (BPAP) best practices would include the public in JO CO's budget process per GFOA's best practice on “*Public Participation in Planning, Budgeting, and Performance Management*.”

d) Are “Obstacles to Collaborative Participation” In JO CO's Budgeting Process” Insurmountable? The Authors and an academic from the Oregon State University's masters fo public policy program recommend that the county should seek to incorporate more citizen voices into the decision-making process. They recommend collaborative participation, including using co-productive models of governance, including GFOA BPAP #P5. *Mandatory Criteria*.

The JO CO's budget process without collaborative participation in budgeting is legitimate and can be effective in the budgeting process. The question is whether it is working for CI/CP to improve public trust and the quality of the budget allocations? The answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

5. Sincere Preferences/Willingness To Pay

a) Literature The ability to gain information about sincere preferences or the willingness to pay for public services is also cited as important in the literature. Studies have found a discontinuity between citizen demands and their willingness to pay taxes (emphasis added) (Glaser and Denhardt 1999; Glaser and Hildreth 1996). In some cases, individuals might state a higher preference for a service if they believe they will not have to pay their fair share (Wilson 1983). Therefore, it might be desirable to take this into consideration to understand true preferences (Ebdon & Franklin 2006, p. 440).

In public choice theory, preference revelation (also preference revelation problem) is an area of study concerned with ascertaining the public's demand for public goods. **If government planners do not have "full knowledge of individual preference functions"**, (emphasis added) then it's likely that public goods will be under or over supplied. Unlike private goods, public goods are non-excludable and non-rivalrous. This means that it's possible for people to benefit from a public good without having to help contribute to its production. Given that information about marginal benefits is available only from the individuals themselves, people have an incentive to under report their valuation for public goods. If public finance was entirely voluntary, then anybody who under reported their benefit would decrease their tax payment. This problem is known as the free-rider problem (Wikipedia 2016 Preference revelation).

Johnson County, Kansas, engaged citizens by developing a budget simulator in development of its 2013 budget. Johnson County Commissioners established a committee to guide citizen engagement. The purpose of the project was to use academic literature to situate using a budget simulator to uncover citizen preference, and analyze Johnson County's initial budget simulator design and execution. The county made substantial strides in improving citizen participation (CP) and developed key recommendations to help refine Johnson County's admirable goal to use a budget simulator to engage citizens. The county's fiscal condition was found to be strong, but with potential to increase net unrestricted assets. However, in the face of a slow national economic recovery, and continuing financial constraints, the county needed to make significant budget cuts and reorganize departments in order to balance the budget. It decided to **engage citizens early on in the budget process to find out their preferences for service delivery. In addition to the budget simulator, Johnson County also held focus groups in order to get citizen feedback and support their effort to elicit citizen preference on specific service levels and priorities. In summary, eliciting sincere preferences and willingness to pay was at the core of engaging citizens** (emphasis added) (University of Kansas 2012, pps. 4-5).

Citizen engagement was evaluated by Johnson County, Kansas according to six criteria established by Ebdon and Franklin (University of Kansas 2012, p. 5). Evaluation criteria for citizen engagement from Ebdon & Franklin (2004) follow (emphasis added).

- **Input is representative of the community.**
- **Opportunity is available for large numbers of citizens to participate.**
- **Input occurs early in the process.**
- **Sincere preference/willingness revealed.**
- **Participation includes two-way communication between public and government officials.**
- **Input is considered in decisions.**

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. 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 (He 2012, p. 3; Appendix N).

b) Josephine County Government The effect of political ideology effects JO CO voters' decisions to support or oppose tax measures. The voters have a history of rejecting tax measures that would traditionally be deemed politically progressive, and ideology can be considered a determinant of tax measure support. What this implies is that voters will be more likely to view taxation and larger government as inherently unfair. Both the ideology of voters and the county population demographics suggest that individuals will likely be opposed to levies based on perceived fairness (Davis 2016, p. 30).

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. JO CO should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services. Many county residents oppose the proposed public safety levies, but that is not the problem. Some residents resent the decisions made by JO CO government because they feel disconnected from the process of policymaking and policy delivery and distrust the officials in charge of making policy decisions (Davis 2016, p. 47).

No matter how much citizen involvement is granted within the process, some individuals will not be satisfied with the results. This is particularly the case within JO CO where citizen opinions are so varied. Furthermore, shifting responsibilities to the public may result in some resentment amongst formerly empowered service professionals. Also, if the results of decisions made by the public are perceived as undesirable, prescribing blame and holding decision makers accountable is much more difficult. While these difficulties may arise, co-producing policy rather than utilizing traditional service methods should allow for more democratic voice and thus increase perceptions of procedural justice within the JO CO government (Davis 2016, p. 49).

c) CP Analysis Of “Sincere Preferences/Willingness To Pay” In Budgeting for JO CO The opinions and conclusions of this analysis are the Authors. Public safety services are needed in JO CO; it is just the form and the cost, and the ability to pay that are the issue.

The Authors echo Davis' observation that supporters of the public safety services tax levies 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. The majority of voters resent the decisions made by JO CO government because they feel disconnected from the process of policymaking and policy delivery, and distrust the officials in charge of making policy decisions.

Disconnected also means that the government has not provided a scientific explanation of why the old status quo public safety services (i.e., pre FY 2012 - 13) are needed. For example, it has not elected to perform a minimally acceptable level of public safety services (MALPSS) analysis to make its case. It has relied on professional opinion in an environment of public distrust in government. The JO CO governing body has also not described scientifically mandated and essential programs and the need for their supporting levels of service.

And, finally, it has not used enhanced CI/CP to explain the public safety services need, nor to seek public support. Arguments for enhanced citizen participation often rest on the merits of the process and the belief that an engaged citizenry is better than a passive or anti-government citizenry. With citizen participation, formulated policies might be more realistically grounded in citizen preferences, the public might become more sympathetic evaluators of the tough decisions that government administrators have to make, and the improved support from the public might create a less divisive, combative populace to govern and regulate. However, the bottom line is that the governing body has not tried enhanced CI/CP beyond the legal minimums of the LBL, and incorporating citizen testimony into JO CO decision-making is not a costless process.

d) Are There “Sincere Preferences/Willingness To Pay” Issues In JO CO’s Budgeting Process? The literature support the benefits of an informed citizenry. There are also social and economic costs of enhanced CI/CP. Is enhanced CI/CP worth it to the governing body. Has it done the analysis to better predict the usefulness of a citizen participation initiative?

The public does not know what assumptions the governing body is using, and/or has used, for determining citizen testimony on sincere preferences and willingness to pay opinions because it has not provided a written record of how public testimony was used. All the public has is the bald statement that public input has been considered.

The county has not pursued engaging citizens early on in the budget process to find out their preferences and willingness to pay for service delivery, and it has not tried other citizen involvement mechanisms beyond the LBL meetings/hearings format (e.g. focus groups, simulations, advisory committees, surveys, third-party intermediation, etc.).

The question is whether the county’s strategy of finding out the public preferences and willingness to pay for services is working? Has its CI strategy improved public trust and the quality of the budget allocations? The answer is up to the county’s BCC, elected officials, county government staff, and, especially the public.

6. Summary of “Budgeting Process Design”

a) Literature There is a good understanding of variables that have been found to be important to participatory design. The timing is critical: It should occur early, but often does not. And input may vary by the type of budget allocation being made. Care must be taken in soliciting input that is both representative and collective rather than individually interested; input should be sincere or a true expression of willingness to pay (or make trade-offs).

b) Josephine County Government JO CO uses a traditional minimalist budgeting process identify in LBL. It does not use the enhanced CI/CP also identified in LBL. What budgeting process design components does JO CO government have?

(1) Citizen Involvement Timing In Budget Process The present JO CO CI timing in the budget process is a very late exposure of the proposed budget to the budget committee and the public. The CI opportunity is for one-way testimony in budgeting centered on BCC fiscal policies turned into the proposed complete budget by the JO CO elected officials, the JO CO Management Team, and the JO CO Budget Officer started many months earlier. What uses of CI does government gain at the different stages of the budget? The greatest benefits to the government decision-makers, government staff, and the public is at the first stage of developing the proposed budget document which does not occur in the JO CO budget process.

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.

The minimal CI requirements of LBL to not enable or enhance public participation in the JO CO budget process. These minimum LBL requirements by themselves are barriers to CP. They appear to focus on one goal - to summary educate citizens about complex JO CO budget activities after the proposal has been developed. Without active government solicitation of public input, the biggest barrier to CI is budget complexity.

The minimal CI requirements of LBL promote citizen disinterest and rational ignorance which is refraining from acquiring knowledge when the cost of educating oneself on an issue exceeds the potential benefit that the knowledge would provide. Ignorance about an issue is said to be "rational" when the cost of educating oneself about the issue sufficiently to make an informed decision can outweigh any potential benefit one could reasonably expect to gain from that decision, and so it would be irrational to waste time doing so.

This is not to minimize very real actual citizen apathy and citizen lack of time. These other barriers are largely due to the unwillingness of the public to get involved. This could be due to a lack of interest in the budget, the fact that people already have busy lives and this is low on their priority list, or they just believe that what they say will not have any impact anyway.

(2) Type of Budget Allocation The opinion of the Authors is that the type of budget allocation for activities beyond the budget process are not pertinent to the purposes of this paper.

(3) Budget Process Participants Besides the general public minimal CI requirements of LBL, the budget process participants are the following: 1. JO CO BCC, 2. staff - JO CO management team, including budget officer, 3. seven other elected JO CO officials, 4. JO CO Budget Committee, and 5. Public.

The JO CO minimalist LBL approach to CI/CP focuses on the JO CO budget committee to represent the county voters. The budget committee receives the budget message and budget, and elects a presiding officer from among the members at its first meeting. One of the committee's most important duties is to provide members of the public with an opportunity to ask questions about and comment on the budget document. The budget committee reviews and, if a majority of the committee feels it is necessary, revises the proposed budget submitted by the budget officer. The committee must ultimately balance each fund and approve the budget through the quorum and majority rules committee voting process.

According to the *Manual* for LBL, all members of the budget committee have equal authority as each member's vote counts the same and it elects a presiding officer from among its members. This position is sharply contested by the Authors and they challenge the Oregon Department of Revenue, who wrote the *Manual*, to demonstrate in the law (i.e., ORS or OAR) that all members of the budget committee have equal authority. The BCC members of the budgeting committee have extensive power beyond that of the public members (i.e., Electors) of the committee. The reasons for this position follow.

1. Electors are appointed by governing body members and their reappointment is at the discretion of the BCC.
2. Governing body members work on budget year round while electors have approximately two months.
3. Governing body members are paid full-time professionals, while electors are unpaid and part-time.
4. Governing body members have more budget training and experience than electors.
5. Electors are excluded from the critical first phase of developing the proposed budget until it is a complete proposed budget submitted to the entire budget committee and the public for the first time.
6. Electors are asked to participate too late in the budget process and they are less likely to effect outcomes (i.e., real decision-making).
7. The governing body members are the unequaled authority for the final adopted budget.

(4) Budget Process Stages JO CO does not consider collaborative participation part of its budget process and, therefore, has not conducted a conflict assessment for its budget process phases.

1. Budget Officer's Complete Proposed Budget
2. Budget Committee's Complete Approved Budget
3. BCC's Complete Adopted Budget

One of the most significant aspects of the structure and form of JO CO government is that the BCC has adopted an informal policy that its citizen participation (CP) requirements are those that are identified in LBL. Informal is used because JO CO does not have a citizen involvement in budgeting plan or any other action plan explaining CI in its budget process (e.g., no county budget manual, no citizen participation budget plan, no county citizen's guide to the budget,

etc.). This informal CP policy is quite a restriction on the potential for enhanced CI/CP beyond LBL presently being practiced by local governments across Oregon. Compliance is worked out on a case-by-case basis with the BCC being advised by the budget officer.

(5) Sincere Preferences/Willingness To Pay Public safety services are needed in JO CO; it is just the form and the cost, and the ability to pay that are the issue. Supporters of the public safety services tax levies 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. Many county residents oppose the proposed public safety levies, but that is not the problem. A majority of the voters resent the decisions made by JO CO government because they feel disconnected from the process of policymaking and policy delivery, and distrust the officials in charge of making policy decisions.

Disconnected also means that the government has not provided scientific explanation of why the old status quo public safety services (i.e., pre FY 2012 - 13) are needed (i.e., minimally acceptable level of public safety services (MALPSS) analysis to make its case, including mandated and essential programs, and the need for their supporting levels of service. It has relied on professional opinion in an environment of public distrust in government.

c) CP Analysis In Budgeting for JO CO The literature support the benefits of an informed citizenry. Does JO CO government have a positive political environment and is it accepting of citizen testimony? 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.

d) Is “Budgeting Process Design” In Budgeting Working For JO CO? JO CO uses a traditional minimalist budgeting process identify in LBL. It does not use the enhanced CI/CP also identified in LBL. The budget process is in contrast to citizens belief that 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, and involvement in honest dialogue with staff and elected officials regarding the budget and the citizens’ role in the process.

According to the *Manual* for LBL, all members of the budget committee have equal authority as each member’s vote counts the same and it elects a presiding officer from among its members. This position is sharply contested by the Authors and they challenge the Oregon Department of Revenue, who wrote the *Manual*, to demonstrate in the law (i.e., ORS or OAR) that all members of the budget committee have equal authority. The BCC members of the budgeting committee have extensive power beyond that of the public members (i.e., Electors) of the committee.

The public does not know what assumptions the governing body is using, and/or has used, for determining citizen testimony on sincere preferences and willingness to pay opinions because it has not provided a written record of how public testimony was used. All the public has is the bald statement that public input has been considered.

JO CO uses a traditional minimalist budgeting process identify in LBL. It does not use the enhanced CI/CP also identified in LBL. The question is whether the county’s “Budgeting Process Design” in its budgeting process is working? Has its budget process design strategy improved public understanding, empathy, and trust? The answer is up to the county’s BCC, elected officials, county government staff, and, especially the public.

E. Citizen Participation Mechanisms In Budgeting

It is time to face facts we know, but prefer to ignore. Legally required methods of public participation in government decision making in the US – public hearings, review and comment procedures in particular – do not work. They do not achieve genuine participation in planning or other decisions, such a budget allocations; they do not satisfy members of the public that they are being heard; they seldom can be said to improve the decisions that agencies and public officials make; and they do not incorporate a broad spectrum of the public. Worse yet, these methods often antagonize the members of the public who do try to work with them. The methods often pit citizens against each other, as they feel compelled to speak of the issues in polarizing terms to get their points across (emphasis added). This pattern makes it even more difficult for decision makers to sort through what they hear, much less to make a choice using public input. Most often these methods discourage busy and thoughtful individuals from wasting their time going through what appear to be nothing more than rituals designed to satisfy legal requirements. They also increase the ambivalence of planners and other public officials about hearing from the public at all. Nonetheless, these methods have an almost sacred quality to them, and they stay in place despite all that everyone knows is wrong with them (Innes & Booher 2004, p. 419).

Advantages of participation vary by the type of mechanism used. Public meetings are open to all, but turnout is often low and attendees might not be representative of the community. Citizen surveys may be generalizable if done scientifically, and can provide valuable information about service priorities and issues, but **questionable wording can affect results, intensity of opinion may not be indicated, and they can be costly** (emphasis added). Advisory committees can help individuals gain expertise in a given area, but may be time-consuming and may not be representative of the public (Thomas 1995; Watson, Juster & Johnson 1991; Kweit & Kweit 1987). More intensive techniques, such as citizen panels, may be useful in major policy issues, but are costly and

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, and when the mechanisms are designed around the purpose for participation.

can require extensive time commitments (Kathlene & Martin 1991). 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).

Many citizen participation mechanisms – methods, each with strengths and weaknesses, have been used to elicit participation in the budget process including: public meetings, focus groups, simulations, committees, and surveys (Ebdon 2003; Ebdon & Franklin 2006, p. 440).

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)? First, conditions in the political

environment may limit the commitment of city officials to seeking or using input. Professional administrators may have concerns about sharing decision making on complex issues with the public (O'Toole and Marshall 1988; Thomas 1995), and administrators and elected officials may feel that citizens already have sufficient access or that increased input makes their jobs even harder (Bland and Rubin 1997; Thompson and Jones 1986). To further complicate the issue, finance officers have been found to desire participation, but they would like elected officials to initiate it (Miller and Evers 2002). Environmental factors may also have inconsistent effects on participation (Ebdon 2002), which raises interesting but unanswered questions about the relationship between the environmental factors and participatory outcomes (Ebdon & Franklin 2006, p. 442).

No participatory mechanism is without weaknesses. A big difference among the mechanisms is the type of communication they foster between citizens and public officials. For example, surveys and public hearings tend to provide one-way information regarding citizen opinions. One-way communication can occur in the other direction as well. When city officials release budget information, the nature of the data reported and the timing of its release can shape citizens' perceptions of the budget process and the likelihood that their participation is valued. Even the professionalization of the public information office can be an indirect signal that communicates city officials' expectations regarding participation (Ebdon & Franklin 2006, p. 442).

Ultimately the differences between the methods legally required in the US and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices (Innes & Booher 2004, p. 430; Davis 2016, pps. 45 - 49).

Per Ebdon (2006), this section considers only a few citizen participation mechanisms in budgeting (Ebdon & Franklin 2006).

- Public Meetings
- Focus Groups
- Simulations
- Advisory Committees
- Surveys
- Third-Party Intermediation
- Workshops
- Award Programs

What is important is not whether this is a complete list, it is not (Sale 2005, p. 14).

Techniques: 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.

Other Tools: Graphics and written brochures, structured decision processes, relationship building, media relations, electronic communications, and direct education/experience (such as boat tours).

What is important is whether JO CO's approach to apprising the public about fiscal policies is successful. 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? Public involvement tools that seem to work the best are those that promote dialogue and face-to-face communications (Sale 2005, pps. 12, 14).

For example, in 2012 Neshkova measured citizen participation (i.e., input) in decisions about transportation issues in all 50 states. Two sets of indices were created to operationalize the practices of citizen involvement used by state transportation agencies at each stage of the budget preparation process. It also ranked the public involvement strategies considered to be active in order from least active to most active. And, the study gave more weight to strategies allowing for two-way communication between administrators and citizens as there is a consensus in the literature that participation is more beneficial when it involves two-way communication (Kathlene and Martin 1991, King et al 1998, Thomas 1995; Neshkova 2012, p 12).

Also, a government should develop mechanisms to identify stakeholder concerns, needs, and priorities (emphasis added). Among the mechanisms that might be employed to gather such information are (a) public hearings, (b) surveys, (c) meetings of community leaders and citizens interest groups, (d) meetings with government employees, and (e) workshops for government administrative staffs and the legislative body (GFOA 2005, p. 2).

Citizen participation in a local government's participation in awards programs that pursue best practices in budgeting is interesting. For example, the Government Finance Officers Association (GFOA) established the Budget Presentation Award Program (Budget Awards Program) in 1984 (<http://www.gfoa.org/budgetaward>). The GFOA's purpose was 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 (NACSLB), and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal (Appendix U). The GFOA has given its "Distinguished Budget Presentation Award" to JO CO for the last several years.

1. Citizen Participation Mechanisms

a) Public Meetings Extensive use of public meetings/hearings and budget summary documents are found in the budget practices across various types of local governments (Appendix A1). Most states impose certain legal budget requirements on local governments (such as public meetings/hearings) that may either enhance or constrain public participation.

In many states so-called ‘open meeting’ requirements have become integral to participation. Open meeting rules essentially making it illegal for public officials to meet privately to discuss public issues. **All these bodies must publish agendas days ahead of time and follow them in the meeting** (emphasis added). These ‘sunshine laws’ are designed to assure transparency in government and give citizens the chance to be informed and aware so they can comment appropriately (Innes & Booher 2004, p. 423).

(1) Literature **Public meetings are not very good at giving citizens direct influence, but they can be used as forums for preliminary information sharing** (emphasis added) (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** (emphasis added) 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).

Several techniques are nearly ubiquitous in the US, most of which are enshrined in law as required ‘steps’ in a public decision process. **The hearing and public comment processes tend to be formalistic, one-way communication from members of the public to the agency or elected officials** (emphasis added). The ordinary citizen is most likely to participate in public hearings in local arenas, where their interests are most clearly affected and where they are most knowledgeable. Typically these procedures are used after plans or decisions have been proposed, often in some detail. **The citizen role is to react** (emphasis added) (Innes & Booher 2004, p. 423).

Public hearings typically are attended primarily, if not uniquely, by avid proponents and opponents of a measure affecting them personally, by representatives of organized interest groups, and by a handful of diehard board watchers. Two or three-minute time limits are often placed on speakers, with equal time for the highly informed, or the person whose livelihood is at issue as for the rambling fellow who has little knowledge but enjoys the sound of his own voice. Citizens have to stand below the stage where board/commission members sit. **They can speak only on the topic defined in the agenda. The program typically does not allow for interchange, although occasionally a board member may ask a question. Citizens have no entitlement to answers to their questions** (emphasis added). It is not surprising that citizens normally speak at public hearings only when much is at stake for them or when they have a passionate belief about an issue (Innes & Booher 2004, p. 424).

The International Association of Public Participation’s (IAP2) “Public Participation Toolbox” identifies approximately 50 participation techniques to share information, of which public hearings is one (IAP2 2000-2004, p. 7). The toolbox chart has three criteria to consider with a narrative next to each. The following is for public hearings.

- IAP2 Criteria 1. Always Think It Through - Avoid if possible.
- IAP2 Criteria 2. What Can Go Right - Provides opportunity for public to speak without rebuttal.
- IAP2 Criteria 3. What Can Go Wrong - Does not foster constructive dialogue; Can perpetuate an us v. them feeling.

Participation pathologies can come from the inequality of power and information of citizens and government (emphasis added). Dialogue with other non-designated speakers are probably not permitted, even if citizen questions were pertinent. Citizens usually get no information about rejected alternatives and were allowed only to react to the proposal. They are frequently told that the proposal represents the best answer (emphasis added). The focus is on technical data, and citizens who wanted to speak of fairness and justice were ruled out of order. This situation was one of “distorted communicative action” due to the inequalities in treatment of speakers (emphasis added), lack of multi-way dialogue, and control of the agenda (Innes & Booher 2004, p. 425).

Review and comment procedures are better than the straight public hearing, but still have major problems. For example, procedures for review and comment are common in the US. The federal government issues regulations which do not become law until after a period of comment. In environmental review potential impacts of a project are documented in a detailed technical report. There are public hearings on the report, and comments are made in writing by agencies, stakeholder groups and citizens and eventually published with responses. Even though agency staff have to respond to comments, they can be unresponsive or dismissive. They may declare comments off point, just as in public hearings. The citizen does not know who wrote the responses, much less have the opportunity to confront the individual or have an interchange on the topic. On the other hand, well-funded interest groups are capable of making comments that get responses because they know the law and they are capable of bringing lawsuits. Comment processes are difficult to learn about and not readily accessible to the ordinary citizen. Commentors do not have an opportunity to discuss or resolve issues among themselves (Innes & Booher 2004, p. 425).

(2) Josephine County Government How does JO CO use public meetings/hearings to promote CI? Does the county accomplish its “appraise” objective via meetings/hearings?

(a) Legal Requirements Oregon imposes certain legal budget requirements of local governments (i.e., ORS 294.305 to 294.565; Section V.C.3.a)). Most of the statutes are not about CI in the budget process. There are six purposes identified (ORS 294.321 Purposes). Two purposes touch on CI. They are minimalist in terms of promoting CI (see Section II.A for all six purposes).

1. Provide specific methods to the local government for obtaining public views in the preparation of fiscal policy.
2. Enable the public, taxpayers and investors to be apprised of the financial policies.

(b) Notice Public meeting and hearings are the specific methods JO CO uses for obtaining public views for the purpose of enabling the public to be apprised of the county’s financial policies. Extensive procedures in ORS are used to give “notice” of these meetings/hearings (Section V.D.1).

For the first meeting of the JO CO Budget Committee, a notice of the meeting must be published twice if published only by publication in a newspaper not more than 30 days before the meeting date and not less than five days before the meeting date (ORS 294.426(5)(a)). The notice may be published only once in a newspaper for the same dates as above if web published on the county’s website at least 10 days before the meeting date (ORS 294.426(5)(b); Section V.D.1).

(c) Public Availability of Proposed Budget Document JO CO’s minimalist CI standards of LBL allow it to provide its proposed budget to the public the day of the JO CO budget committee’s first meeting (ORS 294.426(1)). Zero days before the first meeting does not sound like enough time to become meaningfully familiar of the proposed budget document, but it is legal (Section V.D.1).

The budget officer may make the proposed budget available to the budget committee at any time before the first budget committee meeting advertised in the notice. Alternatively, the budget officer may choose to make the budget available at the first budget committee meeting (ORS 294.426(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. The governing body must provide copies of this budget, or a means of quickly duplicating it, to any interested person. A local government may charge a fee for the copy (OAR 150-294.401(7), implementing ORS 294.426) (*Manual*, p. 45).

If a copy of the proposed budget is made available to the budget committee before its first meeting, the minimalist CI standards of LBL provide that it is solely for the information and use of the individual budget committee members, not the public (ORS 294.426(1))(6)(a)).

The saving grace of the LBL is that it allows local governments to pursue enhanced CI/CP per the discretion of the governing body. Yamhill County and many other local governments have taken advantage of this potential to communicate with their citizens (Appendix L), but the majority, including JO CO have not.

(d) Summary JO CO uses the minimum compliance standard of LBL for public meetings and hearings (i.e., citizens have at least one hearing day before the budget committee to ask questions about and comment on the proposed budget document (ORS 294.453)). The opportunities for public comments on the approved budget are the same. The minimum compliance standard is that citizens have at least one hearing day before the JO CO BCC to ask questions about and comment on the approved budget document (ORS 294.453(1); Section V.C.3.b); (Section V.D.1).

(3) CP Analysis Of “Public Meetings” In Budgeting for JO CO The minimal CI provisions of “to enable the public . . . to be apprised of the financial policies ” in the LBL purposes are barely above nonparticipation on Armstein’s “Ladder of Citizen Participation.” Apprised is to be informed (Appendix A1). The BCC’s public participation goal of “Inform” might be very satisfactory with many citizens where there are not issues/problems as identified by voters, especially if the majority of the public have no problems or trust issues. However, the Authors believe that the CI model of “Inform” is not satisfactory for issues such as the county public safety issue which is multifaceted, with citizen perceptions and engagement decisions, pro and con, involving a multitude of reasons for involvement and/or engagement (Section V.C.2.c); Section V.C.3.c)).

Citizen involvement and citizen participation appears to be afterthoughts in ORS 294.305 to 294.565. There are no requirements in the LBL for CI or CP to actually occur such as in the requirement of a citizen involvement budget plan, or any other action program to help the public understand the local budget process and how to most effectively participate.

Unfortunately, JO CO does not have a method to monitor or evaluate the success of its meeting/hearing approach to its citizens involved in budgeting, and it does not try. What criteria might it consider in the future? Examples of two types of evaluation criteria used for effective public participation follow.

1. Acceptance Criteria, which concern features of a method that make it acceptable to the wider public, and
2. Process Criteria, which concern features of the process that are liable to ensure that it takes place in an effective manner.

If the JO CO BCC really wants to understand the public's values in budgeting, it should step into the unknown and develop a CI/CP program for success, including evaluation criteria to be used for effective public participation.

(4) Are The "Public Meetings" In Budgeting for JO CO Working? It is time for the JO CO BCC to face facts - its method of public participation in budgeting does not work when its focus is apprising the public of the county's fiscal policies. What is needed to measure and verify this failure. Some quantitative and qualitative measures follow.

Quantitative Measurements

- Number of people reached.
- Unit costs.
- Percent of citizen participants understanding messages.
- Quantity of effort.
- Number of comments received.

Qualitative Measurements

- Narrative evaluations of success (event summaries).
- Goals based on initial surveys of satisfactions (knowledge, attitude, or understanding).
- Positive or negative comments in the media.
- Measures of satisfaction with the opportunities to participate or influences the process, or with communications.

It does not achieve genuine participation in planning the complete proposed budget, the complete approved budget, nor the complete adopted budget; it does not satisfy most members of the public that they are being heard, and most don't show up; and it can seldom be said that this brand of obtaining public input has changed or improved the decisions of the governing body. The tight calendar is also such that the county budget committee and BCC don't really have time to listen.

Ultimately the differences between the methods legally required in JO CO and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices.

Lets fact it, CI/CP was an afterthought in ORS 294.305 to 294.565. Does anyone really believe that the accomplishment of the public being “apprised” of the county’s fiscal policies is meaningful CI when the role of the public is to react?

Federal agency CI review and comment procedures are better than straight public hearings. In these public hearings testimony is made in writing by agencies, stakeholder groups and citizens, and eventually published with responses.

In JO CO meetings/hearings, citizens have no entitlement to answers to *their* questions. The testimony process typically does not allow for interchange, although occasionally a member of the budget committee and/or the governing body may ask a question. Dialogue with other non-designated speakers is not permitted, even if citizen questions were pertinent. Citizens usually get no information about rejected alternatives and were allowed only to react to the proposal. They are frequently told that the proposal represents the best answer. The focus is on technical data, and citizens who wanted to speak of fairness and justice are usually ruled out of order. This situation is one of “distorted communicative action” due to the inequalities in treatment of speakers, lack of muliti-way dialogue, and control of the agenda.

There is a wide range of legitimate and effective CP legal requirements the JO CO government can use in the budgeting process. The Authors believe its present use of meetings/hearings is one of them. The question is whether this citizen participation mechanism is working for CI/CP? The answer is up to the county’s BCC, elected officials, county government staff, and, especially the public.

b) Focus Groups A focus group is a form of qualitative research in which a group of people are asked about their perceptions, opinions, beliefs, and attitudes towards a product, service, concept, advertisement, idea, or packaging. Questions are asked in an interactive group setting where participants are free to talk with other group members.

In the social sciences and urban planning, focus groups allow interviewers to study people in a more natural conversation pattern than typically occurs in a one-to-one interview. In combination with participant observation, they can be used for learning about groups and their patterns of interaction. An advantage is their fairly low cost compared to surveys, as one can get results relatively quickly and increase the sample size of a report by talking with several people at once. Another advantage is that they can be used as an occasion for participants to learn from one another as they exchange and build on one another's views, so that the participants can experience the research as an enriching encounter. This counteracts the extractive nature of research which seeks to "mine" participants for data (with no benefit for them) as criticized by various authors (Wikipedia 2016).

(1) Literature Several cities have used methods that can help to achieve more meaningful participation. One way to help citizens develop a more "macro" level view of budget trade-offs is to combine education and participation early in the process, at the budget development stage. A few cities in this sample are doing this by holding focus groups, workshops, and budget simulation exercises with small groups of people (Ebdon 2002, p. 291).

Focus groups tend to be more selective than other methods because they are generally small groups (Thomas 1995). They have three fundamental strengths: exploration and discovery, context and depth, and interpretation (Morgan 1997), each of which can be useful to city officials wishing to determine citizens' preferences. However, they also can fall victim to group think (Janis 1982) and the contagion effect (Sigel 1996) and may be nonrepresentative (Rosenthal et al., 1999). Despite these limitations, focus groups can be used to gain in-depth opinions regarding budget preferences and to come to consensus on specific issues (Ebdon & Franklin 2006, p. 440).

(2) Josephine County Government The Authors are not aware of focus groups being used in JO CO as a method of securing public input into the budget process.

(3) CP Analysis For "Focus Groups" In Budgeting for JO CO Focus groups would be a citizen participation mechanism - more meaningful participation.

(4) Are "Focus Groups" In Budgeting for JO CO Working? Not enough information.

c) Simulations Most everyone you talk to has an opinion on what should be done about JO CO's finances. Budget simulations are your chance to try out your ideas. Simulations can be designed to illustrate the tough budget choices that will have to be made and to promote a public dialogue on how we can set a sustainable fiscal course. Examples of web-based budget simulations abound (<http://www.kowalddesign.com/budget/>), or just type "budget simulations" for your research topic.

(1) Literature Several cities have used methods that can help to achieve more meaningful participation. One way to help citizens develop a more "macro" level view of budget trade-offs is to combine education and participation early in the process, at the budget development stage. A few cities in this sample are doing this by holding focus groups, workshops, and budget simulation exercises with small groups of people (Ebdon 2002, p. 291).

Budget simulations reveal sincere preferences because they require participants to make trade-offs to balance the budget. Eugene, Oregon, used a budget-balancing exercise along with citizen surveys to determine responses to fiscal stress (Simonsen and Robbins 2000). Wichita, Kansas, has also used simulations as part of their annual budget process to educate citizens about the difficulties of balancing the budget (Ebdon and Franklin 2004; Ebdon & Franklin 2006, p. 440).

Budget experts everywhere complain that citizens' seemingly unending appetite for more public services and benefits is not matched by a corresponding willingness to pay 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. The above is the first paragraph of an article that explores how citizens are being engaged in an important area of policy making – the budget – and suggests ways in which budget officials can use the powerful resource of the Internet to further that involvement (Tanaka 2007, p. 140).

(2) Josephine County Government The Authors are not aware of budget simulations being used in JO CO as a method of securing public input into the budget process.

(3) CP Analysis For "Simulations" In Budgeting for JO CO Simulations would be a citizen participation mechanism - more meaningful participation.

(4) Are "Simulations" In Budgeting for JO CO Working? Not enough information.

d) Advisory Committees An advisory committee is a collection of individuals who bring unique knowledge and skills which augment the knowledge and skills of the formal board of directors in order to more effectively guide the organization.

An advisory committee is a collection of individuals who bring unique knowledge and skills which augment the knowledge and skills of the formal board of directors in order to more effectively guide the organization. The advisory committee does not have formal authority to govern the organization, that is, the advisory committee cannot issue directives which must be followed. Rather, the advisory committee serves to make recommendations and/or provide key information and materials to the board of directors. The advisory committee plays an important public relations role as well as providing program staff with a fresh perspective on programmatic issues. A properly composed and structured advisory committee can be a tremendous complement to the effectiveness of the board of directors as it works to carry out a specific initiative.

(1) Literature Citizen budget advisory committees have been used in some places. These are better than other methods at informing participants about budget issues. However, participation is limited and may not be representative, and they can be costly in terms of time and effort (Irvin and Stansbury 2004; Thomas 1995). One study found that advisory committees are effective when appointments are made in a democratic manner and when the committees have clear goals (Callahan 2002; Ebdon & Franklin 2006, p. 440).

According to the Oregon Department of Revenue the JO CO Budget Committee is a “fiscal planning advisory committee” to JO CO (*Manual*, p. 44), but DOR does not directly define the roles of this type of committee. It does define the duties of the budget committee.

The budget committee meets publicly to review the budget document as proposed by the budget officer. The committee receives the proposed budget and the budget message and holds at least one meeting in which the public may ask questions about and comment 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 (*Manual*, p. 45).

What is a fiscal planning advisory committee? Planning and advisory are the keys. Advisory means making recommendations, not decisions. What is planning? Wikipedia defines planning as the following.

Planning (also called forethought) is the process of thinking about and organizing the activities required to achieve a desired goal. It involves the creation and maintenance of a plan (emphasis added), such as psychological aspects that require conceptual skills. There are even a couple of tests to measure someone’s capability of planning well. As such, planning is a fundamental property of intelligent behavior. Also, planning has a specific process and is necessary for multiple occupations (emphasis added) (particularly in fields such as management, business, etc.). In each field there are different types of plans that help companies achieve efficiency and effectiveness. An important, albeit often ignored aspect of planning, is the relationship it holds to forecasting. Forecasting can be described as predicting what the future will look like, whereas planning predicts what the future should look like for multiple scenarios. Planning combines forecasting with preparation of scenarios and how to react to them. Planning is one of the most important project management and time management techniques. Planning is preparing a sequence of action steps to achieve some specific goal. If a person does it effectively, he can reduce much the necessary time and effort of achieving the goal. A plan is like a map. When following a plan, he can always see how much he has progressed towards his project goal and how far he is from his destination (Wikipedia 2016).

For example, the Long Beach City College Budget Advisory Committee's charge was approved by the College Planning Committee on May 21, 2015. Specific charges (i.e., responsibilities & tasks) follow (<http://www.lbcc.edu/AdminServices/budget-advisory-comm.cfm>).

- To develop an understanding of the College's revenue and expenditures as a foundation for participating in the budget process.
- To use the college's priorities (as outlined by the Institutional College Planning Committee and as may be designated by the college Executive Committee) to prepare recommendations for budget development, including budget assumptions and priority lists for distribution of additional income.
- Identify underlying principles (practices) used when making decisions regarding reallocation of funds and facilitate the reallocation of existing resources based on institutional planning.
- To review the draft budget in its development stages.
- To present the adopted budget to the College Planning Committee for information and to the Superintendent/President for approval.
- To serve as a forum for on-going fiscal activities such as monthly and quarterly fiscal reports to the Board.
- To identify strategies which can be implemented to make the budget process more "user friendly".
- To identify emerging trends and/or needs that have college-wide budgetary impact.
- To educate members of the college community on the process for developing the budget and to encourage feedback from them.
- To monitor and evaluate the budget process.
- To review and share information on the state budget and state budgeting process as it relates to California Community Colleges.
- To serve as a conduit for communicating the committee's activities to its' represented constituencies and to other college committees.

The Multnomah County Citizen Involvement Office is independent of the county government. The office develops and maintains CI programs and procedures designed for the purpose of facilitating direct communication between the citizens and the board of county commissioners. **A Citizen Involvement Committee (CIC) and the structure of the CI process was established by ordinance** (emphasis added). 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 own staff (Appendix L).

Multnomah County Budget Advisory Committees (CBACs) are independent permanent citizen bodies (emphasis added) 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 (Appendix L).

The CIC developed these independent CBACs to review department operations and budgets, provide testimony, and give written recommendations. **This includes reviews and discussions of goals, priorities, and plans for responsibly allocating the county's budget funds** (emphasis added). The time line and **phases of the budget process are all year starting in July–September** (emphasis added) with early idea exchange and budget discussions and formally ending in June with budget review, approval, and formal adoption (Appendix L).

(2) Josephine County Government JO CO has a budget committee that, according to ODR, is a fiscal planning advisory committee. The budget committee meets publicly to review the budget document as proposed by the budget officer, holds at least one meeting in which the public may ask questions about and comment on the budget, and approves the budget. Is it a "fiscal planning advisory committee" to JO CO per the *Manual*? A "fiscal planning advisory committee" and the JO CO Budget Committee's actual job, defined by the ODR, are a very long way apart compared to Multnomah County's budget advisory committees.

In 2016 Securing Our Safety proposed to the JO CO BCC that it form “The Round Table of Josephine County” (SOS 2016). The Round Table’s (advisory group) mission was to “To Accept and Review Proposals for Providing Financial Resources to the Law Enforcement and Justice Programs Operated by Josephine County.” It is unknown whether this group was formed by the BCC.

- Securing Our Safety. January 31, 2016. *The Round Table of Josephine County*. Proposal to Josephine County Board of County Commissioners. Topic: Advisory Group “To Accept and Review Proposals for Providing Financial Resources to the Law Enforcement and Justice Programs Operated by Josephine County.” Grants Pass, OR. http://www.hugoneighborhood.org/JSPSS_Studies.htm Grants Pass, OR.

(3) CP Analysis For “Advisory Committees” In Budgeting for JO CO Budget advisory committees like those of Multnomah County are fiscal advisory committees. They are a citizen participation mechanism - more meaningful participation.

There are no advisory committees on JO CO budgeting except the handicapped short-term JO CO Budget Committee whose focus is on approving the completed proposed budget. The BCC has adopted an informal policy that its CI requirements are those that are identified in LBL. Informal is used because JO CO does not have a plan by resolution or ordinance explaining CP in its budget process.

(4) Are “Advisory Committees” In Budgeting for JO CO Working? The JO CO Budget Committee as a fiscal advisory committee is not working when compared to the possibilities of Multnomah County’s budget advisory committees.

e) Surveys A citizen survey is a kind of opinion poll which typically asks the residents of a specific jurisdiction for their perspectives on local issues, such as the quality of life in the community, their level of satisfaction with local government, any concerns about crime, or their political leanings. Such a survey can be conducted by mail, telephone, Internet, or in person.

A real challenge for professional administrators and elected officials in local government is to receive meaningful public input during the budget process. Since the budget is arguably the most critical responsibility of appointed and elected leaders of local governments, it is important to incorporate citizen participation in that process.

A better understanding of customer needs is a key to improving government performance. What little customer feedback they receive typically comes from interest groups and squeaky wheels. Feedback from the bulk of their customers – the silent majority, if you will – comes only at election time and provides little guidance to career government managers who actually manage the day-to-day delivery of public services.

Community needs assessments and other survey techniques can help in setting priorities and managing costs. They can help gauge the effectiveness of their operations, identify unmet public needs and improve service delivery. Although survey results suggest that citizens place a high value on most local government services, they do value some services more than others.

(1) Literature An annual citizen survey can be a valuable component of the municipal budgeting process for cities that elect to institutionalize the process as a way to translate citizen feedback into budgetary priorities. This article explores uses of citizen surveys in identifying latent needs of the community that may not be detected through public hearings or other citizen participation methods. The authors suggest that properly developed and conducted citizen surveys can provide decision-makers with research data that will lead to more responsive public spending and debt financing decisions. The article concludes with a case study of Auburn, Alabama, a city that has successfully used citizen surveys in its budgeting system for the past seventeen years (Hassett 2003).

Citizen surveys can be useful for understanding citizen satisfaction and needs (Miller and Miller 1991; Webb and Hatry 1973) and can be designed to determine sincere preferences (Ferris 1982). They can be representative of the public at large, but they may not show the intensity of an individual's opinions regarding services (Thomas 1995). In addition, **question wording is critical** (emphasis added) – citizens do not always have sufficient information to render educated opinions – and surveys can be expensive (Hatry and Blair 1976; Ebdon & Franklin 2006, p. 440).

Local government officials use the data from citizen surveys to assist them in allocating resources for maximum community benefit and forming strategic plans for community programs and policies. In 1991, the International City and County Manager's Association (ICMA) published a book by Thomas Miller and Michelle Miller Kobayashi titled *Citizen Surveys: How To Do Them, How To Use Them, and What They Mean*, that directed local government officials in the basic methods for conducting citizen surveys. The book was revised and republished in 2000. In 2001, ICMA partnered with Miller and Kobayashi's organization National Research Center, Inc. (NRC), to bring *The National Citizen Survey*, a low-cost survey service, to local governments. The NRC maintains a database of over 500 jurisdictions representing more than 40 million Americans, allowing local governments to compare their cities' results with similar communities nearby or across the nation (Wikipedia 2016).

(2) Josephine County Government The Authors are not aware of surveys (i.e., type of opinion poll which typically asks the residents of a specific jurisdiction for their perspectives on local issues) being used in JO CO as a method of securing public input into the budget process. There was a public safety survey by Strategy Research Institute (SRI) sponsored and paid for by Community United for Safety (CUFS) in support of the 2015 JO CO tax levy). http://www.hugoneighborhood.org/JSPSS_Studies.htm.

(3) CP Analysis For “Surveys” In Budgeting for JO CO Surveys would be a citizen participation mechanism - more meaningful participation. However, the public safety survey by SRI does not meet *Study Design’s* standard for verifiability. See *Study Design* document, *Vetted Public Safety Facts: Josephine County’s Justice System & Public Safety Services Problem/Issue Vetted Public Safety Facts* (pages III - 2 through III- 3).

- JS&PSS Exploratory Committee. Draft October 2015. VETTED PUBLIC SAFETY FACTS: Josephine County’s Justice System & Public Safety Services Problem/Issue Vetted Public Safety Facts. Supports Justice System & Public Safety Services Study Design: 2015. HNA&HS. Hugo, OR.

Any publication sponsored and/or developed by an organization in support of, or opposed to, an alternative solution is legitimate, and probably contains documented facts. However, in this case the SRI survey is clearly not independent of the subject "alternative solution" that CUFS had an interest in promoting.

The CUFS’ 2014 scientific voter opinion survey was not found on its web site, and there were no references in the record how a copy could be obtained. Therefore, independent observations could not be made by the Authors of *Study Design*. For example, besides secondary news articles in *The Grants Pass Daily Courier* (TGPDC), the public could not access the survey. The purpose was to independently verify that the tax rate of \$1.40 per \$1,000 of assessed property value matched the voiced needs of JO CO voters with the amount of property taxes they were willing to pay. Because it was, in effect, anonymous; it did not exist and would probably not be useable in the *Study*.

CUFS was also the sponsor of the survey, and was clearly not independent of the safety levy that it had an interest in promoting. To verify that a subject is important, only a source that is independent of the subject can provide a reliable evaluation. A source too close to the subject will usually believe that the subject is important enough to warrant detailed coverage, and relying exclusively upon this source could present a conflict of interest, and a threat to a study’s neutrality.

The Suthors’ of *Study Design*, position on verifiability does not mean that the CUFS’ voter opinion survey was not a reliable (accurate) and valid (truthful) survey. It only means that the opinion survey does not meet the *Study Design’s* standard for verifiability (i.e., the survey would not be useable in the Study except with many qualifiers). This conclusion will be assessed by the Study Team (Appendix C4, Vetted Inventories information standards).

(4) Are “Surveys” In Budgeting for JO CO Working? Not enough information as the government of JO CO had not used surveys during the four proposed levies from 2012 - 2015.

f) Third-Party Intermediation An intermediary (or go-between) is a third party that offers intermediation services between two or more parties.

(1) Literature Much of the current U.S. academic literature on participatory budgeting is preoccupied with direct citizen involvement in budget formulation, reflecting a particular normative theory of democracy. In this essay we suggest that U.S. academics can learn from a contemporary international community of practice concerned with “civil-society budget work” – a quasi-grassroots, quasi-pluralist movement with member organizations throughout the developing world – as well as from the budget exhibits mounted by the New York Bureau of Municipal Research (NYBMR) at the turn of the last century. The budget-work movement employs third-party intermediation and advocacy, through all phases of the budget cycle. U.S. academics and budget-work practitioners can learn from each other, and this represents an unexploited opportunity for all concerned. We propose a program of locally based action research and trans-local evaluative synthesis (Justice 2009, p. 254).

Democracy, Scarcity, Allocation, and Intermediation: One growing area within the recent scholarly literature of American Public Administration (APA) focuses specifically on citizen participation in budgeting (Ebdon & Franklin, 2006). This literature emphasizes a model of direct citizen involvement in budget formulation which is undeniably attractive in normative terms, and it provides some guidance for designing processes and mechanisms that can reduce the barriers to such participation, but its central normative thrust leaves some issues unresolved (Justice 2009, p. 256).

These include bounded rationality (scarcity of attention) and information problems, the related problems of representativeness and the scope of and incentives facing marginalized and inattentive publics, the possibility of intentional and/or unintentional bias in participation and intermediation efforts organized by insiders, and the problem of ensuring that actual uses of funds respond fully to budgeted intentions. In this section of our essay, therefore, we attempt to respond to Ebdon and Franklin’s call for improved theorization of citizen participation in budgeting. Our argument is that a roughly pluralist model of third-party intermediation combined with direct and indirect citizen action, including efforts to track and audit actual resource use as well as influence budget formulation, may therefore be a useful complement to the conventional direct-citizen-involvement prescription in spite of being subject to its own set of limitations. (Justice 2009, pps. 256 - 257).

Budget decisions have a profound impact on our daily lives. From garbage collection, to public transit, to the safety of our neighborhoods budgets sit at the heart of community development. A budget process has the capacity to identify and address health and social inequalities. The City of Toronto’s 2012 budget process left much to be desired. From the marathon all night meetings following the core service review to the shortsighted recreational fee increases and tax cuts, it was a budget process that fell short of what is needed for good city building. However, Toronto’s recent civic struggle has triggered a renewed interest in city politics, telling us that Toronto is ripe for a restructuring of our local governance systems, including our budget processes, to better reflect our collective urban identity. This report looks to 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** (emphasis added) (Williams 2012, p. 1).

(2) Josephine County Government JO CO is polarized with at least three groups: 1. Supporters of proper funding (i.e., pre-FY 2012-13) of public safety services, especially public safety services, 2. Opponents that would prefer that a property tax not be used to raise the pre-FY 2012-13 funding, and 3. Citizens pleading for more information and/or those that mistrust government.

There are no Third-Party Intermediation groups in JO CO known to the Authors.

(3) CP Analysis For “Third-Party Intermediation” In Budgeting for JO CO Third-Party Intermediation would be a citizen participation mechanism - more meaningful participation.

This is a relatively new idea that is starting to be seriously used by local governments (Williams 2012). The City of Toronto considered the “Third-Party Intermediation strategy being used in Philadelphia and New York City. Three budget intermediaries stand out.

- Philadelphia Forward.
- Committee of Seventy.
- Citizens Union of the City of New York.

In 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 (Williams 2012, p. 19).

(4) Is “Third-Party Intermediation” In Budgeting for JO CO Working? Not enough information.

g) Workshops At its most basic level the budget workshop participants would learn how to prepare, develop and present budgets aligned with local government's strategic goals in compliance with the minimal standards of LBL. Working in groups, they would gather the information needed to construct and analyze operating budgets. There would be practice evaluating and revising a budget to increase its chances of acceptance. This workshop would be an opportunity to gain the tools and insights to craft the budget a local government needs to overcome obstacles and achieve success.

At a higher level of CI/CP the training workshop could consider participatory budgeting (PB) which is permitted under LBL. It is one of the most exciting and fastest growing innovations in democracy. The idea is simple – giving ordinary citizens the power to spend part of a public budget. But the practice of PB is complex, and requires careful planning. Training workshop participants gain the core understanding necessary to start planning and advocating for PB in their community. After a brief introduction, participants are walked through a model PB cycle, learning firsthand how neighborhood assemblies, budget delegate meetings, and voting work. The workshop is especially recommended for elected officials, staff, planners, organizers, elector citizens on budget committee, and activist citizens looking to gain a solid foundation in PB before deciding if and how to move a process forward locally.

(1) Literature Several cities have used methods that can help to achieve more meaningful participation. One way to help citizens develop a more “macro” level view of budget trade-offs is to combine education and participation early in the process, at the budget development stage. A few cities in this sample are doing this by holding focus groups, workshops, and budget simulation exercises with small groups of people (Ebdon 2002, p. 291).

Participatory Budgeting Project: General Information (<http://www.participatorybudgeting.org/resources/articles/>)

- How to Start Participatory Budgeting in Your City, Maria Hadden and Josh Lerner, 2011.
- The Participatory Budgeting Toolkit, The PB Unit, 2009.
- 72 Frequently Asked Questions about Participatory Budgeting, UN-Habitat, 2004.
- A Guide to Participatory Budgeting, Brian Wampler, 2000.

Participatory Budgeting Project: Reports (<http://www.participatorybudgeting.org/resources/articles/>)

- Evaluation Report of Participatory Budgeting at Toronto Community Housing, Josh Lerner & Joanna Duarte Laudon, 2010.
- A People's Budget: A Research and Evaluation Report on Year 2 of Participatory Budgeting in New York City, the Community Development Project with the PBNYC Research Team, 2013.
- A People's Budget: A Research and Evaluation Report on the Pilot Year of Participatory Budgeting in New York City, the Community Development Project with the PBNYC Research Team, 2012.

Participatory Budgeting Project: PB in North America (<http://www.participatorybudgeting.org/resources/articles/>)

- By the People, For the People: Participatory Budgeting from the Bottom Up in North America, Josh Lerner & Donata Secondo, *Journal of Public Deliberation*, 2012.
- Participatory Budgeting: Building Community Agreement around Tough Budget Decisions, Josh Lerner, *National Civic Review*, 2011.
- Chicago's \$1.3 Million Experiment in Democracy: Participatory Budgeting in the 49th Ward, Josh Lerner & Megan Wade Antieau, *YES! Magazine*, 2010.
- Participatory Budgeting in North America: The Case of Guelph, Canada, Elizabeth Pinnington, Josh Lerner & Daniel Schugurensky, 2009.
- Putting in their 2 Cents: For Some New Yorkers, A Grand Experiment in Participatory Budgeting, *New York Times*, 2012.
- The Voters Speak: Yes to Bathrooms, *New York Times*, 2012.

(2) Josephine County Government Training workshops have been used by the JO CO Budget Committee. These workshops are open to the public.

(3) CP Analysis For “Workshops” In Budgeting for JO CO Workshops could be a citizen participation mechanism - more meaningful participation.

More needs to be learned about how the JO CO BCC uses workshops for JO CO Budget Committee training and the frequency of workshops. It could be that these workshop are another one way-method of sharing information to the budget committee and the public without meaningful two-way communication.

More needs to be learned about how the JO CO BCC could use JO CO Budget Committee training workshops for participatory budgeting with the public as the target audience (i.e., Participatory Budgeting Project).

(4) Is “Workshops” In Budgeting for JO CO Working? Without facts, it is assumed to be working for the JO CO Budget Committee for learning the basic CI strategy from the LBL. Not enough information for value of future use by the public in participatory budgeting.

h) Government Finance Officers Association Budget Presentation Award Program See Section V.E.1.h)).

(1) Background Citizen participation in a local government's participation in awards programs that pursue best practices in budgeting is interesting. The GFOA established the a Budget Presentation Award Program (Budget Awards Program) with a purpose was 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 (NACSLB), and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal (Appendix U).

2) Josephine County Government The GFOA has given its "Distinguished Budget Presentation Award" to JO CO for the last several years.

(3) CP Analysis For "Budget Awards Program" In Budgeting for JO CO A major issue is the unfamiliarity of the GFOA's Budget Presentation Award Program by the JO CO Budget Committee (at least some of the elector citizens), the public, and the Authors. This is because there is no information in the budget about the four basic categories or the 27 GFOA best practice criteria. There is also no information on the award program published on the JO CO web page. This is in conflict with the county's goal of transparency in government.

Other issues with the GFOA's Budget Award Program are the unavailability of JO CO's applications to GFOA for consideration of a budget presentation award (GFOA 2014).

Just as important are the missing evaluations of the GFOA on well the JO CO performed. It is known that for three - four years at least that the county was awarded the GFOA Distinguished Budget Presentation Award (GFOA 2015). Where are the evaluations?

(4) Is "Budget Awards Program" In Budgeting for JO CO Working? It is working excellently in the sense that JO CO has received GFOA's "Distinguished Budget Presentation Award" for several years.

More needs to be learned about how this awards program could be part of an enhanced CI/CP program to involve the public in the budgeting process (Section V.E.1.h)).

More needs to be learned about how the JO CO BCC could use the JO CO Budget Committee training workshops for participatory budgeting with the public as the target audience (i.e., Participatory Budgeting Project).

The Authors believe the awards program is a wonderful opportunity for JO CO to involve the public in a two-way dialogue. The question is whether this GFOA's awards program could work for CI/CP? The answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

2. Summary Of Citizen Participation Mechanisms In Budgeting Many advances have been made since Ebdon and Franklin published their 2006 report, “Citizen participation in budgeting theory” in *Public Administration Review*.

a) Literature It is time to face facts we know, but prefer to ignore. Legally required methods of public participation in government decision making in the US – public hearings, review and comment procedures in particular – do not work.

The National Civic League fosters enhanced efforts toward citizen engagement. The guidelines established by the National Advisory Council on State and Local Budgeting, and the GFOA’s best practices on budgeting encourage and assist state and local governments to prepare budget documents of the very highest quality.

b) Josephine County Government The following considers only a few citizen participation mechanisms in budgeting and how they have, or have not, been used in JO CO.

- Public Meetings.
- Focus Groups.
- Simulations.
- Advisory Committees.
- Surveys.
- Third-Party Intermediation.
- Workshops.
- GFOA Budget Award Program.

Public Meetings JO CO currently uses the minimum compliance standard of LBL for public meetings and hearings (i.e., citizens have at least one hearing day before the budget committee to ask questions about and comment on the proposed budget document). The opportunities for public comments on the approved budget before the BCC are the same.

JO CO’s meetings/hearings strategy does not achieve genuine participation in planning the proposed budget, the approved budget, nor the adopted budget; it does not satisfy most members of the public that they are being heard and they don’t show up; and it can seldom be said that this brand of obtaining public input has changed or improved the decisions of the governing body. CI and CP are an afterthought in LBL. Does anyone really believe that the accomplishment of the public being “apprised” of the county’s fiscal policies is CI or CP when the role of the public is to react?

Ultimately the differences between the methods legally required in JO CO and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices.

Focus Groups A focus group is a form of qualitative research in which a group of people are asked about their perceptions, opinions, beliefs, and attitudes. The Authors are not aware of focus groups being used in JO CO as a method of securing public input into the budget process.

Simulations Budget simulations can reveal sincere preferences because they require participants to make trade-offs to balance the budget. The Authors are not aware of budget simulations being used in JO CO as a method of securing public input into the budget process.

Advisory Committees A local government fiscal standing advisory committee is a permanent collection of individuals who bring unique knowledge and skills which augment the knowledge and skills of the local governing in order to more effectively guide the organization. The Multnomah County Budget Advisory Committees (CBACs) are excellent examples of local government fiscal standing advisory committees. They are independent permanent citizen bodies that review and make recommendations on county departmental budgets and operations.

There are no advisory committees on JO CO budgeting except the handicapped short-term JO CO Budget Committee whose focus is on approving the completed proposed budget. The JO CO Budget Advisory Committee could be an enhanced citizen participation mechanism allowed by LBL per Multnomah County CBACs.

Citizen Surveys A citizen survey is a kind of opinion poll which typically asks the residents of a specific jurisdiction for their perspectives on local issues. The Authors are not aware of any citizen surveys sponsored by the JO CO government on the last four JO CO public safety levies.

Third-Party Intermediation JO CO is polarized with at least three groups: 1. supporters of proper funding pre-FY 2012-13 of public safety services, especially public safety services, 2. opponents that would prefer that a property tax not be used to raise the funding, and 3. citizens pleading for more information and/or those that mis-trust government.

Third-party intermediation time for these three groups has arrived. It would be a useful complement to the conventional direct-citizen-involvement prescription. And, most importantly, it can be supported by local government, but is not necessary. Citizen can take on this role independent of government, and have.

Workshops At its most basic level the budget workshop participants would learn how to prepare, develop and present budgets aligned with local government's strategic goals in compliance with the minimal standards of LBL. At a higher level of CI/CP the training workshop could consider participatory budgeting (PB) and other enhanced CI/CP approaches which are permitted under LBL.

GFOA Budget Award Program It is working excellently in the sense that JO CO has received GFOA's "Distinguished Budget Presentation Award" for several years. The awards program is a wonderful opportunity for JO CO to involve the public in a two-way dialogue improving the county's performance (i.e., In being awarded the "Distinguished Budget Presentation Award" the JO CO budget document would fall short on some aspects of the many GFOA standards/desired criteria).

2. CP Analysis Of “Citizen Mechanisms” In Budgeting for JO CO

a) Literature To repeat, it is time to face facts we know, but prefer to ignore. In general, legally required methods of public participation in government decision making in the US – public hearings, review and comment procedures in particular – do not work. This is the case with JO CO.

This is not to minimize very real actual citizen apathy and citizen lack of time. These other barriers are largely due to the unwillingness of the public to get involved. This could be due to a lack of interest in the budget, the fact that people already have busy lives, and this is low on their priority list, or they just believe that what they say will not have any impact anyway because they don't trust the JO CO government.

This lack of trust can promote citizen disinterest and rational ignorance which is refraining from acquiring knowledge when the cost of educating oneself on an issue exceeds the potential benefit that the knowledge would provide. Ignorance about an issue is said to be "rational" when the cost of educating oneself about the issue sufficiently to make an informed decision can outweigh any potential benefit one could reasonably expect to gain from that decision, and so it would be irrational to waste time doing so.

b) Josephine County Government Why does public participation in JO CO not work? It is the use of the minimalist CI/CP strategy of Oregon Local Budget Law. Most of LBL are not about citizen involvement in the budget process. The present JO CO citizen participation timing in the budget process is a very late exposure of the proposed budget to the budget committee and the public. The CI/CP opportunity is for one-way testimony in budgeting centered on BCC fiscal policies turned into the proposed complete budget by the JO CO elected officials, the JO CO Management Team, and the JO CO Budget Officer started many months earlier. Public meeting and hearings are the specific methods JO CO uses for obtaining public views for the purpose of enabling the public to be apprised of the county's financial policies. Extensive procedures in ORS are used to give “notice” of these meetings/hearings.

Stated differently, CI/CP in JO CO does not work because it does not capture the fact 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, and when the mechanisms are designed around the purpose for participation. Ultimately the differences between the methods legally required in the US and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices.

c) CP Analysis In Budgeting for JO CO There is a critical difference between the public going through the empty ritual of budget process participation, and having the real power need to affect the outcome of budget allocations.

One of the biggest issues in participation is information, who controls it, and whether it is perceived as trustworthy. Without active government solicitation of public input, the biggest barrier to CI is budget complexity. JO CO 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.

The potential saving grace this that the JO CO BCC can operate in compliance with LBL and still practice meaning public involvement and secure public participation. The LBL does not limit CI/CP programs, it only requires a minimal level of compliance to be met of enabling the public to be apprised of the JO CO's financial policies and their administration in the budget process.

The world of CI/CP mechanisms to implement locally is at the fingertips of the JO CO BCC. It can do what it wants.

3. Are “Citizen Participation Mechanisms In Budgeting” In Budgeting for JO CO Working?

A number of citizen participation mechanisms in budgeting are being used to promote the goal to prepare budget documents of high quality. Many mechanisms and combinations of mechanisms have been tried, with mixed results. Research has shown the strengths and weaknesses of various public input methods. Some governments use multiple-input methods, permitting the weaknesses of one method to be off set by the strengths of others. Determination of the appropriate mechanism should be related to the participation goals and must have a direct relationship to the design elements.

The saving grace is some unknown future JO CO budgeting process, as the LBL allows local governments to pursue enhanced CI/CP per the discretion of the governing body. Yamhill County and many other local governments have taken advantage of this potential to communicate with their citizens.

The question is whether citizen participation mechanisms in budgeting are working for JO CO Working? The answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

F. Budgeting Goals

1. Literature The effect of citizen participation should be measured against the goals (Ebdon and Franklin 2004, 2006, Irvin and Stansbury 2004, Thomas 1990; Neshkova 2012, p 9).

a) Budgeting For Goals/Problems Important to citizen participation is consideration of both the goals and outcomes of participation. Goals should be set at the beginning of the citizen-participation process, and outcomes should be assessed and compared to what was expected when the goals were established (emphasis added). Five potential goals for budget input have been identified in the literature: (1) informing decision making, (2) educating participants on the budget, (3) gaining support for budget proposals, (4) influencing decision making, and (5) enhancing trust and creating a sense of community (Ebdon & Franklin 2006, p. 441). For this analysis several other goals are also addressed: (6) public participation in community and regional planning, (7) Governmental Finance Officers Association's best practices, and (8) quality assurance standard: for community stakeholder engagement.

b) CI/CP Goals

(1) Informing Decision Making The first goal, informing decision making, is often accomplished through passive participation in which citizens communicate their level of satisfaction with the proposed budget to decision makers through testimony at public hearings. **This activity represents a one-way flow of information because citizens are commenting on a reality that has already been constructed by officials** (Arnstein 1969). There is little opportunity to influence decisions; instead, any impact takes the form of ratifying what is intended. Although it is true that decision makers receive a more accurate expression of preferences, no channel is provided for feedback or negotiation (Ebdon & Franklin 2006, p. 441).

(2) Educating Participants On The Budget Education can be an important goal of budget participation, as much of the research has stressed. Government budgets can be complex, with multiple funds and inherent trade-offs in decision making (Bland and Rubin 1997; Kahn 1997). **Budget participation has been found to be beneficial in educating citizens about these complexities** (emphasis added) (Ebdon 2002; Franklin and Ebdon 2004; Ebdon & Franklin 2006, p. 441).

(3) Gaining Support For Budget Proposals **Some also view participation as useful in marketing their proposals to the public** (emphasis added). For example, the city of Auburn, Alabama, uses citizen surveys to assess citizen satisfaction and solicit perspectives. In one case, the city found that the public did not agree with its priorities, so the city council enhanced publicity and communication to “sell” the public on the importance of those issues (Watson, Juster, Johnson 1991; Ebdon & Franklin 2006, p. 441).

(4) Influencing Decision Making – Finally, a goal of participation (especially for citizens) may be to actually influence decision making (emphasis added). Input has been found to affect budget decisions in some cases. Multiple authors have reported on citizen participation processes in which public officials said this input was influential in their final resource allocation decisions (Ebdon 2002; Franklin and Carberry-George 1999; Roberts 1997; Simonsen and Robbins 2000; Watson, Juster, and Johnson 1991). However, Franklin and Ebdon (2004) could not point to any changes in resource allocation from their case studies (emphasis added). Instead, citizen input was used to confirm proposals made in other venues or to set the stage for discussion of modification in later years (Ebdon & Franklin 2006, p. 441).

(5) Enhancing Trust And Creating A Sense Of Community Wang (2001) found that **managers often associate participation with increased public trust** (emphasis added), but they do not limit this goal to the budgeting process. In fact, one of the weaknesses of the literature is that trust has not been investigated as it pertains specifically to the budget process. Participation as a means to create a sense of community may also be considered important. Some scholars argue that enhanced participation is a crucial way for citizens to recognize and assert their duties as citizens and vital members of the community (Box 1998; King, Stivers, et al. 1998; Ebdon & Franklin 2006, p. 441).

(6) Public Participation In Community And Regional Planning Oregon is not unlike the nation in the trends of CI 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. During this period “*concerns over growth, the environment, and the costs of public services*” sparked an intense interest in Oregon planning. A few key public involvement factors follow to help understand the value of public involvement in the budget processes of local Oregon governments (Peterson 2012; Appendix A1).

- Maintain Legitimacy and Build Trust.
- Produce Long-Term Support.
- Public Value Choices.
- Inform the Public and Facilitate Quality Public Opinion.
- Respond to Complex Problems and Resolve Conflicts.
- Build Social Capital and an Ethic of Mutual Aid.

Public Participation Analysis (Peterson 2012, p. 42) The first stage in implementing public participation in planning is public participation analysis (PPA). Analysis includes clarification of the financial policy decisions, and choosing the level of inclusion by referencing the Public Participation Spectrum (PPS) 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.**
 - Inform.
 - Consult.
 - Involve.
 - Collaborate.
 - Empower.
- Step 3. Identify how the public opinions will be used in decision making and the local governing body’s promise to the public. 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 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. **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** (emphasis added). Figure A1-3-2 (Appendix A1) 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.’ 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) to contemplate **the ‘Goal’ of the CI program and the ‘Promise to the Public’ that will ultimately steer the public participation program** (emphasis added).

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

Establish Evaluation Criteria to Measure Alternatives (ECMA) (Peterson 2012, p. 44). Developing evaluation criteria (EC) 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? 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.

Monitor and Implement Policy (MIP) (Peterson 2012, pps. 45-46). Monitoring the effects after the plan has been implemented is critical. Post implementation should start with the “Evaluation Criteria to Measure Alternatives” 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.

Evaluation (Peterson 2012, p. 46). The final stage is evaluation of the public participation program. The historic and current trends of CI 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 CI 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.

Figure Appx A1-5. Best Practices Criteria (Creighton, 2005, p. 216; Peterson 2012, p. 46)

<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)*.

(7) Governmental Finance Officers Association Best Practices Government Finance Officers Association's (GFOA) 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** (emphasis added). Following the GFOA's guide for preparing a budget, results in a budget of high quality and definition.

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 (emphasis added). 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.

(8) Quality Assurance Standard: For Community Stakeholder Engagement (IAP2 2015; Appendix S). Peterson’s work (Peterson 2012) has a large overlap with this section on IAP2’s quality assurance standard (QAS) (IAP2 2015; Appendix S). See the following for examples of overlap.

- Public participation analysis and choosing the level of inclusion by referencing IAP2’s Public Participation Spectrum.
- The IAP2’s level of involvement (LOI) 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.
- Contemplation by the local governing body and financial planners of **the ‘Goal’ of the citizen involvement program and the ‘Promise to the Public’ will ultimately steer the public participation program.**
- Establish Evaluation Criteria to Measure Alternatives
- Monitor and Implement Policy
- Evaluation

This overlap is because Peterson’s uses IAP2 ideas and adapts them. Its almost as if Peterson was involved with IAP2 and three years later assisted in the writing of the IAP2’s quality assurance standard.

In the use of IAP2’s Public Participation Spectrum by Peterson, they both acknowledge 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. For example, they both use the Spectrum to choose the level of legitimate involvement and level of influence (i.e., inform, consult, involve, collaborate, or empower) and identify the goal of the program (Figure A1-3-2; Appendix S).

The IAP2 goes further in its 2015 publication, *Quality Assurance Standard: For Community Stakeholder Engagement*. 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 IAP2’s Core Values define the expectations and aspirations of the public participation process. Local governments 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. 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.

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. 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 (includes establishing or restating key performance indicators)
- Step 3. Level of Participation (see following)
- Step 4. Stakeholder Identification and Relationship Development
- Step 5. Project Requirements
- Step 6. Development and Approval of Engagement Plan (see following)

Step 7.	Execution of Engagement Plan
Step 8.	Feedback (see following)
Step 9.	Evaluation and Review (see following)
Step 10.	Monitoring (see following)
Step 11.	Documentation of evidence (see following)

Step 3. Level of Participation 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 is understood at the outset, the engagement specialist and participants will be clear about the expectations. This will also help to determine the most appropriate engagement methods and identify the extent to which the Core Values can be adopted.

Step 6. Development and Approval of Engagement Plan 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.

Step 8. 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.

Step 9. Evaluation and Review 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.

Step 10. Monitoring 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.

Step 11. Documentation of Evidence The Quality Assurance Standard for Community and Stakeholder Engagement is accompanied by an audit framework that sets out required standards including: 1. Benchmarks, 2. Evidence points, and 3. 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.

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.

(9) Summary Participation goals may relate to “ high-road” purposes (Rohr 1989) such as enhancing trust or creating a sense of community, but this is difficult to do and little information on the direct results of these efforts exists. Other purposes take the “ low road, ” such as education, gaining support, and influencing decisions (Bruce 1995). There is consensus that goals should be clearly articulated by the decision makers before the process begins (Crosby, Kelly, and Schaefer 1986; Kathlene and Martin 1991; Rosener 1978; Simonsen and Robbins 2000; Thomas 1995). Unfortunately, goals may vary among actors and over time (Ebdon & Franklin 2006, p. 441).

Few studies have systematically measured the outcomes of budget participation. Citizens in cities with more participation are more likely to believe that agencies are responsive to their concerns (Halvorsen 2003) and less cynical about local government (Berman 1997), but results for budget participation are not as clear. One study of managers associated participation with increased public trust in general, but not specifically for budgeting (Wang 2001). Participation is valuable because it provides an opportunity to gather input and encourages two-way communication, but seldom are resource-allocation decisions modified as a direct result of input (Ebdon and Franklin 2004; Franklin and Ebdon 2004). Instead, city officials claim that input is considered along with preferences simultaneously received from other sources, and decisions reflect aggregated priorities (Ebdon & Franklin 2006, pps. 441-440).

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.*”

In the 10 years since Ebdon & Franklin (2006), existing IAP2's CI/CP strategies have gained in importance and acceptance, or have been expanded and enhanced.

- IAP2. 2000-2004. *IAP2 Public Participation Toolbox*. International Association of Public Participation: <http://www.opsoms>. Louisville, CO.
- IAP2. 2014. *IAP2's Public Participation Spectrum*. International Association of Public Participation. Louisville, CO
- IAP2. May 2015. *Quality Assurance Standard: For Community Stakeholder Engagement*. International Association of Public Participation. Wollongong, New South Wales (NSW), Australia.

Locally in Oregon, Nicole Peterson, has researched ideas about the traditional theory of planning with a collaborative model of planning. She 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. 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.*”** 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, Nicole. 2012. *Public Participation In Community And Regional Planning*. Planning, Public Policy and Management Department, University of Oregon. Eugene, OR.

IAP2's Public Participation Spectrum acknowledges 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. For example, the Spectrum is used to choose the level of legitimate involvement and level of influence (i.e., inform, consult, involve, collaborate, or empower) and identify the goal of the program.

IAP2's 2015 *Quality Assurance Standard: For Community Stakeholder Engagement* goes further by identifying its quality assurance 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 define the expectations and aspirations of the public participation process for evaluation through monitoring, evaluation, and audits.

2. JO CO Government Budget Goals: FY 2006-07 to FY 2016-17

The following are the actual JO CO budget goals and directives for FY 2006-07 to FY 2016-17 (Sections V.F.2.a) - V.F.2.c)).

a) FY Budget 2016-17 through 2014-15 Goals (same for three years; Section III.D.3.)

- 1) **Improve community outreach** and communication to the public by investing in technology that will improve efficiencies within County departments and **provide enhanced service** to citizens.
- 2) **Develop a sustainable plan** for all **mandated and essential County government programs**.
- 3) **Provide access** to County services to the citizens of Josephine County in a **transparent, open, and professional manner**.
- 4) **Budgeting for Outcomes** Based on Programs and Service Levels (continuous commitment of budgeting for outcomes from FY 2006-07).
 - Future budgets will incorporate citizen input on services levels they are willing to fund.
 - Future budgets will incorporate goals set by the Board.
 - Future budgets will incorporate stakeholder support of programs.

b) FY Budget 2013-14 through FY Budget 2010-11 Goals (same for four years; Section III.D.3.)

- 1) **Encourage public involvement, through community outreach**, in identifying service requirements and programs to be provided by Josephine County.
- 2) **Provide sustainable funding** for all **mandated and essential County government programs** for the next ten years.
- 3) **Provide services in a transparent, open and efficient manner** to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.
- 5) **Budgeting for Outcomes** Based on Programs and Service Levels
 - Future budgets will incorporate citizen input on services levels they are willing to fund
 - Future budgets will incorporate goals set by the Board
 - Future budgets will incorporate stakeholder support of programs

c) FY 2009-10 To FY 2006-07 Goals (variable for four years; Section III.D.3.)

- 1) JO CO BCC Provides Goals Per Budgeting for Outcomes
- 2) Budgeting for Outcomes (BFO) Incorporation Commitments
- 3) Compliance With Mandated JO CO Programs.
- 4) Provide Access in a Transparent, Open, and Professional Manner.

d) JO CO' Budget CI/CP Goal Themes The following CI/CP Goal Themes may, or may not, continue as identified budget issues (Chapter VI) for the JO CO budget process.

- CI/CP Goal Theme: Enhanced CI/CP Public Trust Value.
- CI/CP Goal Theme: JO CO BCC Provides Goals Per Budgeting for Outcomes.
- CI/CP Goal Theme: Budgeting for Outcomes (BFO) Incorporation Commitments.
- CI/CP Goal Theme: Improve Community Outreach.
- CI/CP Goal Theme: Develop a sustainable plan for all mandated and essential County government programs.
- CI/CP Goal Theme: Provide public access in a transparent, open, efficient, and professional manner.

e) **Example JO CO FY 2015-16 Goals & Directives** (Section III.D.3).

(1) JO CO FY 2015-16 Goals We are pleased to present the Fiscal Year 2015-16 Annual Proposed Budget for Josephine County. All budgets are balanced as required by Oregon Budget Law, which means that resources match or exceed projected annual requirements. This budget message outlines the **financial priorities** (emphasis added) of the County and highlights major changes to the funds.

The Government Finance Officers Association (GFOA) of the United States and Canada has given the Distinguished Budget Presentation Award to Josephine County for the third year in a row (emphasis added). This award is the highest form of recognition in governmental budgeting and shows that our budget document **reflects nationally recognized guidelines for effective budget presentation** (emphasis added). It also recognizes our open and accountable budget process, as well as our commitment to provide an accessible budget document to the citizens of Josephine County.

The Board of County Commissioners set goals to provide direction related to the “big picture” rather than listing individual actions or activities. **Each department has detailed in their budget how their programs meet the following goals** (emphasis added) approved by the Board of County Commissioners on 02-12-2015:

1. Improve community outreach and communication to the public by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.
2. Develop a **sustainable plan for all mandated and essential County government programs** (emphasis added).
3. Provide access to County services to the citizens of Josephine County in a transparent, open, and professional manner.

(2) JO CO FY 2015-16 Directives The Board of County Commissioners also provided several directives to be used in preparing department budgets. As you review the narratives, you will see how the directives are being addressed by the individual programs. Main directives are:

1. Budget at a level consistent with **current operational service levels** (emphasis added).
2. **Budget only for mandatory and/or self-supporting programs** (emphasis added).
3. **Address County goals and clearly define program purpose and expected outcomes** (emphasis added).

f) Oregon Revised Statutes (Section II.A.; Section V.C.3) Oregon imposes certain legal budget requirements of local governments. There are six purposes identified (ORS 294.321 Purposes). Two purposes touch on citizen participation (see Section II.A for all six purposes).

- 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.

- Major purpose #1. Provide specific methods [to the local government] for obtaining public views in the preparation of fiscal policy.
Major purpose #2. Enable the public, taxpayers and investors to be apprised of the financial policies.

Chapter 3, The Budget Process. “A local government’s budget is a public document. Anything connected with the budget is subject to public inspection. The budget is a guide to the financial management of the local government. 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.” (LBM, p. 13).

3. CP Analysis Of “Budget Goals” For JO CO The Authors’ research effort on the Josephine County (JO CO) public safety issue, as it evolved to include the budget process, started with the JO CO Management Team’s (MT) August 19, 2014 recommendation for “Strengthening County Services.” Part of that recommendation was a proposed strategy of identifying solutions to financing county services through a collaborative process involving the public and private sectors. This process had some specific tasks to accomplish, including the identification of State mandated county services at level of services (LOS) optimal, appropriate, and sustainable. Another task was to identify elective county services desired by the citizens of the county at LOS appropriate and sustainable. The Authors were interested in the mandated and elective PSS programs and their LOS for the purpose of developing a minimally acceptable level of public safety services (MALPSS) analysis. The JOCOMT’s recommendation was impressive, backed up with its thoughtful rationale. This interest resulted in a January 20, 2016 communication to the JOCOMT and an eventual March 7, 2016 meeting with it. At the meeting the participating managers shared that any mandated, necessary, and elective programs and associated LOS for their work units had been identified in the county’s annual budget documents. At that point the Authors made a commitment to the JOCOMT to follow its recommendation and study JO CO’s budgets.

After studying JO CO budgets, and learning about the budget process, it was 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. However, the Authors’ analysis also found follow-through problems with the goals, some of which follow.

- 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

The county’s effort to identify budget goals, including CI/CP goals is an excellent start. However, not much can really be stated about JO CO’s CI/CP budgeting goals except that they exist as solitary features in the FY 2006-07 to FY 2016-17 annual budget documents. The term solitary is used because the goals have no connections to any CI/CP process steps in the budget record (e.g. principles, performance criteria, monitoring, evaluation, public feedback, documentation, etc.), except as part of a FY 2006-07 “budgeting for outcomes” set of goals (see next section for BFO). All the direct or implied “encourage public involvement” words translate into the major legal ORS purpose of enabling the public, taxpayers and investors **to be apprised** of the financial policies.

a) Oregon Revised Statutes (Section II.A.; Section V.C.3) Oregon imposes certain legal budget requirements of local governments. Most of the statutes are not about citizen involvement in the budget process. Two purposes touch on citizen participation (ORS 294.321 Purposes). They are minimalist in terms of promoting CP with two major purposes of providing meetings and hearings as the citizen participation mechanisms in budgeting, and enabling stakeholders to be “apprised” of the financial policies (see Section II.A for all six purposes).

Oregon Budget Law: “*Local Budgeting Manual*” (LBM or *Manual*; Section II.D.), Chapter 3, The Budget Process, provides that . “*It provides information that encourages public participation in government.*” (LBM, p. 13). However, the bottom line is that LBL provides minimal compliance standards for citizen participation. Significant is the ORS word “apprised” as it sums up all the JO CO CI budget goals and objectives. “Apprise” means something like “Inform” which is at the bottom of Arnstein’s ladder of citizen participation, just above nonparticipation (Section V.B.2; Appendix A1).

There are 14 chapters in the 113 pages of the *Manual*. Citizen involvement (CI) is not covered in any of the 14 chapters. It is covered in the introduction of the *Manual* (LBM, pps. 5-6). The entire three paragraph CI section is 222 words (Section V.C.3.b)(1)(c)). A few CI/CP phrase opinion statements stand out.

- To give the public ample opportunity to participate in the budgeting process.
- 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.

It appears the CI section in the *Manual* was developed as an afterthought to the LBL by the Oregon Department of Revenue (ODR) in the sense of suggesting LBL has a companion CI plan. It does not. “Ample opportunity” sounds good, but the actual reality is that the best the ORS can do is: provide specific methods to the local government for obtaining public views (i.e., minimum of one meeting before the budget committee and one hearing before the governing body) in the preparation of fiscal policy, and to enable the public, taxpayers and investors to be apprised of the financial policies. Ample opportunity to participate and being apprised (i.e., informed) reflects a major difference between the ORS and the *Manual*, and where there are conflicts in interpreting the law, the ORS will prevail.

It is a fact that any person may appear at a meeting before the budget committee and a hearing before the governing body, for or against any item in the budget. This requirement hardly encourages public participation in budget making. This is an optimistic belief of the ODR as nowhere in the ORS is public participation identified. There is no identified CI program to accomplish the goal of encouraging public participation in budget making. And, the actual record of participation in the JO CO budget hearings is dismal

If you look for truth, you may find comfort in the end; if you look for comfort you will not get either comfort or truth only soft soap and wishful thinking to begin, and in the end, despair. C. S. Lewis

b) JO CO’s Inform Goal The IAP2’s Public Participation Spectrum “Inform” goal is a level of engagement (referred to by IAP2 as ‘participation’). The “Inform” level is warranted and legitimate, depending on the goals, time frames, resources and levels of concern in the decision to be made (Figure A1-3-2; Appendix S).

The Authors conclude that the level of public participation as defined by the public meeting and public hearing in the JO CO budget process is the BCC’s informal goal of “Inform.” The public participation goal of “Inform” is to provide the public with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions. This would be the purpose of CI per the Oregon Local Budget Law purpose of ORS 294.321(6), to enable the public to be apprised.

*“(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 IAP2 Spectrum identifies a public meeting as “Consult”, but the public participation goal of “Consult” is to obtain public feedback on analysis, alternatives, and/or decisions. It is not apparent that the JO CO budget process meaningfully reaches the consult goal as there is no written record for the following.

1. Specific written public testimony versus brief summary minutes.
2. Specific budget committee or BCC written responses to public input.
3. Specific affect the public comments had on the budget decision for the stage the comments are applicable (i.e., complete proposed budget, complete approved budget, complete adopted budget).

The Authors’ position is that the BCC’s public participation goal of “Inform” might be very satisfactory with many citizens where there are not issues/problems as identified by voters, especially if the majority of the voting public has no major problems or trust issues (i.e., during the historical decades of an average of 12 million dollars of O&C passthrough monies). This is not the case for JO CO with the significantly reduced revenue since FY 2012 -13. The BCC has the specific issue of funding mandated and essential public safety programs at levels it determines appropriate, and it has public trust issues. Adding to the problem is that the public safety issue is not the simple focus of taxes versus safety. The JO CO public safety issue is multifaceted with citizen perceptions and engagement decisions, pro and con, involving a multitude of reasons for involvement or not participating.

c) Lack of Evidence For The Record There is no evidence in the FY 2006-07 to FY 2016-17 budgets, or referred to in the budgets, that the “appraise” or “inform” level of participation was in compliance with any standard of a public participation program, or otherwise. For example, Peterson and IAP2 provide the following.

Peterson. The fundamental questions that practitioners must ask themselves before implementing a public participation program include the following (Peterson 2012, p. 42).

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 CI program and the ‘Promise to the Public’ that will ultimately steer the public participation program.

Other aspects of Peterson’s public participation analysis include the following.

- **Establish Evaluation Criteria to Measure Alternatives.** Developing evaluation criteria is imperative to measuring or comparing the financial policies and/or budget plan alternatives.
- **Monitor and Implement Policy.** Monitoring the effects after the plan has been implemented is critical. Post implementation should start with the “Evaluation Criteria to Measure Alternatives” and ask the question: Does the policy, plan or project meet the criteria? As stated in the importance of the 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.
- **Evaluation** The final stage is evaluation of the public participation program. 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.

The IAP2 goes further in its 2015 publication, *Quality Assurance Standard: For Community Stakeholder Engagement*. 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 IAP2's Core Values define the expectations and aspirations of the public

participation process. Local governments 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.

- 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.

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. The standard below summarizes the steps of this process. See the full report for each step discussed in more detail to provide the practitioner with guidelines for adoption.

- Step 1. Problem Definition
- Step 2. Agreement of Purpose/Context and Identification of Negotiables and Non-Negotiables (includes establishing or restating key performance indicators)
- 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

d) Effectiveness of Budgeting Goals Establishing budget goals is a good start. Future steps in making the goal process contribute to increasing public trust in government is still in the future.

While ideology likely plays a role for both JO CO opponents and supporters of four public safety tax levies from 2012-15, ideology (Section V.C.2) is not the only factor influencing citizen perceptions, particularly on the opponent side. Fair treatment within processes is the second most common argument utilized by levy opponents and this is likely a result of

a lack of trust in governmental processes. Given these results, JO CO residents appear to want certain policies from their local 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. The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services. A majority of JO CO residents opposed the four levies proposed (i.e., 2012 by county, 2013 by county, 2014 by Securing Our Safety, and 2015 by Community United For Safety), but that is not the problem that JO CO faces. Some residents resent the decisions made by the JO CO BCC because they feel disconnected from the process of policymaking and policy delivery and distrust the officials in charge of making policy decisions. If the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the budget decision-making process (Section V.C.2).

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. (Davis 2016)

Some residents resent the decisions made by the JO CO BCC because they feel disconnected from the process of policymaking and policy delivery and distrust the officials in charge of making policy decisions. If the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the budget decision-making process. (Davis 2016)

e) Addressing County Goals And Clearly Defining Program Purpose The county goals are in the budgets, but their meaning is not clear as the public is provided the goal “phrases” and then it seems like the process is over. Sometimes there are some directives, but a major element of understanding is missing. First, and foremost, the JO CO Budget Committee (JOCOBC) and the public were not included in the development of the goals. That was some kind of internal government process between the JO CO BCC, JO CO Budget Officer, and the JO CO Department heads. Missing is a strategic plan and financial plan to tie the goals into a framework of understanding (see previous on GFOA’s Distinguished Budget Presentation Award criteria and IAP2’s quality assurance standard for community stakeholder engagement). The other major missing components are information on the goals major process elements:

- Step 1. Problem Definition
- Step 2. Agreement of Purpose/Context and Identification of Negotiables and Non-Negotiables
(includes establishing or restating key performance indicators)
- 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

As part of the public safety issue, the Authors have been studying the local budget process for the JO CO FY 2015-16 Budget with the goal of understanding. The budget provides, in part, in its budget message: 1. Goal #2 - Develop a sustainable plan for all ‘mandated and essential’ county government programs, and 2. Directive #2 - Budget ‘only for mandatory’ and/or self-supporting programs. It was assumed that mandatory programs meant mandatory services and mandatory level of services (LOS). However, also in the budget message, under Special Revenue Funds, was the following: “Josephine County requires the majority of County programs to be self-sustaining through fees, grants, state contracts, and other revenue sources that don’t rely on property taxes or general fund support.” How does ‘only for mandatory’ program fit with ‘requires the majority’ of programs?

In 2014 the Josephine County Management Team (JOCOMT) recommended strategy elements to the JO CO Board of County Commissioners (BCC) for the purpose of identifying mandated (i.e., ORS 294.311(31) and ORS 294.311(33)?), and elective services. According to the JOCOMT, its recommendation was not explicitly implemented. However, for the FY 2015-16 budget, the BCC directed managers to budget for programs similar to the FY 2014-15 year, and directed that those programs only be those that are ‘mandated’ or self-supporting. It is not understood how the JOCOMT could follow the BCC’s direction to budget for only ‘mandated’ or self-supporting programs when the its recommended strategy elements to identify mandated and elective services were not implemented (i.e., without methodologies). We continue to assume that mandatory programs means mandatory services and mandatory LOS. We further assume the BCC ‘mandated’ services and LOS are part of the S&BP established by the governing body (LBIO)? True?

To further the confusion, beyond the variety of LBIO and ORS/OAR terms, is that most local news articles in The Grants Pass Daily Courier on the JO CO public safety issue state, or strongly imply, that JO CO budget programs priorities are mandated by the State of Oregon, or are self-supporting. This is in line with the FY 2015-16 budget message. However, a 2016 news article, *Budget Committee Member Bashes Budgeting Process* reported that Margaret Goodwin, Member, JO CO Budget Committee, stated that "In county budgeting, the 'must haves' are the mandated services, but the level at which you fund them is also important.". The JO CO FY 2015-16 budget is pretty good at referencing some ORS in its program summaries, but it generally lacking in: 1. being comprehensive in addressing all applicable mandated ORS and OAR services in its program descriptions, 2. identifying what portions of the identified ORS/OAR are applicable, and 3. in identifying the type of responsibility priorities and LOS, including funding (e.g., mandated, essential, necessary, elective, etc.).

The JO CO FY 2015-16 budget message under a section entitled "Proposed Budget Goals and Directives" identified that the JO CO BCC set the goals to provide direction related to the "big picture" rather than listing individual actions or activities and that each department has detailed in their budget how their programs meet the following BCC goals.

1. Improve community outreach and communication to the public by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.
2. Develop a sustainable plan for all mandated and essential County government programs.
3. Provide access to County services to the citizens of Josephine County in a transparent, open, and professional manner.

The only problem is that most PSS budget program text descriptions are standalone descriptions that don't relate to the above BCC goals, including a general lack of individual programs goals and how they related to the county's overall budget goals. A review of the FY 2010-11 budget for the same PSS programs found very little difference in the budget program wording despite the fact the there had been a huge reduction in O&C passthrough revenues to the county in 2012. There was little information to no quantifiable information on goal objectives, or time frames on meeting the objectives.

The budget message also provided several directives to be used in preparing department budgets. The budget message instructions to the reviewer were – *"As you review the narratives, you will see how the directives are being addressed by the individual programs."* The main directives follow.

1. Budget at a level consistent with current operational service levels.
2. Budget only for mandatory (emphasis added) and/or self-supporting programs.
3. Address County goals and clearly define program purpose and expected outcomes.

The big problem was that it was difficult to impossible to understand the relationship of the PSS program text and how these descriptions related to the goals and directives. The county goals did not have a clearly defined framework for linking the programs purpose in any strategic manner to promote public understanding.

Discussion – JO CO PSS Departments Addressing County Goals And Clearly Define Program Purpose and Expected Outcomes

In the opinion of the Authors there is a significant problem in the budget message from the JO CO BCC when it required departments to address all county goals and clearly define program purpose and expected outcomes ('standards and budget parameters'), but did not explicitly define "program purpose" or a impact methodology to determine "outcomes."

1. What is the definition of a purpose as defined by the Oregon Budget Law?
2. What is the definition of an outcome as defined by the Oregon Budget Law?

Oregon Local Budget Law (LBL) Purpose. "Organization Unit" and "Program" (e.g., Oregon Revised Statutes (ORS) 294.311(31) charged with carrying on one or more specific functions; ORS 294.311(33) accomplish a major service or function for which the local government is responsible, etc.) that a local budget is require to identify the purposes and/or responsibilities of its programs.

The JO CO BCC in the FY 2015-16 budget message directed all department to implement three goals and three directives in their budgets (i.e., BCC Directive 3. "*Address County goals and clearly define program purpose and expected outcomes.*"). Providing 'standards and budget parameters' (S&BP) is an excellent fiscal policy. The biggest problem with this S&BP is that there were no companion financial policies to define the "purpose" and a methodology to identify "outcomes."

What are the components of purpose? There are all kinds of ideas in LBL about defining a purpose (see June 10, 2016 Letter/Email to Finance, Taxation and Exemptions Unit, Oregon Department of Revenue <http://www.hugoneighborhood.org/budgets.htm>, From Exploratory Committee). The Committee supports the purpose to develop a sustainable plan for all '*mandated and essential*' county government programs (BCC Goal #2). **However, again the major missing component is standard financial policies for all departments to define a "sustainable plan", and a methodology to identify "mandated and essential programs" and LOS.** Without these financial policies all the public observes in the budgets is each department sincerely developing a wide range of individual plans based on their own professional individual judgements. The Committee observes that many don't look like plans, but summaries of issues and solutions. They always anticipated a budget reference to a sustainable plan (i.e., strategic plan) which had a plan's detail, but that answer is never there.

The Exploratory Committee does not yet have an idea what the LBL requires in a budget for "outcomes" and continues to study the LBL. However, it has long-term reasoned recommendations of what outcomes should be. Outcomes to the Committee are significant beneficial and adverse impacts to programs and the public. It strongly recommends that these impacts tell a story to the public, if not in the budget, than in a companion citizen guide to the budget.

What is the difference between emergency, adequate, normal, and optimal levels of PSS?

How far will people go to get the best available outcomes. What will one sacrifice for the best? Many things in life are relative, and to achieve the best in one thing, usually means giving something else up.

A normative level of PSS might be considered to be the normal or correct way of doing something (i.e., perhaps a compromise between adequate and optimal?). However, defining normal is difficult . . . normal today, or normal yesterday? Normal prior to 2012 or normal in 2015? Knowing what is correct is even more difficult. Correct according to whom? Whose professional experience opinion, and/or facts, determine the definition of “correct.”

What is a MALPSS Analysis Compared To A Professional Opinion? A professional opinion from an experienced practitioner is usually very good, but it is also normally without documentation, and publically available comprehensive facts, inventories, or analysis. It is more about trusting the practitioner, rather than understanding the facts.

The Committee is proposing a MALPSS research project that goes beyond the valuable work of the Lane County Public Safety Coordinating Council in defining a PSS rating system, including its ratings for over 70 sub-components of their services. The research project will include an analysis for determining the applicable alternative levels of PSS in a scientific, documented, and publicly accessible way. The project’s analysis model has five elements.

MALPSS

Hugo Exploratory Committee

<http://www.hugoneighborhood.org/malpss.htm>

- Element 1. Publically Identified Problems/Issues.
- Element 2. Publically Identified Range of PSS Alternative Solutions.
- Element 3. Indicators for PSS. An indicator is a variable, either singly or in combination with another variable, which is taken as an indication of the condition of the overall issue (e.g., unemployment as an indicator for a community’s employment situation, particulate matter in air as an indicator for air pollution, and spotted owls as an indicator for forest health).
- Element 4. Standards for Indicators. A standard is the measurable aspect of an indicator. It is the level, point, or value above which something will take place, or below which it will not take place. It provides a baseline against which a particular condition, or change, can be judged by the informed voter and the decision-maker as acceptable or not.
- Element 5. Significance Determinations (Outcomes). To determine significance, impacts are compared to standards beyond which the impacts, including cumulative, become significant

The Committee’s five element MALPSSs analysis model could be adapted by JO CO PSS departments to identify outcomes, and the Committee so recommends.

f) Sustainable Plan for All Mandated and Essential County Government Programs

JO CO PSS Departments Develop a Sustainable Plan for All Mandated and Essential County Government Programs - Budget Only for Mandatory And/or Self-supporting Programs.

The JO CO BCC in the FY 2015-16 budget message directed all the departments submitting budgets to implement three goals and three directives (i.e., BCC Directive 3. “*Address County goals and clearly define program purpose and expected outcomes.*”). Providing ‘standards and budget parameters’ (S&BP) is a good idea. The biggest problem with the S&BP is there were not standard methodologies to implement them. For example, the BCC provided the direction of **1. Goal #2 - Develop a sustainable plan for all ‘mandated and essential’ county government programs**, and **2. Directive #2 - Budget ‘only for mandatory’ and/or self-supporting programs**. However, the BCC and the departments have not defined a standard methodology to identify ‘mandated or essential programs’ in any systematic or scientific way, essentially making the budget purpose statements professional opinions without vetted facts supporting the PSS.

The Committee’s five element MALPSs analysis model could easily be adapted as a systematic and standard classification methodology by departments to identify ‘mandated and essential’ programs. See the 01/12/2016 presentation to the Grants Pass Chapter of John Birch Society “*Explain Minimally Adequate Level Of Public Safety Services Research Project.*” It has an example for the local air quality index and rural patrol coverage which partially follows.

The Grants Pass’s Air Quality Index reports daily air quality. The AQI tells us how clean or polluted our air is. It can be calculated for five major air pollutants. For each of these pollutants, national air quality standards have been developed to protect public health. Particulate matter is one of the five air pollutants used to calculate the Grants Pass air quality index (AQI). It has six air pollution levels.

1. The Comparison of rural patrol coverage and the Grants Pass AQI in terms of problems, indicators, and standards.
2. For the comparison of problems, we will use *rural patrol coverage* as the PSS problem and Air Pollution as the air quality problem.
3. The indicator for rural patrol coverage is *response time* and the indicator for air pollution is *PM 2.5 particulate matter*. PM2.5 is fine particulate matter that has a diameter of 2.5 micrometers or less.
4. The standard for rural patrol coverage is *number of minutes to response* and the standard for air pollution is an “*X*” amount of *PM 2.5 particulate matter* (i.e., one of six levels) in micrograms per cubic meter.

The standards and criteria for the JO CO DA’s Office programs are most appropriately identified by the individual PSS program. The significant idea is that standards and criteria are clearly the responsibility of the county departments that is accountable for the accuracy and comprehensiveness of their budget purpose statements and associated information.

g) Budget Only for Mandatory And/or Self-Supporting Programs The 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 and the budget process. Does the Technocratic Expert Model for CI in budgeting with minimal LBL CI tools help or hurt trust? Would an enhanced citizen participation model in the budgeting process help in the long-term, or not?

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 Dragnet, “just the facts”? One of the biggest issues in citizen participation is information, who controls it and whether it is trustworthy.

The Oregon Revised Statutes (ORS) identify some mandated State PSS programs, but not very many. However, it is very difficult to impossible to understand mandatory ORS LBL in JO CO budget programs, with the result that there are very few ORS mandatory programs, especially mandatory State level of services (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. A few example PSS mandatory programs and LOS from the ORS follow.

- ORS 206.010 General Duties of Sheriff (Appendix Z). 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). Therefore, general duties of sheriff could be one sheriff and a jail, but not any deputy sheriffs, or that the jail have one bed or 280 bed usage levels. LOS for beds is about usage; it is not about the bed capacity of the jail.
- ORS requires one or more persons as counselors of the juvenile department. If more than one person is appointed, one may be designated as director.
- ORS does not provide any statutory requirement to have a juvenile detention and/or shelter facility, this is left up to the governing body to decide on. The program of providing facilities is a county decision; it is not a state mandated requirement

The State/ORS jail requirement is not about the physical capacity of a jail. Nor is it about the jail bed usage versus the physical bed capacity. It is purely about the law. ORS requires one sheriff, and presumably one jailer – the sheriff program of one sheriff is both the State mandatory program requirement and the LOS. A local government having patrol deputies is not a State mandatory program; this is a county elective program and county elective LOS. There is no mandatory State required LOS. The same goes for the jail and juvenile justice department. Having a physical jail is a State mandatory program. Using one bed up to 200 beds is not a mandatory State program requirement. Again it is up to the county to define jail deputies and jail bed usage as an elective LOS. ORS is silent on bed usage and there is zero usage required.

This position is controversial as it is in conflict with the present goals design of JO CO budgets.

The Authors do not believe the present legal budget requirements of JO CO government are working if the goal is to have informed citizens actively involved and supporting controversial budget programs during times of fiscal stress. The BCC’s public participation goal of “Inform”

was probably very satisfactory with many citizens pre-2012, especially if the majority of the voters had no problems or trust issues. However, the Authors believe that the CI model of “Apprise” is not satisfactory during times of fiscal stress and for issues such as the county public safety issue, which is multifaceted, with citizen perceptions and engagement decisions pro and con, involving a multitude of reasons for involvement and/or engagement – All within the context of mistrust in government by a majority of the voters.

The Authors support the GFOA budget award program criteria becoming local JO JO legislation (i.e., resolution or ordinances) **for the purpose of transparency in government and, hopefully, the beginning of a long road to improved public trust in government** (i.e., there are 27 GFOA criteria presently being used by JO CO below the radar in its applications to the GFOA budget award program; Appendices U & V).

Evidence for the effectiveness of community participation in management is in short supply, due in part to the inherent problems in measuring the success of policies that may take decades to positively affect change. Even more difficult, perhaps, is the prospect of measuring incremental changes in the well-being of the general public as they become more engaged in the policy process.

Any discussions of the value of public participation must not 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.

Budget complexity and citizen disinterest are the major barriers to participation. However, a number of Oregon governments have successfully used participation mechanisms in the budget development process that can serve as models for enhanced CI/CP and public trust in government

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.

The bottom line: There are very few State mandated programs in JO CO budgets. This is a problem because major portions of county budget programs are not self-supporting nor mandatory; they are county elective programs supported by county elective LOS.

h) Mandatory & Essential Levels Of Service (LOS) The Committee’s review of the FY 2015-16 PSS budget LOS finds that there are legitimate PSS budget programs from the ORS and Oregon Administrative Rules (OAR) that are identified as mandating PSS. However, the Committee has come to the conclusion that there are very few ORS/OAR mandatory “LOS,” and therefore, very few identified in the FY 2015-16 budget. The majority of LOS in the budgets appear to be “essential,” “necessary,” or “elective.” A mandatory LOS might be the “minimally adequate level of public safety services” (MALPSS), but the Committee is not sure.

A few example PSS mandatory program services and LOS from the ORS follow.

- ORS 206.010 General Duties of Sheriff (Appendix Z). 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). Therefore, general duties of sheriff could be one sheriff and a jail, but not any deputy sheriffs, or that the jail have one bed or 280 bed usage levels. LOS for beds is about usage; it is not about the bed capacity of the jail.
- ORS requires one or more persons as counselors of the juvenile department. If more than one person is appointed, one may be designated as director.
- ORS does not provide any statutory requirement to have a juvenile detention and/or shelter facility, this is left up to the governing body to decide on. The program of providing facilities is a county decision; it is not a state mandated requirement

Some JO CO Department identify the mandated with in effect, moral standards, of what was considered right. However, the BCC’s financial policies were actually tricky. They addressed mandated county government programs and LOS consistent with current operational service levels. The programs to be addressed were mandatory, but the LOS of the current operations service level has nothing to do with mandated LOS. LOS could be elective essential or some lower category. Goal 2 and LOS Directive 1, and program Directive 2 follow.

- Goal 2. Develop a sustainable plan for all mandated (i.e. above examples) and essential County government programs.
- Directive 1. Budget at a level consistent with current operational service levels.
- Directive 2. Budget only for mandatory and/or self-supporting programs.

The Committee’s recommended LOS approach is that the PSS departments tackle the job like they were going to court.

1. What does federal, state or local law require?
2. What has the law been interpreted by court opinion precedents?
3. What legal applicable PSS department issues have been studied and are available as supporting vetted analysis and reference papers?

The Committee believes the MALPSS analysis model could be adapted by departments to identify an “essential” LOS for any budget program, and it is not limited to an “essential” LOS. The methodology can be used for any LOS (e.g., mandated, essential, necessary, elective, etc.).

See the following example of a MALPSS analysis model that can be used by all PSS departments.

- Analysis 1. Identify PSS department program issue(s).
- Analysis 2. Identify Indicator(s) for PSS department. An indicator is a variable, either singly or in combination with another variable, which is taken as an indication of the condition of the overall program. What are the indicators for the particular PSS budget programs?
- Analysis 3. Standards for PSS department Indicators. A standard is the measurable aspect of an indicator. It is the level, point, or value above which something will take place, or below which it will not take place. It provides a baseline against which a particular condition, or change, can be judged as acceptable or not.
- Analysis 4. Department PSS Outcome (Significance) Determinations. To determine significance, impacts are compared to the standards beyond which the impacts, including cumulative, become significant.

The Committee wonders if budgeting at a level consistent with current operational service levels is an essential LOS. There is no way to know from the budget. Perhaps the Lane County Public Safety Coordinating Council's (PSCC) approach should be considered for determined an essential LOS for PSS.

- Lane County Public Safety Coordinating Council. December 1, 2011 *Status of the Public Safety System in Lane County as per Senate Bill 77*. Report to the Board of County Commissioners. Eugene, OR.

The Lane County PSCC identified five levels of MALPSS for its services. Its adequate level of service does not seem to reach an "essential" LOS. It all depends on the definitions and criteria. Perhaps Lane County PSCC's minimally adequate level of service is what JO CO would consider essential.

1. Adequate Level of Service
2. Minimally Adequate Level of Service
3. Less than Adequate Level of Service
4. Inadequate Level of Service
5. Emergency Level of Service

Regardless, the Committee's point is to get beyond bald professional opinions in identifying and establishing "essential" LOS, or any LOS. Assume the PSS department is going to court, and/or use the scientific method for determining a range of LOS. The BCC would approve the applicable financial policy.

The bottom line: There are very few State mandated program and/or LOS in JO CO budgets. Most of the LOS in the budgets are elected by JO CO as supporting essential programs with their corresponding essential LOS. This is a problem because major portions of county budget programs are not self-supporting nor mandatory; they are county elective programs supported by county elective LOS.

i) Supporting Analysis Lacking/Transparency in Government

- The budget process experts (i.e., JO CO Budget Officer and JO CO Budget Committee's (JOCOBC) are not available to the public for the purpose of explaining the budget (i.e., January 20, 2016 to October 3, 2016).
- There are no JO CO informative action plans (e.g., strategic plan, long-term financial plan, citizen involvement plan, county budget manual etc.) that the JOCOBC or the public can use to understand the budget process.
- Excessive time it takes to get records after a copy request from the JO CO Legal Counsel.
- Almost no time to review proposed budget prior to the JOCOBC's first meeting.
- There is no information on GFOA's "Distinguished Budget Presentation Award Program" (Budget Awards Program) except the county has received several. There is no information on the GFOA's 27 criteria that the county uses when it applies for an award application.
- There is no information on Budgeting For Outcomes in the budget documents (except for its goals and the outline of a process).

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, especially legally required methods of public participation in government decision making – public hearings, review and comment procedures in particular. JO CO is one of a majority of Oregon local governments practicing the minimal required Oregon Local Budget Law (LBL) process – public hearings with opportunity for public input procedures. Is JO CO 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 is it acting in a pragmatic fashion, gathering and considering policy preference information using other input mechanisms?

The framework for measuring success should be clearly defined. Measuring participation success can be framed, for example, by fairness and competence, as 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, and when the mechanisms are designed around the purpose for participation (i.e., during a year long process versus a two-month JO BO Budget Committee (JOCOBC) review and approve process). Ultimately the differences between the methods legally required in the US and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices. 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.

Lack Of Budget Process The JO CO budget decision-making process and decision-making should be transparent so that the voting citizens can observe and understand what is going on and how decisions are being made. One significant problem is the complete lack of JO CO guidance in the form of county budget action plans (i.e., strategic plan, financial plan, budget handbook, citizen budget guide, etc.) for the public to start understanding the “ballpark rules,” the budget process procedures.

Opaque Budget Process The Authors can easily conclude the budget process is opaque as they have been studying the JO CO budget process intensively for six months, and are still struggling to speculate about the big picture, and many of the process details. For example, the JO CO Budget Officer has been too busy to meet with the Exploratory Committee since January 20, 2016 to September 28, 2016 to talk about the county budget process. That is certainly not transparency in government. The budget document is transparent from the date the JO CO Budget Officer’s proposed budget document is delivered to the JOCOBC for first advertized meeting in the sense of being “apprised” or informed (i.e., there are a few JOCOBC meetings open to the public where they can be apprised and give input). The JOCOBC purpose is to approve the proposed budget.

Although, the JO CO citizen involvement (CI) in budgeting process does not now perform to its potential, the Authors believe that a new citizen participation (CP) process can help maintain and promote legitimacy in the budget process and build trust between JO CO government and community members. By including the public in a known participatory and/or collaborative budget process JO CO can instill transparency in the decision-making process, and in turn have the potential to gain 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). Citizen involvement is important in gaining public trust and achieving a credible, legitimate right to make decisions. However, the present JO CO public budget process does not have a documented budget decision-making process to follow, let alone one that is visible and credible.

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).

“Transparency” includes knowledge of the facts of the decision-making process and the decision. Just as important it includes knowledge of the budget decision-making process before the budget process starts. Understanding the rules of the ball park are just as important as actual involvement in the decision-making process.

Knowledge of the budget planning process, includes the CI barriers, resource and legal constraints, occupational mandates, technocracy, bureaucracy, and potential lack of appreciation for public opinion. This CI stage will take time and resources and may require the government to 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.**

Transparency as process knowledge, and incorporating citizens in decision making, can produce long-term support for the budget and/or public projects. If community members are included in the decision making process they are more likely to support the carrying out of the decision. Community members can be respected allies for the budget officer and the budget committee 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, or it can become a pitched battle.

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. 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; Appendix I).

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. It also entails the existence of an attentive and comprehending audience, 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. Reliable and valid preference formation, deliberation, and revelation cannot be expected unless participants first understand their fiscal situation, options and the likely tradeoffs and other consequences associated with their choices. That is, there can be no authentic participation in budgeting without effective transparency. 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 (Appendix I).

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 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 analysis. 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.

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. 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. **This is an excellent idea, make no mistake about it.** 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. Thus it may be desirable to foster citizen action from the outside as well as citizen involvement on the inside of government (Appendix I).

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. **Expenditure monitoring, financial reporting, and various kinds of audits** 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 (Appendix I).

Strengthening the transparency and openness of public budgets can help promote social accountability and restore the public's confidence in overall government. For example, something as simple as transparent information in budget committee meeting minutes have power. 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. The May 10, 2012 budget report for a City of Milwaukie Budget

Committee Meeting is illustrative. In this case it was a response from a city official to a question from a budget committee member (City of Milwaukie 2012).

Q1. Is the city going to apply for the “Distinguished Budget Award” again this year or will we save the \$500?

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. 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.

What are the potential benefits of an engaged public? JO CO residents appear to want certain policies from their local 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. If the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the decision-making process. Davis recommended that JO CO do this through using co-productive models of governance (Davis 2016).

- The main obstacle to building public support for difficult choices on the JO CO’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.**
- “The public is ready for this conversation.” Participants can be thoughtful and serious, not apathetic or unwilling to consider difficult choices, “and **beneath their mistrust and dissatisfaction is a deep desire to address the problem**”.
- Public engagement is the key to overcoming mistrust. Although JO CO’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.** 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, see the following.

- Government must use performance as the basis for funding or changing programmes. Citizens would like to see greater focus on measuring and reporting outcomes.
- 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.

The Exercise in Hard Choices Results gathered from life exercises allow the following general conclusions.

- **Citizens can be eager** for opportunities to become engaged in serious and substantive discussions about the budget; it depends on whether the public trusts that their involvement and testimony will be used.
- **Non-expert citizens** 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** if given the opportunities in the right setting.
- 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** that those actions will: solve the problem; and be shared fairly among all segments of the population and all parts of the country.
- 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** through a citizen participation process they trust.

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** 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**. 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** 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.

Citizen's Guide to the Budget A citizen's guide to the budget is a fascinating idea that the Committee hopes JO CO will consider, and/or individual PSS departments will implement. The big picture is the need for the local government to explain its budget proposals and the public finances in simple, plain language documents – often referred to as a “citizens’ guide to the

budget.” JO CO used to have “Reader’s Guides.” Some Oregon local governments use the “budget message” to cover topics in a citizen’s guide to the budget.

The annual budget is the key instrument by which JO CO translates its policies into action, therefore, presenting the budget in a way that makes sense to the general public is central to its transparency and accountability. A few ideas covered follow.

With clearer expectations of engagement from government, community and industry there is also a **requirement for greater transparency and accountability** 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.**

- Publication of a citizens’ guide allows JO CO to explain in plain language the objectives of its budget. It also helps citizens to assess the impact on their own circumstances and on specific groups in society, including the effects of the burden of taxation, service provision and employment prospects.
- Broadening understanding of JO CO’s public finances can help to frame more realistic citizen expectations and to build support for difficult policy choices.
- JO CO explains what is in the annual budget proposals and what their effects are expected to be.
- Its distinguishing feature is that it is designed to reach and be understood by as large a segment of the JO CO population as possible.
- 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.
- Key fiscal risks should be discussed. These include the fiscal impacts of deviations in key economic variables from the forecasts (e.g., declining federal payments to counties, etc.).
- Citizens will wish to know how the JO CO budget will affect their own standards of living, their security interests, and the nature and significance of the budget’s impact on groups in society that are of particular policy interest (e.g., the poor and vulnerable, different groups of taxpayers, etc.). The guide should therefore provide some indication of the budget’s potential impact on take-home pay for different income levels, income support and service provision in the coming year, and on possible implications for the medium term.
- JO CO should briefly explain what it is doing to improve overall service delivery and the social impacts of its spending programs.

Any discussions of the value of public participation must not 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 JO CO can promote new policies in communities, where anti-government sentiment runs high.**

j) No Strategic Plans Action plans are documented planning strategies to get a project completed. Planning is the process of thinking about and organizing the activities required to achieve a desired goal. It involves the creation and maintenance of a plan, such as psychological aspects that require conceptual skills. Several types of actions plans can assist JO CO in carrying out its budgeting goals (see Section V.I. Action Plans).

- Strategic Plan.
- Long-term Financial Plan.
- Citizen Involvement Plan.
- County Budget Manual.
- Budget-In-Brief.
- Citizen Involvement in Budgeting Plan.
- County Citizen's Guide to the Budget.

The first action plan is the strategic plan which the GFOA recommends. Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization's mission and achieve consensus on strategies and objectives for achieving that mission. Strategic planning is about influencing the future rather than simply preparing or adapting to it (emphasis added). The focus is on aligning organizational resources to bridge the gap between present conditions and the envisioned future. While it is important to balance the vision of community with available resources, the resources available should not inhibit the vision. The organization's objectives for a **strategic plan** (emphasis added) will help determine how the resources available can be tied to the future goals. An important complement to the strategic planning process is the preparation of a **long-term financial plan** (emphasis added), prepared concurrently with the strategic plan. A government should have a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions. A financial plan illustrates the likely financial outcomes of particular courses of actions (GFOA 2005, p. 1; Section V.I. Action Plans).

The bottom line is that the county does not have action plans in budgeting. This is odd as the county's GFOA best practice recommends that governments incorporate public participation efforts in planning, budgeting, and performance management results processes (Section V.I).

k) Summary Of “Budget Goals In Budgeting For JO CO

?) Goals And Outcomes Not Monitored(?)

?) Goals And Outcomes Not Evaluated(?)

4. Are “Budgeting Goals” In Budgeting for JO CO Working?

G. Budgeting For Outcomes

Outcome budget measures are the development outcomes of all government programs. For instance, it will tell a citizen that if money has been allocated for building a primary health center, has indeed it been built. In other words it is a means to develop a linkage between the money spent by a government and the results which follow. The concept has developed in many democracies to make budgets more cost effective. According to experts it signals the emergence of an important tool for effective government management and accountability. Earlier there have been efforts to bind government expenditure to results, like zero based budgeting, and other performance budgeting processes. But experts acknowledge that an outcome orientation is a better means to achieve the same objective. **Outcomes or impacts are the end results** of various Government initiatives and interventions. Going beyond mere ‘outputs’, they cover the quality and effectiveness of the goods or services produced as a consequence of an intervention. In summary, **budgeting for outcomes (BFO) is a performance budgeting process that is based on identifying priorities that reflect the results that citizens want**, and then developing strategies and funding programs and services aimed at accomplishing those priorities.

What BFO is not is traditional budgeting which uses the incremental approach. Traditional budgeting begins with the previous year's budget and adjusts for minor changes up or down from that; it basically preserves the status quo for programs making it very difficult to adjust to new priorities that reflect the results that citizens really want, and are willing to pay for (i.e., major structural changes that call for much more significant budget changes).

1. Literature For the average readers interested in knowing more about BFO, there is an overwhelming amount of literature on performance budgeting, including BFO to try to consider. Most of them are technical and require perseverance to try and understand. The following two short 2012 articles by Michael Mocha, a senior manager in the Government Finance Officers Association's (GFOA) Research and Consulting Center in Chicago, Illinois, are worth reading. They must be marketing tools because they are short and can be understood – Smile. Both articles were published in the *Journal of Government Finance Review*. They are web published on the Exploratory Committee's “*Citizen Involvement in Josephine County Budget Process*” web page. The following first two literature references in this section are from Mucha.

- Mucha, Michael J. October 2012a. “Budgeting for Outcomes Key Findings from GFOA Research.” Government Finance Officers Association (GFOA). *Government Finance Review* (pps. 45-46). Chicago, IL.
- Mucha, Michael J. December 2012b. “Budgeting for Outcomes Improving on a Best Practice.” Government Finance Officers Association (GFOA). *Government Finance Review* (pps. 47-49). Chicago, IL.

BFO is generally considered a best practice, but it isn't for every government – or, put differently, not every government is ready for BFO. Some BFO implementations have been very successful, ushering in a full transformation of organizational culture. And some governments have struggled with BFO and ultimately abandoned the effort. The focus of the GFOA's recent research was to identify experiences and trends across a number of BFO implementations, and then communicate these lessons learned to other organizations that are considering BFO. While every organization develops a slightly different approach, the following eight steps generally define the BFO process (Mocha 2012a, p. 47).

- **Step 1: Determine the Price of Government** The standard BFO process starts with a government defining how much money is available to spend. This “price of government” is commonly expressed as a percentage of community income.

- **Step 2: Identify the High-Priority [Program] Areas (Issues)** The government identifies a relatively small number of high-level priorities that are important to the public (i.e., JO CO's public safety services). These priorities form the basis for organizing the budgeting process. Priorities are often expressed from the citizen perspective (e.g., "I want a government that provides...").
- **Step 3: Allocate Revenue to Priorities** Revenues are allocated among the high-level priority areas by percentages or dollar amount, establishing how much will be spent on each priority.
- **Step 4: Develop Requests for Results** The government prepares budget instructions in the form of request for results (RFRs), which provide guidance to departments as to what results are expected within each priority area. Typically, RFRs are developed by "results teams" that are formed to identify the factors with the most bearing on the high-level strategies.
- **Step 5: Prepare and Submit Proposals** Rather than submitting proposed budgets, departments prepare and submit proposals that explain how their service or program would help to achieve the outcome and how it is consistent with the priorities and purchasing strategies identified by the results teams.
- **Step 6: Rank the Proposals** Proposals are ranked according to an assessment of how likely they are to help achieve one of the government's priorities. Starting with the proposals ranked most highly, the government will "buy" proposals until all of the revenue allocated to that priority has been allocated. Rankings determine which proposals are recommended for funding, and this list becomes the recommended set of proposals that will be included in the budget.
- **Step 7: Create a Proposed and Final Budget** Decision makers use the proposal rankings to create the budget. They might change rankings before approving a final budget, or move some portion of revenues from one priority to another. Ultimately, the government will agree on a final budget that provides funding for some proposals and not for others. The budget often groups proposals by priority area rather than departmental line item.
- **Step 8: Implement the Budget** Finally, the government implements the approved budgeted proposals as programs. Proposal costs are matched up with line-item accounts for management and accounting purposes, and **performance measures are used to monitor and evaluate performance** (emphasis added). **The BFO process is often part of a larger performance management effort that provides a way for the government to review performance results throughout the year** (emphasis added).

Common Experiences The GFOA's research identified setting the correct expectations as a critical element in the BFO process. It is the crucial element in getting the most from stakeholders who are involved in the process. In this way, BFO is no different from any other large-scale project attempting to change an organization. The GFOA found the following experiences to be common when implementing BFO (Mocha 2012a, pps. 47-48).

- The process will not closely resemble the eight steps listed above. Very few (if any) governments have followed the "textbook" BFO process. BFO practitioners found it important to "own" their process, which in many cases meant changing the approach to better suit the organization and its existing culture.
- Implementing BFO is a time consuming process that can be challenging in the first year. **Many organizations that reported "rushing" through the process limited the amount of discussion, and consequently, staff faced a challenge in not reverting back to the old way of making decisions** (emphasis added). Organizations should not underestimate the amount of effort BFO requires, and they should plan accordingly.
- Most organizations make changes to the process once they get started. Almost all the governments the GFOA interviewed made changes in subsequent years based on the lessons they learned going through the process the first time. Many of the changes were aimed at making the process less time consuming and easier for staff to manage.
- The importance of strong leadership cannot be overstated. The end results of the BFO process (efficiency, transparency, innovation, etc.) are the direct result of leadership focus more than the BFO process itself.
- Cultures change slowly, and it often takes multiple iterations of the process to fully change something.
- There will be many small victories. Even if BFO doesn't create large-scale change, the process is worthwhile if it leads to better discussions, better use of data, and more engaged stakeholders. Organizations report that some of the **greatest gains with BFO come from simply being able to frame decisions and issues from a citizen perspective** (emphasis added) rather than a government perspective, making it much easier to do what's right.

Keys To Success The GFOA’s research did identify a number of factors that helped organizations succeed in both the initial iterations of BFO and in the long term (Mocha 2012a, pps. 48-49).

- **Once again, strong leadership is essential. The results of the BFO process are linked to the “messaging” and focus of BFO instructions** (emphasis added). Governments that stressed innovation, collaboration, and efficiency, for example, were more likely to achieve it. Just implementing the BFO process is not enough to create results – it takes internal champions. And the further that BFO leaders and champions penetrate into the organization, the better the chance of the effort’s success. That is, to the extent that BFO became the expected process, the more difficult it was for new leadership to experiment with alternative approaches.
- **The BFO effort should be linked to larger performance management, monitoring, and evaluation efforts** (emphasis added). Most of the governments the GFOA studied did not include performance measures in the initial BFO process, or did not emphasize them. **Many governments indicated that this was something they wished to improve in the future** (emphasis added). Those that did include performance measures found that doing so provided year round accountability and a continual focus on results.
- Many governments commented on the value of having consultants help in developing the initial BFO process, or at least having a few trusted peer governments that can offer advice. Having access to someone who has been through the process can be invaluable when challenges arise. But at the same time, many governments said it is **just as important to adapt the process to the organization and what it wants to accomplish rather than simply implementing the consultant’s process without question** (emphasis added).
- **Public participation — in the form of focus groups, online surveys, and public hearings** (emphasis added) – helps mitigate the opposition to the change. Also, as stated above, **public participation helps governments create the expectations for the BFO process and encourages discussions that focus on community expectations and the citizen perspective** (emphasis added).

Conclusions. Almost all of the BFO practitioners studied by the GFOA conveyed one of the following two messages. First, BFO by itself will not solve problems. It is a method that helps justify decisions, but it doesn’t make cuts any easier. Second, **governments need to set clear expectations for the process and communicate those expectations to all stakeholders** (emphasis added). **Create a unique process that fits the culture of the organization and is consistent with the goals of the organization** (emphasis added). Learning from the experience of other organizations, whether successful or less so, can be invaluable in helping develop expectations and, **ultimately, communicating those expectations to stakeholders** (emphasis added) (Mocha 2012a, p. 49).

Over the past 10 years (since 2012), many governments have turned to budgeting for outcomes as a way to create sustainable budgets that fund programs and services aligned with their communities’ long-term needs, regardless of the revenues available. **BFO is a performance budgeting process that is based on identifying priorities that reflect the results that citizens want** (emphasis added), and then developing strategies and funding programs and services aimed at accomplishing those priorities. Proposed programs and services are prioritized and ranked and funded within each major, high-level priority, based on their prospects for achieving desired results (Mocha 2012b, p. 45).

Budgeting for outcomes is a part of a larger performance management approach. To use it effectively as a tool that encourages overall accountability, efficiency, and improvement, organizations need to use other tools such as performance measurement, process improvement, and program evaluation. For example, to decide the degree to which a stated priority has been achieved, **organizations need performance measures to evaluate results**, both at the program level and the community level (Mocha 2012b, p. 45).

For many organizations, BFO remains a process that is managed outside of the main financial system. There are very few (if any) commercially available budget systems that support the full budgeting for outcomes process, although many systems provide the capability for producing program budgets. As a result, many organizations rely on Microsoft Excel, or they've had to develop custom budget applications to help manage the process. Both of these approaches have limitations; Excel makes collaboration among departments difficult and custom-built applications cannot be transferred from one organization to another. What is needed is a technology solution that supports all phases of the process and is integrated with the main financial system (Mocha 2012b, p. 46).

The Government Finance Officers Association (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 (FMCBC 2008, p. 1, Appendix T).

1. Set Broad Goals to Guide Decisions.
2. Develop Strategies and Financial Policies.
3. Design a Budget Supportive of Strategies and Goals.
4. Focus on the Necessity of Continually Evaluating a Governments' Success at Achieving the Goals it has set for itself.

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. 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 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** (emphasis added) (FMCBC 2008, p. 1, Appendix T).

Budgeting for results and outcomes links:
strategic planning,
long-range financial planning,
performance measures,
budgeting,
and evaluation

To develop a budget based on budgeting for results and outcomes, local governments 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 (FMCBC 2008, p. 2, Appendix T).

This article about BFO is from the International City Managers Association and written in an easy to read news paper style (ICMA 2007, pps 1-3). The approach taken was not the typical budget Axe; it was a budget that would improve the city's Aim. **Budgeting for outcomes (BFO) is an approach that is based on collaboration, transparency, and delivering the services that matter most to the public** (emphasis added). Changes often are made by a new administration, but nothing changes in the budget process. If the budget system does not support the new direction, those changes will not last. Since the budget touches everything, changing it will begin to change everything. The budget process has great leverage. **BFO (also known as results budgeting or purchasing results)** (emphasis added) is a budget process that aligns resources with results produced. Instead of starting with the previous year's budget and justifying increases from that base, BFO starts with a set of results and encourages creative ways of achieving them. The budget is prepared through an inclusive and interactive process that is different from the traditional budgeting process. BFO does not enable the players in the budget to become better at the game; it changes the rules of the game. Budgeting for outcomes is not a panacea. It is a practical tool for implementing fundamental change in the way the local government works. **It is an approach that integrates**

strategic planning, long range financial planning, budgeting, and performance management (emphasis added). People pay attention to money. The most important resource allocation decisions of a community are made with the budget process. That process can support change or inhibit it. Budgeting can demonstrate effective, ethical, transparent, innovative, and inclusive ways of doing business—or not. The GFOA has recently adopted this approach to budgeting as a “recommended practice.” GFOA describes the steps in the process as the following.

1. Determine how much money is available.
2. Prioritize the results.
3. Allocate resources among high priority results.
4. Conduct analyses to determine what strategies, programs, and activities will best achieve the desired results.
5. Budget available dollars to the most significant programs and activities.
6. Set measures of annual progress, monitor, and close the feedback loop.
7. Check what actually happened.

A New Zealand change to BFO from outputs found change difficult. An output-based budgeting framework brought much-needed specificity and accountability to the spending operations of the New Zealand public sector. However, it was perceived as failing to generate sufficient attention to or improvement in the impacts of government policies. Recent requirements for an **increased focus on outcomes have been directed at these problems, but have created many difficult challenges for most departments** (emphasis added). The “managing for outcomes” approach also risks eroding clear understanding of the determinants of policy effectiveness and may have already removed some of the sharp edges from organizational accountability. These developments raise serious concerns for the quality of public spending. Sound management of public finances should be pursued by moving beyond outputs and outcomes to a clearly articulated and effectively integrated expenditure management framework. This will be one that puts policy design and program delivery back at the core of the expenditure management process and binds them to clear, modest and achievable policy objectives and results (Webber 2004, p. 118).

While many of the former requirements on departments relating to output planning, specification and reporting remain, the roles of both outputs and output classes are much less clear and fit less comfortably within this new outcomes expenditure management framework. **This lack of a clear and fully articulated model in which output and outcome concepts are effectively integrated** (emphasis added) in the budgeting and expenditure management process has generated two particular difficulties for senior managers in the public sector. First, it has presented departments with considerable challenges in linking the rationale for their spending operations with both appropriations (*i.e.* relevance) and impact assessment. Not surprisingly, the requirements to develop a meaningful intervention logic **and** an effective structure for performance measurement have clearly emerged for all departments as the most difficult aspects of implementing the “managing for outcomes” initiative. The newly modified model of expenditure management provides no inherent process and little clear guidance for how these critical linkages should be made, only that they **should** be made. Current practice therefore largely involves a range of department-specific responses and practices that vary significantly in both content and merit (Economics and Strategy Group, 2003; Webber 2004, pps. 109-110).

The lack of a formal and coherent framework for expenditure management (emphasis added) may have also increased the difficulty in integrating other critical facets of improved public management. For example, the conclusions and recommendations of a subsequent committee on the role and conduct of formal evaluation processes in public sector management were disappointingly nonspecific (SSC, 2003). **A relatively simple but clear budgeting and expenditure management framework may have provided the review process with a much better starting point for determining where and in what form evaluation activities might contribute** (emphasis added), given various **policy objectives and performance measurement needs** (emphasis added). Supporting the general utility of evaluation capabilities while leaving the role, structures and methods largely to individual departments to determine was an arguably weak conclusion that reflected, in part, the uncertainty surrounding the integration of output and outcome methodologies, including where evaluation could therefore best contribute to policy development (Webber 2004, p. 110).

In 2010 California often lead the nation, and its fiscal crisis was no exception. Jaws dropped from coast to coast at the size of its \$26.3 billion shortfall, a quarter of the general fund. Even more astounding was state leaders' difficulty in reaching a budget deal—not just this year, but year after year. With its repeated use of borrowing and IOUs, the Golden State has become the poster child for fiscal irresponsibility. **This paper, argues for an alternate form of fiscal discipline, known as Budgeting for Outcomes (BFO)** (emphasis added). It would help the governor and/or legislature build the budget in a way that delivers the results citizens want at a price they are willing to pay. BFO has already proven its value in Washington State, Iowa and more than a dozen other states, cities, counties and school districts. **It combines strategic planning, zero-based budgeting and performance budgeting in a workable, common-sense package** (emphasis added). Since it debuted in Washing State seven years ago, it has spread rapidly. California is in an unprecedented fiscal crisis. Critical services have been cut deeply. Borrowing to cover operating costs—a practice that is not only illegal but also dangerous—has become a habit. And public disgust with elected leaders has become endemic. There is a wise Native American saying: “When you’re riding a dead horse, the best strategy is to dismount.” Clearly, California’s current budget process is a dead horse. BFO offers state leaders an opportunity to dismount and find a new one (Osborne 2010, pps. 1 & 28).

Tight control by local government 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** (emphasis added). 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** (emphasis added). Many of the budget reforms (e.g., zero based budgeting, program planning budgeting systems, etc.) 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** (emphasis added; Zanneti, 1998).

In the forward to *Smart Budgeting Integrating Financial and Strategic Planning for Outcomes*, David Finch, Leader of the Essex County Council, provided the following thoughts on budgeting based on securing the outcomes that matter to local people. “Donald Rumsfeld famously said that the “unknown unknowns” tend to be the difficult ones, but the course of local government budgeting over the last half-decade tells us instead that it is the “known knowns” that cause the most sleepless nights. **The fear of what we already know – the reductions in budgets over the past four years, the daunting certainty of much worse to follow – has challenged the full capabilities** (emphasis added) of all councils. It has meant, bluntly, that not only have we had to look behind the sofa for every spare penny, but **we have had to stop doing things that in an ideal world we would want to carry on doing** (emphasis added). As a sector, we risked becoming mired in the “jaws of doom”, slowly sinking further into desperate measures just to balance the budget. But that hasn’t happened. As it always seems to do, local government has defied those expectations. Despite severe cuts to our budgets of around 40 per cent over the past four years, councils have demonstrated their ability to find efficiencies in a way that central government departments have not. Our reputation for effectiveness and efficiency while maintaining high levels of public trust is, under the circumstances, both unprecedented and remarkable. With imagination, perseverance and innovation, officers and members around the country have forged new partnerships, focused on what matters, eliminated waste and duplication and adopted new strategic approaches to budgeting based on securing the outcomes that matter to local people. But as this timely report shows, there is further to go to link budgets to outcomes across our activity.” (Mansfield & Beresford 2014, p. 5).

It is widely accepted that local government is entering a period in which it will have to fundamentally reshape the way it works in order to cope with heavily reduced budgets. In response to this, **councils are reorganizing their services to strip out costs and focus on long term financial sustainability through prevention and demand management** (emphasis added). But whilst strategic commissioning and planning is becoming more outcome-oriented, our research suggests that there has been relatively little innovation in the crucial practices and processes of financial planning which support this transformation. **To put it simply, local authorities are facing 21st century problems with a 20th century approach to budgeting. In benign financial environments, incremental budgeting is an efficient way to distribute funds. But in times of austerity, this approach to budgeting is proving inadequate** (emphasis added). Traditional budgeting can hamper innovation by trapping local authorities in patterns of past spending and silo working. In doing so, it tends to preserve the status quo rather than questioning whether each marginal pound is helping the council to meet its strategic objectives. This report argues for a different

approach. **Instead of sticking with incremental budgeting, councils should increasingly adopt outcome-based approaches to budgeting in which better evidence is used to link spending to strategic goals** (emphasis added). This approach can provide a transparent way for politicians to target spending at the most cost-effective interventions. Drawing on three case studies, we show what these approaches look like in practice and highlight the real-life benefits that they have brought to local areas. **Rather than being a technical manual for finance professionals, this report is intended to be accessible for those with little understanding of budgeting theory and practice.** It aims to show how the process of financial planning and budgeting currently relates to the wider council business of improving outcomes for local places, and how we think it should relate in the future (Mansfield & Beresford 2014, pps. 7-8).

The BFO promise is there. 2016 lessons learned from Utah are instructive, including plain language and graphics of output measures and indicators contrasted with outcome goals and measures, and BFO funding focus on what we are spending to what we are buying (Sorenson Center 2016).

Budgeting for Outcomes - Performance Budgeting (Sorenson Center 2016, p. 17): “Similar to program budgeting, this budgeting approach also uses programs or activities as budget units, and presents information on program goals and performance. **This budget system places emphasis on incorporating program performance information into the budget development and appropriations process, and allocating resources to achieve measureable results** (emphasis added).”

Outcome Measure (Sorenson Center 2016, p. 17): This is a measure of the result associated with a program or service. Outcome measures can be short- or long-term results that can be directly linked to a government program or service. Examples include the percentage of students reading at grade level, air quality, or the traffic fatality rate. **Outcome measures are often the most desirable measures but the most difficult to use and analyze, as major system outcomes are generally derived from a variety of services, products and activities, and isolating the root cause of change is often challenging** (emphasis added).

Outcome Budgeting Lessons Learned (Sorenson Center 2016, p. 20).

- **High level engagement is required** (emphasis added).
- **Budget office full buy-in is required** (emphasis added).
- **Agencies must see real value** (emphasis added).
- **Do NOT use this as a budget cutting tool or a staff reduction tool** (emphasis added).
- Agencies must build knowledge base and capacity for their data & results.
- Build in protection that allows agencies to benefit from innovation.
- Statutory framework may help ensure continuity.
- Careful selection of measures is required to ensure they are meaningful.
- Integration of performance data into communication pieces increases the opportunities for successful use of performance information.
- Outcomes-based budgeting is a tool – not a cure all.
- System must remain flexible.

Pay for Success (PFS) as a Breakthrough (Sorenson Center 2016, p. 22).

- Running government like a business: PFS demands increased rigor around outcome measures – investors must have confidence since the measures will trigger repayment.
- Thinking beyond budget silos: PFS requires a systems view and a systemwide focus on accountability (remember accountability vs. profitability).
- Budgeting beyond one year: PFS requires looking beyond the current budget year – usually 5-7 year view.
- Linking program revenue to outcome!!!

Governmental Finance Officers Association Best Practices Government Finance Officers Association's (GFOA) Budget Presentation Award Program (BPAP) best practices (GFOA 2014; Appendix U).

GFOA BPAP #O6 Criteria: 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 (GFOA 2014, pps. 11 - 12).

Criteria Location Guide Questions

1. Are performance data for individual departments included in the document?
2. Are performance data directly related to the stated goals and objectives of the unit?
3. Do performance measures focus on results and accomplishments (*e.g., output measures, efficiency and effectiveness measures*) rather than inputs (*e.g., dollars spent*)? (emphasis added)

Explanation Performance measures should include the outputs of individual units and provide a meaningful way to assess the effectiveness and efficiency of those units. The measures should be related to the mission, goals, and objectives of each unit. Include information for at least three years (the prior year actual, current year estimate or budget, and budget year).

Link performance measures to unit goals and objectives and include efficiency and effectiveness measures. Refer to GFOA's best practice on "A Systematic Approach to Managing Performance and Performance Management for Decision Making."

The US National Advisory Council on State and Local Budgeting (NACSLB) has identified four essential principles of effective budgeting. The specific principles include: (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 government's success at achieving the goals that it has set for itself (i.e., performance). The GFOA has officially adopted the recommendations of the US NACSLB. Budgeting for results and outcomes links strategic planning, long-range financial planning, performance measures, budgeting, and evaluation. 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. The GFOA recommends that governments consider budgeting for results and outcomes as a practical way to achieve the US NACSLB objective of integrating performance into the budgetary process (GFOA 2009, p. 1).

GFOA believes that the following steps should help a government in making this successful transition (GFOA 2009, pps. 1 - 2):

- (1) *Determine how much money is available.* The budget should be built on expected revenues. This would include base revenues, any new revenue sources, and the potential use of fund balance.
- (2) *Prioritize results.* The results or outcomes that matter most to citizens should be defined. Elected leaders should determine what programs are most important to their constituents.
- (3) *Allocate resources among high priority results.* The allocations should be made in a fair and objective manner.
- (4) *Conduct analysis to determine what strategies, programs, and activities will best achieve desired results.*
- (5) *Budget available dollars to the most significant programs and activities.* The objective is to maximize the benefit of the available resources.
- (6) *Set measures of annual progress, monitor, and close the feedback loop.* These measures should spell out the expected results and outcomes and how they will be measured.

- (7) *Check what actually happened.* This involves using performance measures to compare actual versus budgeted results.
- (8) *Communicate performance results.* Internal and external stakeholders should be informed of the results in an understandable format.

Budgeting for results and outcomes is not just a one-year exercise, but also a multi-year effort that should improve the budget process.

2. JO CO Budgeting For Outcomes (BFO) Process The JO CO BFO effort was a very important project approach for JO CO starting in FY 2006-07. The JO CO BCC are to be commended. The May 11, 2006 budget message follows.

“Budget Message. May 11, 2006. With the support of the Board of County Commissioners and the cooperation of the Elected Officials and appointed Directors in the preparation of this budget, I am able to present to the Budget Committee a balanced budget as required by Local Budget Law. Josephine County continues to be in a transition period; coping with tightening revenue sources including the potential loss of O&C funds, rising costs in operations, and continued mandates to provide services. The proposed BY 2006-07 Budget reflects the challenge faced by the County.”

“The Budget for fiscal year 2006-07 is a major change in how Josephine County budgets. This Budget establishes funding levels for programs and services instead of categories of expenditures. The Board of Commissioners reorganized County departments and services September 1, 2005. The Budget and new fund structure is modeled after the reorganizations. The Board also supported a fundamental change in the budget process, following the **concept of a modified zero based budgeting process known as “Budgeting for Outcomes”** (emphasis added).^{III-1} “Budgeting for Outcomes” is based on programs and service levels within the County. Future budgets **will incorporate citizen input on services levels they are willing to fund** (emphasis added), **goals set by the Board** (emphasis added) and **stakeholder support of programs** (emphasis added). The Budget before you clearly outlines the programs and services that the County Departments provide, **creating the transparency in government that our citizens have requested** (emphasis added).”

There are many similarities between JO CO budgets’ budgeting goals (Section V.F.) and budgeting for outcomes (Section V.G.). Therefore, the first section is on budgeting goals, followed by budgeting for outcomes.

- JO CO Government Budget Goals: FY 2006-07 to FY 2016-17
- Budgeting for Outcomes

a) JO CO Government Budget Goals: FY 2006-07 to FY 2016-17 The first part of this section is almost a quote from Section V.F., Budgeting Goals. The Authors believe the redundancy is worth it because there is so little information in the budgets on goals in the JO CO budgeting process, and even less on CI/CP goals.

(1) FY Budget 2016-17 through 2014-15 Goals (same for three years; Section III.D.3.)

- 1) **Improve community outreach** and communication to the public by investing in technology that will improve efficiencies within County departments and **provide enhanced service** to citizens.
- 2) **Develop a sustainable plan** for all **mandated and essential County government programs**.
- 3) **Provide access** to County services to the citizens of Josephine County in a **transparent, open, and professional manner**.
- 4) **Budgeting for Outcomes** Based on Programs and Service Levels (continuous commitment of budgeting for outcomes from FY 2006-07).
 - Future budgets will incorporate citizen input on services levels they are willing to fund.
 - Future budgets will incorporate goals set by the Board.
 - Future budgets will incorporate stakeholder support of programs.

(2) FY Budget 2013-14 through FY Budget 2010-11 Goals (same for four years; Section III.D.3.)

- 1) **Encourage public involvement, through community outreach**, in identifying service requirements and programs to be provided by Josephine County.
- 2) **Provide sustainable funding** for all **mandated and essential County government programs** for the next ten years.
- 3) **Provide services in a transparent, open and efficient manner** to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.
- 5) **Budgeting for Outcomes** Based on Programs and Service Levels.
 - Future budgets will incorporate citizen input on services levels they are willing to fund.
 - Future budgets will incorporate goals set by the Board.
 - Future budgets will incorporate stakeholder support of programs.

(3) FY 2009-10 To FY 2006-07 Goals (variable for four years; Section III.D.3. - see BCC's May 11, 2006 budget message above).

- 1) JO CO BCC Provides Goals Per Budgeting for Outcomes.
- 2) Budgeting for Outcomes (BFO) Incorporation Commitments.
- 3) Compliance With Mandated JO CO Programs.
- 4) Provide Access in a Transparent, Open, and Professional Manner.

(4) JO CO' Budget CI/CP Goal Themes The following CI/CP Goal Themes may, or may not, continue as identified budget issues (Chapter VI) for the JO CO budget process.

- CI/CP Goal Theme: Enhanced CI/CP Public Trust Value.
- CI/CP Goal Theme: JO CO BCC Provides Goals Per Budgeting for Outcomes.
- CI/CP Goal Theme: Budgeting for Outcomes (BFO) Incorporation Commitments.
- CI/CP Goal Theme: Improve Community Outreach.
- CI/CP Goal Theme: Develop a sustainable plan for all mandated and essential County government programs.
- CI/CP Goal Theme: Provide public access in a transparent, open, efficient, and professional manner.

(5) Example JO CO FY 2015-16 Goals & Directives (Section III.D.3)

(a) JO CO FY 2015-16 Goals We are pleased to present the Fiscal Year 2015-16 Annual Proposed Budget for Josephine County. All budgets are balanced as required by Oregon Budget Law, which means that resources match or exceed projected annual requirements. This budget message outlines the **financial priorities** (emphasis added) of the County and highlights major changes to the funds.

The Government Finance Officers Association (GFOA) of the United States and Canada has given the Distinguished Budget Presentation Award to JO CO for the third year in a row. This award is the highest form of recognition in governmental budgeting and shows that our budget document reflects nationally recognized **guidelines for effective budget presentation** (emphasis added). It also recognizes our open and accountable budget process, as well as our commitment to provide an accessible budget document to the citizens of Josephine County.

The Board of County Commissioners set goals to provide direction related to the "big picture" rather than listing individual actions or activities. **Each department has detailed in their budget how their programs meet the following goals** (emphasis added) approved by the Board of County Commissioners on 02-12-2015:

1. Improve community outreach and communication to the public by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.
2. Develop a **sustainable plan** (emphasis added) for all **mandated and essential County government programs** (emphasis added).
3. Provide access to County services to the citizens of JO CO in a transparent, open, and professional manner.

(b) JO CO FY 2015-16 Directives The Board of County Commissioners also provided several directives to be used in preparing department budgets. As you review the narratives, you will see how the directives are being addressed by the individual programs. Main directives are:

1. Budget at a level consistent with **current operational service levels** (emphasis added).
2. **Budget only for mandatory** (emphasis added) and/or **self-supporting programs** (emphasis added).
3. **Address County goals and clearly define program purpose and expected outcomes** (emphasis added).

b) Budgeting for Outcomes: FY 2012-13 to FY 2015-16 The following four sets of information are from the JO CO FY 2006-07 to FY 2016-17 budgets. They are approximately 95 percent the same for four years from FY 2012-13 to FY 2015-16 and are believed to represent the earlier years back to FY 2006-17.

- (1) Budgeting For Outcomes Purposes (“Is”).
- (2) Budgeting For Outcomes Focuses.
- (3) Budgeting For Outcomes Asks Four Basic Questions.
- (4) Budgeting for Outcomes – County Level.

(1) Budgeting For Outcomes Purposes “Is” [Purposes]

- ▣ Budgeting for Outcomes is:
 - A departure from the traditional budgeting model of using last year as a base, adding inflation, and then cutting the result to balance the budget.
 - A type of zero-based budgeting (programs versus historical).
 - A top-to-bottom **review of everything from citizens’ perspectives and priorities**, rather than a department or government perspective.
 - A way of establishing program priorities and allocating resources when revenues are limited.
 - A better tool for elected officials to set the direction of the County and choose the services it will provide.
 - The County operates on accrual based budgeting and accounting.

(2) Budgeting For Outcomes Focuses

- ▣ Budgeting for Outcomes focuses on:
 - Setting the price of government
 - Setting the priorities of government
 - Setting the price of each priority
 - The “keeps”, not the cuts.

(3) Budgeting For Outcomes Asks Four Basic Questions

- ▣ Budgeting for Outcomes asks Four Basic Questions:
 - How much revenue will we have: What price of government will we charge the citizens?
 - **What outcomes (results) matter most to our citizens?** (emphasis added)
 - How much should we spend to achieve each outcome?
 - How can we “best” deliver **each outcome that citizens expect?** (emphasis added)

(4) Budgeting for Outcomes – County Level

- ▣ Budgeting for Outcomes – County Level:
 - Josephine County looks at programs provided by each department and the level to which each should be funded, rather than looking at expenditure categories and line items as in the past.
 - If funding is reduced or lost, priorities will help the County determine how best to adjust service levels and choose which programs to keep.

(5) Budgeting for Outcomes: FY 2016-17 The description of BFO changed with an acknowledgment that budget directives and guidelines are part of Oregon Local Budget Law.

Budget Directives/Guidelines (From Section III.C.)

- ▣ Based on **Local Budget Law and Budgeting for Outcomes** (emphasis added)^{III-1}
 - **Status Quo budget** (emphasis added) required unless change is supported by revenue
 - Revenue projections with support for inclusion at Fund level
 - Expenditures - Department level (Departments: Offices, Divisions, Programs)
 - **Reported at Service Levels - Mandatory and/or self supporting** (emphasis added)
 - Source of Revenue - document additions or reductions
 - Narratives describing program and relation to County goals.
 - Funds supported by dedicated and/or outside sources need to balance revenues and expenditures
 - Personal Services Budget - prepared by Finance to estimate costs
 - Based on current payroll (February 2016)
 - Allocate at Department level
 - Vacant and/or new positions require **justification paper** (emphasis added)
 - Capital Outlay
 - Limited to \$5,000 or above, requires **justification paper** (emphasis added)
 - 5 Year Projection (County Charter requirement)
 - Expense to related Reserve Fund (may require transfer from operating)
 - Transfers between Funds (at fund level)
 - Debt Service (at fund level)

Budget Directives/Guidelines (additional 2016-17 Specific)

- ▣ General Fund Reserve (Contingency) minimum of \$3 million dollars. Need to build reserves.
- ▣ Transfer to Public Safety from General Funds in the amount of \$2.5 million dollars.
- ▣ No approved Levy budget to be submitted.
- ▣ Public Safety Fund budgets and requirements should not exceed projections for FY 16-17. **Dollar limits will be provided to departments based on FY 15-16 actual percentage allocation.** (emphasis added)
- ▣ Internal Service Funds are to maintain rates based on 15-16 budget.

(6) Budgeting for Outcomes Process Not Found Information on other steps in the BFO searched for an not found follow

- JO CO Budget Committee Budgeting For Outcomes Assessment
- Ability To Measure Outcomes
- Results Of Budgeting For Outcomes
- Add to List.

(7) No Evidence Provided And/Or Referenced Except for the above identified four outline elements of the JO CO BFO, not evidence was provided and/or referenced to show how they were analyzed and accomplished:

- (1) Budgeting For Outcomes Purposes (“Is”) [Purposes].
- (2) Budgeting For Outcomes Focuses.
- (3) Budgeting For Outcomes Asks Four Basic Questions.
- (4) Budgeting for Outcomes – County Level.

3. CP Analysis For “ Budgeting Outcomes” In Budgeting for JO CO Openness, accountability, and honesty define government transparency. In a free society, transparency is government's obligation to share information with citizens. It is at the heart of how citizens hold their public officials accountable. Open government is the governing doctrine which holds that citizens have the right to access the documents and proceedings of the government to allow for effective public oversight.

The Authors believe that JO CO is committed to openness in government, and that it wishes to work together to ensure the public trust and establish a system of transparency, public participation, and collaboration. Openness will strengthen our democracy and promote efficiency and effectiveness in JO CO government.

- FY Budget 2016-17 through 2014-15 Goals (Section III.D.3; Section V.F.2)

Provide access to County services to the citizens of Josephine County in a transparent, open, and professional manner.

- FY Budget 2013-14 through FY Budget 2010-11 Goals (Section III.D.3; Section V.F.2)

Provide services in a transparent, open and efficient manner to all the citizens of Josephine County.

However, the JO CO failed to achieve a transparent BFO program with public participation and collaboration. This deficiency does not improve public trust, and it is doubtful that it strengthen efficiency and effectiveness in budgeting.

a) Budgeting for Outcomes: FY 2012-13 to FY 2015-16 The four sets of BFO information provided in the JO CO FY 2006-07 to FY 2016-17 budgets are excellent as statements of BFO process and intent. The problem is there is no documented information in any budget for “how” they were implemented, nor any references to information about actual processes used. JO CO’s transparency in government goals have not been met for BFO.

- (1) Budgeting For Outcomes Purposes (“Is”).
- (2) Budgeting For Outcomes Focuses.
- (3) Budgeting For Outcomes Asks Four Basic Questions.
- (4) Budgeting for Outcomes – County Level.

b) Availability Of JO CO's Analysis For Budgeting For Outcomes The following is from the budget messages in JO CO annual budgets FY 2006-07 to FY 2015-16. It would have been through FY Budget 2016 - 2017 except the budget message was not in the budget. The annual budget messages are available at JO CO's web page at <http://www.co.josephine.or.us/files/a.pdf>, and the Exploratory Committee's web page at <http://www.hugoneighborhood.org/budgets.htm>.

1. FY Budget 2016 - 2017 (Proposed)
2. FY Budget 2015 - 2016
3. FY Budget 2014 - 2015
4. FY Budget 2013 - 2014
5. FY Budget 2012 - 2013
6. FY Budget 2011 - 2012
7. FY Budget 2010 - 2011
8. FY Budget 2009 - 2010
9. FY Budget 2008 - 2009
10. FY Budget 2007 - 2008
11. FY Budget 2006 - 2007

The first year there is any information on "Budgeting for Outcomes" (BFO) in JO CO's annual budgets was FY 2006-07 which proclaimed when the county began taking steps toward implementing BFO. BFO changed the way funds were categorized, consolidating some to make the budget more understandable. JO CO did not prepare a zero-based budget; the BCC directed each department head to propose a budget with two levels of service, the current service level and a level that only covered mandated or self-supporting services, but this budget did not provide any details of the analysis on how this was done, or the availability of the BFO analysis from another source.

In FY 2007-08 (<http://www.co.josephine.or.us/files/07-08a.pdf>), the second year of BFO, the budget message identified that citizen input on the levels of service the citizens were willing to fund was incorporated, but it does not give any details of the analysis on how this was done, or the availability of the BFO analysis.

In subsequent years through FY 2009-11, the budget message basically reflects the same steps taken in the first two years with no descriptions of any further steps taken since then.

In FY 2010-11 (<http://www.co.josephine.or.us/files/a1011introduction.pdf>) the county established four top level budget goals. These are not top-down priorities across departments, but rather goals that each department is directed to address in their budget. They are also not "SMART" goals (Specific, Measurable, Achievable, Relevant, Time-bound), and there is no accountability for them. It appears that each year, the department heads simply copied and pasted the same text from their previous year's budget to address these "goals." In fact, even after the goals were changed in FY 2015-16, most departments continued using the same text from previous years, and nobody noticed.

In FY 2013-14 the budget message continued to identify that the budget is based on BFO, but under budget directives (JO CO Budget p. A22), it identifies "Status Quo budget required for FY 2013-14" (<http://www.co.josephine.or.us/files/ainroduction1314.pdf>). This is strange as a status quo budget is the exact opposite of the BFO model.

From FY 2013-14 to FY 2015-16 a status quo budget has been a fiscal requirement identified in the budget message when at the same time BFO was identified as the BCC's official budget policy (web page for those years).

In FY 2016-17 it was changed, but not in the budget as the budget message was not in the budget.

c) No Evidence Provided And/Or Referenced Except for the JO CO BFO statements of purpose and intent, no evidence was provided and/or referenced in the FY 2006-07 - FY 2016-17 budgets to show how the BFOs were analyzed and accomplished, especially how future budgets did the following.

1. incorporated citizen input on services levels they were willing to fund.
2. incorporated stakeholder support of programs.

This deficiency did not provide the transparency in government that JO CO citizens had requested. This question mark is so huge as to award the JO CO BFO program a non-compliance rating in meeting the annual budget goals, and the BFO goals of transparency and communication to the public, especially as the committed BFO process is to occur from scratch each budget year.

For example, while recognizing every local government will develop a slightly different approach, there was no, to very little, information on the JO CO BFO process (i.e., performance results were not communicated; internal and external stakeholders were not informed of the results in an understandable format). This was especially a problem for the lack of performance measures used to monitor and evaluate the success of the goals by measuring their outcomes. Those that want to explain could argue that steps 1 - 3 were accomplished, without a "How Accomplished" record available to the public, and that a proposed and final budget was created and implemented. However, one could not argue that the public understands what is going on with BFO and trusts government that it is following a BFO process. Without evidence, this would be a hard sell as the majority of the voting citizens do not trust government (Davis 2016). The GFOA believes that the following eight BFO steps should help a government in making a successful transition from traditional budgeting (GFOA 2009, pps. 1 - 2).

1. Determine how much money is available.
2. Prioritize results.
3. Allocate resources among high priority results.
4. Conduct analysis to determine what strategies, programs, and activities will best achieve desired results.
5. Budget available dollars to the most significant programs and activities. The objective is to maximize the benefit of the available resources.
6. Set measures of annual progress, monitor, and close the feedback loop.
7. Check what actually happened. This involves using performance measures to compare actual versus budgeted results.
8. Communicate performance results. Internal and external stakeholders should be informed of the results in an understandable format.

The BFO is generally considered a GFOA's best practice. While every organization develops a slightly different approach, the following eight steps generally define the GFOA's BFO process (Mocha 2012a, p. 47).

- Step 1: Determine the Price of Government.
- Step 2: Identify the High-Priority [Program] Areas (Issues).
- Step 3: Allocate Revenue to Priorities.
- Step 4: Develop Requests for Results.
- Step 5: Prepare and Submit Proposals.
- Step 6: Rank the Proposals
- Step 7: Create a Proposed and Final Budget.
- Step 8: Implement the Budget

Budgeting for results and outcomes is not just a one-year exercise, but also a multi-year effort that should improve the budget process. JO CO identifies five and 10 year horizons, but each budget was for one year.

Even without out documented evidence from JO CO's budgets, JO CO has accomplished many small victories. Even if the JO CO BFO didn't create large-scale change, the process is worthwhile if it lead to better discussions, better use of data, and more engaged staff. However, it is doubted that applicable stakeholders and the general public are engaged. Certainly the move to county goals and budget programs was a victory toward the opportunity for public understanding. JO CO should have been able to report that some of the greatest gains with BFO came from simply being able to frame decisions and issues from a citizen perspective rather than a government perspective, making it much easier to do what's right. Nevertheless, except for newspaper opinion statements by the JO CO BCC, the JO CO Budget Committee, and the JO CO Finance Officer, there is no evidence that the public believes they were involved in the BFO process. JO CO is continuing to practice the traditional "Inform" level of public participation required as the minimal LBL requirements of to "apprise" the public.

- Implementing BFO was a time consuming process and very challenging the first year. JO CO probably "rushed" through the process limiting the needed discussion between the BCC, staff, and the public, and consequently, staff reverting back to the old way of making traditional budget decisions, or never left it.
- JO CO underestimated the amount of effort BFO required, and did not plan accordingly.
- The county made small changes to the process in subsequent years without documenting the efforts. Many of the changes were aimed at making the process less time consuming and easier for staff to manage.
- It appears that continuous strong leadership by the BCC and department heads was lacking with the end result of no documentation of the BFO process. This non-compliance with BFO principles was the direct result of leadership more than the BFO process itself.
- Cultures change slowly, and it often takes multiple iterations of the process to fully change something. It is not verified that JO CO ever got off the ground in many important aspects of BFO.

The BFO by itself does not solve problems. It is a method that helps justify decisions, but it doesn't make cuts any easier. JO CO did set its summary expectations for the BFO process and communicated those expectations in the annual budgets, even though they were not clearly defined. Whatever the CI/CP BFO process was, it was presumably unique and consistent with the JO CO goal of "Informing" the public. However, meaningfully communicating these expectations to the stakeholders and public was a failure as there is no publically available record indicating "how" priorities were identified that reflect the results that citizens want. The notable

exception and a good outcome is that the budget is balanced with programs and services costing the level of revenues received. The big “But” is that it is unknown whether the programs and levels of service in the budgets reflect priorities the citizens wanted and what they expect, except the argument of the representative government point of view (i.e., citizens elect their representatives and know what they want). There is no evidence in the record that public surveys, focus groups, or meetings were held that accomplished the task of identifying the citizens’ BFO needs and desired results.

- JO CO budgeting for outcomes was not a part of a larger performance management approach and it is unknown whether it was used effectively as a tool that encouraged overall accountability, efficiency, and improvement.
- There is no evidence in the public record that JO CO used other tools such as performance measurement, process improvement, and program evaluation.
- It is unknown to what the degree the JO CO stated BFO priorities have been achieved because there is no record the county used performance measures to evaluate results, both at the program level and the community level.
- It appears that somehow JO CO used their unknown unique BFO process outside of the main financial system. The main effort was the traditional expert manager model of traditional incremental budgeting which begins with the previous year's budget and adjusts up or down from that. It basically preserves the status quo for programs making it very difficult to adjust to new public wants that reflect the results that citizens really want and are willing to pay for (i.e., major structural changes that call for much more significant budget changes).
- Tight control by the JO CO Finance Department is especially apparent in the JO CO Budget Committee process. Typically JO CO budgets are developed internally by the JO CO Finance Department under the direction of the JO CO BCC and are presented to the JO CO Budget Committee, with opportunity for the public to attend, as a finished product, or one that can be manipulated only marginally and indirectly and after key issues have been defined. This is in accordance with LBL and the emphasis on business methods – professional and technical expertise and efficiency given more value than democracy (i.e., public input) in the budgetary profession. Many of the budget reforms were based in designing a better technical system by which budgeteers could report to the elected BCC and other elected officials. Technical expertise appears to be valued over the hands on, lived experience of community residents.
- After extensive research, the question comes up whether BFO in FY 2006-07 was identified by JO CO as a tool for budget cutting and staff reduction, which occurred in FY 2012-13, without the hard work to make BFO work with the public.

There is no evidence in the public record that JO CO’s BFO are considered as a practical way to integrate performance management into the budgetary process. There is no evidence that the JO CO BFO linked strategic planning, long-range financial planning, performance measures, budgeting, and evaluation. Essentially, the BFO approach should begin with determining its available revenues (JO CO successfully did this), determining the desired results and strategies of the county, and then deciding what activities and programs can best achieve desired results. JO CO also accomplished this step, but not with a publically understandable BFO’s process. It should have communicated its variance from traditional budgeting methods by creating more of a focus on a JO CO ’s objectives and outcomes.

- Strategic Planning.
- Long-range Financial Planning.
- Performance Measures.
- Budgeting and Evaluation

4. Summary: Budgeting For Outcomes BFO is supposed to be an approach that is based on collaboration, transparency, and delivering the services that matter most to the public. Important budgeting process BFO changes were made by the JO CO BCC in FY 2006-07 and they were used to make major cuts in FY 2012-13. However, little changed in the county's traditional budget process except for the written goals of BFO. The JO CO budget system did not support the new direction, or did not know how to make changes, which integrated the traditional budget system with BFO, and little real progress has been made, especially with a CI/CP program for stakeholders and the public. This is a problem since the budget touches everything, changing it will begin to change everything. The budget process has great leverage.

BFO is a budget process that aligns resources with results produced. Instead of starting with the previous year's budget and justifying increases from that base, BFO should start with a set of results that encourages creative ways of achieving them. The budget should be prepared through an inclusive and interactive process that is different from the traditional budgeting process. However, it appears that except for FY 2012-13, that on either side of it a status quo budget was in control. For example, in FY 2013-14 the budget message continued to identify that the budget is based on BFO, but under budget directives (JO CO budget p. A22), it identified a status quo budget required for FY 2013-14. The same documentation occurred in FY 2015-16. This is strange as a status quo budget is the exact opposite of the BFO model.

BFO is not a panacea. It can be a practical tool for implementing fundamental change in the way JO CO works. It is an approach that can integrate strategic planning, long range financial planning, budgeting, and performance management, but does not in JO CO. The budget process can support change or inhibit it. Budgeting can demonstrate effective, ethical, transparent, innovative, and inclusive ways of doing business – or not.

In this case, “or NOT” appears to be the default the county can not get beyond. JO CO has failed in implementing BFO as an approach that is based on collaboration and transparency in government. It is unknown whether the county is delivering the services that matter most to the public as there is no known evidence to support what the citizens wants.

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. The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services (Section V.C.2; Davis 2016).

In a very optimistic scenario the JO CO BCC may be getting it right, but without government transparency and improving public trust for the majority of voters.

It is widely accepted that JO CO has entering a period in which it will have to fundamentally reshape the way it works in order to cope with heavily reduced budgets. It has tried to reorganize its services to strip out costs and focus on long term financial sustainability. But whilst strategic commissioning and planning is becoming more outcome-oriented, research for JO CO suggests that there has been relatively little innovation in the crucial practices and processes of financial planning which support this transformation. To put it simply, JO CO is facing 21st century

problems with a 20th century approach to budgeting. In benign financial environments, incremental budgeting is an efficient way to distribute funds. But in times of austerity, this approach to budgeting is proving inadequate in improving public trust and support, as well as doing it right. Traditional budgeting can hamper innovation by trapping the BCC in patterns of past spending. In doing so, it tends to preserve the status quo rather than questioning whether each marginal dollar is helping the BCC to meet its strategic objectives.

Since there is no record, it is unknown whether JO CO “rushed” through the BFO process back in FY 2007-08, limited the amount of discussion, and consequently, staff faced a challenge in not reverting back to the old way of making decisions. It is known that the BCC reverted back to the old traditional incremental budgeting way of making decisions.

BFO’s can still be implemented, and the first step is the championship of government leadership in JO CO. Public participation — in the form of enhanced CI/CP can still be achieved within the legal framework of the LBL. Public participation can help JO CO create the expectations for the BFO process and encourage discussions that focus on community expectations and the citizen perspective.

Another huge opportunity is for JO CO to engage the public with the best budgeting practices its is using to receive the Government Finance Officers Association’s (GFOA) Distinguished Budget Presentation Award and integrate it with BFO. The GFOA recommends that local governments consider budgeting for results and outcomes as a practical way to integrate performance management into the budgetary process. For example, the GFOA BPAP #O6 Criteria is that the budget document should provide objective measures of progress toward accomplishing the government’s mission as well as goals and objectives for specific units and programs.

H. Government Finance Officers Association Budget Presentation Award Program

1. Literature What is the GFOA Budget Presentation Award Program (Budget Awards Program)? The GFOA established the 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, and then to recognize individual governments that succeed in achieving that goal (Appendix U).

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, a GFOA budget presentation means a budget document with a compliance goal of all applicable standards and criteria** (Chapters II & III) in four basic categories of 27 specific GFOA best practice criteria (GFOA 2014).

- Category 1. Policy Tool (P) - 5 Criteria (e.g., strategic goals and plans, issues, concerns, financial policies, priorities, process, procedures, etc.).
- Category 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.).
- Category 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.).
- Category 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.).

Budget documents submitted to the GFOA Budget Awards Program by local governments are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in public-sector budgeting. The program is open to submissions from any type of government (general-purpose or special-purpose) at either the state or local level that satisfies certain eligibility criteria (Appendix U).

The GFOA's best practice for effective presentation of a local government's budget document was formalized in 1996 and reconfirmed in 2014. This is because the budget document is very important, since it identifies the services to be provided (along with the funding), and the

rationale behind key decisions. Because of the time required to read and understand the entire budget document, a concise summary that captures these elements is essential. **Users of the budget document will benefit from a high quality report that promotes better communication, which makes it easier to comprehend the information presented** (GFOA 2014 p. 1).

Improving the organization of a budget document lessens redundancy and allows for a better flow of information through a more logical sequence. While governments may develop their own organizing principles, the twenty-seven criteria in the GFOA's Distinguished Budget Presentation Awards Program are arranged in a sequence that may be used to organize a budget document. There are six major sections within the criteria including: (1) introduction and overview, (2) financial structure, policy and process, (3) financial summaries, (4) capital and debt, (5) departmental information, and (6) document-wide criteria (glossary and statistical/supplemental section). Similar topics should be placed in the same section (GFOA 2014 p. 1).

Since different individuals usually contribute to the content of the budget document, make sure that information is presented in a way that the work of one individual does not overlap or contradict that of another. **For instance, departmental presentations within a budget document should be consistent between departments. A budget-in-brief can be presented as an internal or external feature that highlights major points from the budget document** (emphasis added). Governments frequently use budget-in-briefs as a supplement to their main budget document. Whether presenting information in a budget-in-brief or the main budget document, the effective use of tables, charts, and graphs can help in communicating information, which then saves narrative for analysis/interpretation (GFOA 2014 p. 2).

Government Finance Officers Association's (GFOA) Budget Presentation Award Program (BPAP) best practices (GFOA 2014; Appendix U).

GFOA BPAP #C2. Mandatory Criteria: 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 (GFOA 2014 p. 2).

Criteria Location Guide Questions

1. Is an overview contained in the budget message/transmittal letter, executive summary, or in a separate budget-in-brief document?
2. Is summary information on significant budgetary items conveyed in an easy to read format?
3. Is summary information on budgetary trends provided?

Explanation The intent of this criterion is to help readers quickly understand major budgetary items and trends (revenues, expenditures, and capital). Highlighting, indentation, bullet points, outlines, tables, or graphs may help in communicating this information. If a budget-in-brief is published as a separate document, inclusion of easy to read summary financial information in the main budget document is encouraged. Refer to GFOA's best practice on "Effective Presentation of the Budget Document."

GFOA's "best practices" available on line that are applicable to the GFOA's Award Program and 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.

1. Government Finance Officers Association. March 2005. *GFOA Best Practice: Establishment of Strategic Plans*. Approved by the GFOA's Executive Board, March, 2005. Chicago, IL.
2. Government Finance Officers Association. 2008. *GFOA Best Practice: Long-Term Financial Planning*. Chicago, IL.

3. Government Finance Officers Association. 2009. *Recommended Practice: Budgeting for Results and Outcomes (2009) (BUDGET)*. Chicago, IL.
4. 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>
5. Government Finance Officers Association. 2014. *Best Practice: Effective Presentation of the Budget Document (1996, 2014) (BUDGET)*. Chicago, IL.
6. Government Finance Officers Association. 2015. *GFOA Best Practice Adopting Financial Policies*. GFOA Budget Committee: (2001, 2015). Chicago, IL.
7. Government Finance Officers Association. October 5, 2015 *Best Practices and Effective Budget Presentation*. GFOA Training On Best Practices, 105 pages. Phoenix, AZ
8. Government Finance Officers Association. Downloaded August 29, 2016. [Generic] *Distinguished Budget Presentation Award*. To Recipient: Two Page Generic Budget Award Letter/Speech.
9. Government Finance Officers Association. 2011. *Best Practice: Performance Management*. Chicago, IL.
10. National Advisory Council on State and Local Budgeting (NACSLB). 1998. *Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting*.
11. 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.
12. Government Finance Officers Association. 2014. *GFOA Detailed Criteria Location Guide: Distinguished Budget Presentation Awards Program (Questionnaire)*. <http://www.gfoa.org/budgetaward>.
13. 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>.

2. Josephine County Government Josephine County has received the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award for several years now. This is a well deserved acknowledgment to a job well done by JO CO, especially the JO CO Finance Department and its finance directors, Arthur O'Hare being the current Finance Director. For example the April 30, 2015 Budget Message provided the following: "*The Government Finance Officers Association (GFOA) of the United States and Canada has given the Distinguished Budget Presentation Award to Josephine County for the third year in a row. This award is the highest form of recognition in governmental budgeting and shows that our budget document reflects nationally recognized guidelines for effective budget presentation.*" Keep up the good work in your commitment to excellence in governmental budgeting.

3. Analysis Of "GFOA Award Program" In Budgeting for JO CO What is outstanding from the Exploratory Committee's point of view is the GFPA's method of analyzing the submitted budget document, including the GFOA Questionnaire (i.e., **What JO CO government filled out and submitted to GFOA) - Detailed Location Criteria Guide** (GFOA 2014). For example, the judging process entails that each budget document submitted to the program is evaluated separately by three reviewers with specific awards criteria (GFOA 2015). Each reviewer rates a given budget document as being either not proficient, proficient, or outstanding in regard to 27 specific GFOA best practice 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 (Appendix U).

A major issue is the unfamiliarity of the GFOA's Budget Presentation Award Program by the JO CO Budget Committee (at least some of the elector citizens), and the public. This is because there is no information in the budget about the GFOA's Budget Award Program, including the 27 GFOA best practice criteria, or published on JO CO web page. This is in conflict with the county's goal of transparency in government.

Other issues with the GFOA's Budget Award Program are the unavailability of JO CO's past applications to GFOA for consideration of a budget presentation award. These are the filled out questionnaires from GFOA on the Detailed Criteria Location Guide (GFOA 2014).

Just as important are the missing evaluations of the GFOA on how well JO CO budgets performed. It is known, that for three - four years at least, that the county was awarded the GFOA Distinguished Budget Presentation Award. This is invaluable information on the strengths and weaknesses of JO CO's budget documents in compliance with the GFOA award program's 27 best practice criteria (GFOA 2015).

4. Is "GFOA Award Program" Working? The GFOA's best practices related to budgeting and fiscal policy are good advice. The 13 identified GFOA best practices found on the web, or free to the public without a fee and/or membership needed, are recommended reading.

The real opportunity is that JO CO has complete control in involving the public in understanding the county's GFOA 27 best practice criteria for budget documents.

The question is whether JO CO's GFOA Award Program in budgeting is working for JO CO? The answer has to be yes as measured by the county receiving GFOA's Distinguished Budget Presentation Award several times. The question is whether this below the public radar program has helped the public become engaged in the budget process, including JO CO's BFO program. The answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

I. Action Plans

Several types of actions plans can assist JO CO in carrying out its budgeting goals.

- Strategic Plan (GFOA recommended)
- Long-term Financial Plan (GFOA recommended)
- Citizen Involvement Plan (GFOA recommended*)
- County Budget Manual (GFOA recommended*)
- Budget-In-Brief (GFOA recommended*)
- Citizen Involvement in Budgeting Plan (GFOA recommended*)
- County Citizen's Guide to the Budget (GFOA recommended*)

*communicating financial information through separate plan documents.¹⁻²

1. Literature

a) Government Finance Officers Association The first action plan is the strategic plan which the GFOA recommends. Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization's mission and achieve consensus on strategies and objectives for achieving that mission. Strategic planning is about influencing the future rather than simply preparing or adapting to it (emphasis added). The focus is on aligning organizational resources to bridge the gap between present conditions and the envisioned future. While it is important to balance the vision of community with available resources, the resources available should not inhibit the vision. The organization's objectives for a **strategic plan** (emphasis added) will help determine how the resources available can be tied to the future goals. An important complement to the strategic planning process is the preparation of a **long-term financial plan** (emphasis added), prepared concurrently with the strategic plan. A government should have a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions. A financial plan illustrates the likely financial outcomes of particular courses of actions (GFOA 2005, p. 1).

Strategic planning for public organizations is based on the premise that **leaders must be effective strategists if their organizations are to fulfill their missions, meet their mandates, and satisfy their constituents in the years head** (emphasis added). Effective strategies are needed to cope with changed and changing circumstances, and leaders need to develop a coherent and defensible context for their decisions. National Advisory Committee on State and Local Budgeting (NACSLB) Recommended Practices provide a framework for financial management, which includes strategic planning (GFOA 2005, p. 1).

Key elements of this best practice recommendation are drawn from *Recommended Budget Practices: A Framework for Improved State and Local Governmental Budgeting* of the National Advisory Council on State and Local Budgeting and from GFOA's recommended practice on "*Performance Measurement: Using Performance Measurement for Decision Making - Updated Performance Measures*" (GFOA 2005, pps. 3-4).

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 (emphasis added). While there is not a single best approach to strategic planning, a sound strategic planning process will include the following key steps (GFOA 2005, pps. 1-3):

1. GFOA recommends that all governments regularly engage in long-term financial planning. Hence, governments should devise an effective means for communicating financial information, through either separate plan documents or by integrating it with existing communication devices (GFOA 2008, pps. 1-2).

2. *GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management.* Governments should systematically collect, maintain, monitor, and analyze information gained from public involvement activities. 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 (Section V.J; GFOA 2009).

1. Initiate the Strategic Planning Process. It is essential that the strategic plan be initiated and conducted under the authorization of the organization's chief executive (CEO), either appointed or elected. Inclusion of other stakeholders is critical (emphasis added), but a strategic plan that is not supported by the CEO has little chance of influencing an organization's future.
2. Prepare a Mission Statement. The mission statement should be a broad but clear statement of purpose for the entire organization. One of the critical uses of a mission statement is to help an organization decide what it should do and, importantly, what it should not be doing. The organization's goals, strategies, programs and activities should logically cascade from the mission statement (emphasis added).
3. Assess Environmental Factors. A thorough analysis of the government's internal and external environment sets the stage for an effective strategic plan. A frequently used methodology for conducting an environmental assessment is a "SWOT" (emphasis added) (Strengths, Weaknesses, Opportunities, Threats) analysis. Strengths and weaknesses relate to the internal environment, while analysis of opportunities and threats focuses on the environment external to the organization.

Local, regional, national, and global factors affecting the community should be analyzed (emphasis added), including (a) economic and financial factors, (b) demographic trends, (c) legal or regulatory issues, (d) social and cultural trends, (e) physical (e.g., community development), (f) intergovernmental issues, and (g) technological change.

Also, a government should develop mechanisms to identify stakeholder concerns, needs, and priorities (emphasis added). Among the mechanisms that might be employed to gather such information are (a) public hearings, (b) surveys, (c) meetings of community leaders and citizens interest groups, (d) meetings with government employees, and (e) workshops for government administrative staffs and the legislative body.
4. Identify Critical Issues. Once the environmental analysis has been completed, the next step is to use the resulting information to identify the most critical issues (emphasis added). Issue recognition should reflect stakeholder concerns, needs, and priorities as well as environmental factors affecting the community.
5. Agree on a Small Number of Broad Goals. These written goals (emphasis added) should address the most critical issues facing the community. It may be necessary to define priorities (emphasis added) among goals to improve their usefulness in allocating resources.
6. Develop Strategies to Achieve Broad Goals. Strategies relate to ways that the environment can be influenced (internal or external) to meet broad goals. A single strategy may relate to the achievement of more than one goal. There should be a relatively small number of specific strategies developed to help choose among services and activities to be emphasized. Use of flowcharts or strategy mapping is encouraged in the design of strategies. To optimize the success of these strategies, opportunities should be provided for input from those who will be affected (emphasis added).
7. Create an Action Plan (emphasis added). The action plan describes how strategies will be implemented and includes activities and services to be performed, associated costs, designation of responsibilities, priority order, and time frame involved for the organization to reach its strategic goals. There are various long-range planning mechanisms available to enable organizations to clarify their vision and strategy and translate them into action.
8. Develop Measurable Objectives (emphasis added). Objectives are specific, measurable results to be achieved. Objectives and their timelines are guidelines, not rules set in stone. Objectives should be expressed as quantities, or at least as verifiable statements, and ideally would include timeframes.

9. Incorporate Performance Measures (emphasis added). Performance measures provide an important link between the goals, strategies, actions and objectives stated in the strategic plan and the programs and activities funded in the budget. Performance measures provide information on whether goals and objectives are being met.
10. Obtain Approval of the Plan. Policymakers should formally approve the strategic plan (emphasis added) so it can provide the context for policy decisions and budget decisions.
11. Implement the Plan. Organization stakeholders should work together to implement the plan. Moreover, the strategic plan should drive the operating budget, the capital plan, and the government's other financial planning efforts.
12. Monitor Progress. Progress toward planned goals should be monitored at regular intervals. Organizations should develop a systematic review process to evaluate the extent to which strategic goals have been met (emphasis added).
13. Reassess the Strategic Plan. Many external factors, such as the national or regional economy, demographic changes, statutory changes, legislation, mandates, and climate/environmental changes, may affect the environment and thus achievement of stated goals. To the extent that external events have long-range impacts, goals, strategies and actions may need to be adjusted to reflect these changes. New information about stakeholder needs or results may also require changes to the plan (emphasis added). It is desirable to minimize the number of adjustments to longer-term goals in order to maintain credibility. However, governments should conduct interim reviews every one to three years, and more comprehensive strategic planning processes every five to ten years, depending on how quickly conditions change. Performance measure results need to be reviewed more frequently than the strategic plan.

b) GFOA Best Practice: Long-Term Financial Planning (GFOA 2008). Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as part of an overall strategic plan. Many governments have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders (GFOA 2008, p. 1).

Recommendation: GFOA recommends that all governments regularly engage in long-term financial planning that encompasses the following elements and essential steps. A long-term financial plan should include five elements, two of which follow (GFOA 2008, pps. 1-2).

- Content. A plan should include an analysis of the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and **plan monitoring mechanisms, such as scorecard of key indicators** (emphasis added) of financial health.
- **Visibility. The public and elected officials should be able to easily learn about the long-term financial prospects of the government and strategies for financial balance. Hence, governments should devise an effective means for communicating this information, through either separate plan documents or by integrating it with existing communication devices** (emphasis added).

1. Mobilization Phase. The mobilization phase prepares the organization for long-term planning by creating consensus on what the purpose and results of the planning process should be. The mobilization phase includes the following items.

- Alignment of Resources. This step includes determining the composition of the project team, identifying the project sponsor, and **formulating a strategy for involving other important stakeholders** (emphasis added). This step also involves the creation of a high-level project plan to serve as a roadmap for the process.

- Preliminary Analysis. This step **helps raise awareness of special issues among planning participants** (emphasis added), such as the board or non-financial executive staff. A scan of the financial environment is common at this point.
- Identification of Service Policies and Priorities. Service policies and priorities have important implications on how resources will be spent and how revenues will be raised. A strategic plan or a priority setting session with elected officials could be useful in identifying service policies and priorities.
- Validation and Promulgation of Financial Policies. Financial policies set baseline standards for financial stewardship and perpetuate structural balance, so a planning process must corroborate policies in place (as well as the organization’s compliance with those policies) and also identify new policies that may be needed.
- Definition of Purpose and Scope of Planning. **The purpose and scope of the planning effort will become clear as a result of the foregoing activities, but the process should include a forum for developing and recognizing their explicit purpose and scope** (emphasis added).

2. Analysis Phase. The analysis phase is designed to produce information that supports planning and strategizing. The analysis phase includes the projections and financial analysis commonly associated with long-term financial planning. The analysis phase involves information gathering, trend projection, and analysis as follows:

- Information Gathering. This is where the government analyzes the environment in order to gain a better understanding of the forces that affect financial stability. **Improved understanding of environmental factors** (emphasis added) should lead to better forecasting and strategizing.
- Trend Projection. After the environment has been analyzed, the planners can project various elements of long-term revenue, expenditure, and debt trends.
- Analysis. The forecasts can then be used to identify potential challenges to fiscal stability (e.g., “imbalances”). These could be fiscal deficits (e.g., expenditures outpacing revenues), environmental challenges (e.g., **unfavorable trends in the environment** (emphasis added), or policy weaknesses (e.g., weaknesses in the financial policy structure). Scenario analysis can be used to present both optimistic, base, and pessimistic cases.

3. Decision Phase. After the analysis phase is completed, the government must decide how to use the information provided. **Key to the decision phase is a highly participative process that involves elected officials, staff, and the public** (emphasis added). The decision phase also includes a culminating event where the stakeholders can assess the planning process to evaluate whether the purposes for the plan described in the mobilization phase were fulfilled and where a sense of closure and accomplishment can be generated. Finally, the decision phase should address the processes for executing the plan to ensure tangible results are realized.

4. Execution Phase. After the plan is officially adopted, strategies must be put into action (e.g. funding required in achieving goals). The execution phase is where the strategies become operational through the budget, financial performance measures, and action plans. **Regular monitoring** (emphasis added) should be part of this phase. The following diagram highlights the various long-term financial planning phases discussed in this recommended practice.

c) Governmental Finance Officers Association Best Practices GFOA Budget Presentation Award Program (BPAP) best practices (GFOA 2014; Appendix U).

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.

GFOA BPAP #F7 Criteria: The document should explain long-range financial plans and its effect upon the budget and the budget process.

Criteria Location Guide Questions

1. Are long-range financial plans identified?
2. Do your long-range financial plans extend out at least two years beyond the budget year?
3. Is there a concise explanation or illustration of the linkage between the entity's long-range financial plans and strategic goals?

Explanation This criterion requires the identification of long-range financial plans that extend beyond the budget year. The impacts of the long-range financial plan upon the current budget and future years should be noted.

Refer to GFOA best practices on (1) Long-Term Financial Planning, (2) **Establishment of Strategic Plans**, (3) **Budgeting for Results and Outcomes**, and (4) Multi-Year Capital Planning.

2. Josephine County Government JO CO does not have action plans for the budgeting process.

3. Analysis Of "Action Plans" In Budgeting for JO CO Action plans are documented planning strategies to get a project completed. Planning (also called forethought) is the process of thinking about and organizing the activities required to achieve a desired goal. It involves the creation and maintenance of a plan, such as psychological aspects that require conceptual skills.

Besides the JO CO Planning Department involved in land use planning, the JO CO Finance Department probably does the most "documented planning" of any JO CO program in its budgeting process. However, it is not formal ordinance planning of a type that enlists citizen to become involved in enhance CI/CP.

The bottom line is that the county does not have action plans in budgeting. This is odd as the county's best GFOA practice recommends that governments incorporate public participation efforts in planning, budgeting, and performance management results processes (Section V.J).

4. Are "Action Plans" Working? This is another failed area for JO CO as it does not have action plans to perform the critical inclusion of stakeholders, especially the public, in the budgeting process. However, the real opportunity is that JO CO has complete control within the legal framework of LBL in involving the public in understanding the county's budgeting process.

The question is whether the lack of action plans in budgeting is working for JO CO? The answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

J. GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management

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 (GFOA 2009; see Appendix V for full report).

a) Public Participation Literature Everything in this public participation literature section is from *GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management* (GFOA 2009).

GFOA recommends that governments incorporate public participation efforts in planning, budgeting, and performance management results processes. 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.*

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. 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.*

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.** 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.**
- 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.**
- Providing information to the public. This approach is appropriate at all stages (e.g., public reports, such as budgets-in-brief, popular annual financial reports, **performance reports**, etc.).

Information derived from public involvement processes 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).

Governments should systematically **collect, maintain, monitor, and analyze information gained from public involvement activities**, 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.**

b) Governmental Finance Officers Association Best Practices Literature GFOA Budget Presentation Award Program (BPAP) best practices (GFOA 2014; Section V.H; Appendix U).

GFOA BPAP #O6 Criteria: 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 (GFOA 2014, pps. 11 - 12).

Criteria Location Guide Questions

1. Are performance data for individual departments included in the document?
2. Are performance data directly related to the stated goals and objectives of the unit?
3. Do performance measures focus on results and accomplishments (*e.g., output measures, efficiency and effectiveness measures*) rather than inputs (*e.g., dollars spent*)? (emphasis added)

Explanation Performance measures should include the outputs of individual units and provide a meaningful way to assess the effectiveness and efficiency of those units. The measures should be related to the mission, goals, and objectives of each unit. Include information for at least three years (the prior year actual, current year estimate or budget, and budget year).

Link performance measures to unit goals and objectives and include efficiency and effectiveness measures. Refer to GFOA’s best practice on “A Systematic Approach to Managing Performance and Performance Management for Decision Making.”

2. Josephine County Government The level of public participation as defined by the JO CO budget process public meetings and public hearings strategy is the BCC’s goal of “Inform.” This is the purpose of CI per LBL purpose of ORS 294.321(6), to enable the public to be “Apprised.” The budget process provides for the public to be apprised of financial policies, and be given the opportunity to comment at a budget committee meeting and a BCC hearing on these policies in that completed budget stage.

JO CO does not have a public participation plan, or some other plan, manual, or official policy document (i.e., ordinance), to incorporate public participation efforts into budget planning, budgeting, and budget performance management results processes.

3. Analysis Of “GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management” In Budgeting for JO CO JO CO does not follow GFOA’s best practice for public participation in planning, budgeting, and performance management. Its budget goal purposes for involving the public at the level of apprise or inform is not satisfying.

The public does not know how JO CO is getting the public’s perspective, and the county provides no assurances that it is. The county is stuck with the failed meetings/hearings approach identified in LBL. It has no CI/CP information policy that implementing its public participation process will be incorporated into decision making. Communications to the public regarding how public input information collected will be and was used is that it will be considered and was considered without any written corroboration that the process of considering public input occurred. Buy-in from top government officials for a level of public involvement is stuck at apprise and inform the public.

It is about the will to identify CI/PC goals beyond the LBL's "apprise" (i.e., inform), but articulating a meaningful purpose for conducting its public participation process is not critical to the county. It has already identified its purpose of following the minimal CI strategy identified in LBL. There is no need to decide 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 public testimony. Therefore, it is not critical for JO CO to consider enhanced CI/CP 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.

The GFOA's best practice that 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 has not been following. JO CO has no strategic plan and does not conduct community goal setting sessions (i.e., LBL has done that already).

JO CO states in its annual budget documents that future budgets will incorporate citizen input on services they are willing to fund, goals set by the BCC, and stakeholder support of programs, and then provides no information on how that was done. No goal set by the BCC has been known to have changed from the stage of the proposed budget to the adopted budget. The public has no idea how JO CO identified citizen preferences and satisfaction levels. For example, on May 26, 2016 an article in *The Grants Pass Daily Courier* quoted the JO CO Budget Officer Arthur O'Hare (see Section V.D.3.c) for full article). O'Hare prepared the proposed budget and took exception to a citizen elector at a budget committee meeting requesting an additional meeting to discuss budgeting philosophy. O'Hare is quoted "*The Board (of Commissioners) already knows we are putting our money in the most important places.*" (i.e., we don't need a budget committee or the public considering overturning fiscal policy already established by the BCC).

Contrary to GFOA's best practice on public participation in budgeting, JO CO does not systematically collect, maintain, monitor, and analyze information gained from public involvement activities. Its CI effort is to make the statement that the local governing body considered public input in its decision-making. It is not even close in explaining how public involvement has made a difference in the three completed proposed, approved, and adopted budget plans. It provides no information on evaluations based on performance standards, and how public feedback on how successful the process has been through the public's eyes.

The county is in noncompliance with its GFOA BPAP #06 Criteria that the budget 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. Is "GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management" Working? Public participation in planning, budgeting, and performance management is another failed CI/CP area for JO CO as it does not have plans to perform the critical inclusion of stakeholders, especially the public, in the budgeting process beyond the meetings/hearings LBL approach. However, the real opportunity is that JO CO has complete authority and control within the legal framework of LBL in involving the public in the budgeting process through enhanced CI/CP.

The question is whether the lack of public participation plans and meaningful CI/CP in budgeting is working for JO CO? Is the trust, or non-trust in JO CO government holding and/or improving? The answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

K. Taxpayers Understanding Purposes Of Budget Issues

1. Literature The Government Finance Officers Association (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, and then to recognize individual governments that succeed in achieving that goal (Appendix U).

The GFOA's 27 budget award program criteria are JO CO's best budget presentation practices as they are being used by the county in applying for a GFOA budget presentation award (GFOA 2014; Appendix U). Thirteen (13) of the award programs criteria are considered by the Authors to be applicable to CI/CP. Depending on the interest all 27 criteria are applicable to taxpayers understanding the purposes of budget issues.

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.

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 #04. (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 #05 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.

GFOA BPAP #06 Criteria: 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 (GFOA 2014, pps. 11 - 12).

Criteria Location Guide Questions

1. Are performance data for individual departments included in the document?
2. Are performance data directly related to the stated goals and objectives of the unit?
3. Do performance measures focus on results and accomplishments (*e.g., output measures, efficiency and effectiveness measures*) rather than inputs (*e.g., dollars spent*)? (emphasis added)

Explanation Performance measures should include the outputs of individual units and provide a meaningful way to assess the effectiveness and efficiency of those units. The measures should be related to the mission, goals, and objectives of each unit. Include information for at least three years (the prior year actual, current year estimate or budget, and budget year).

Link performance measures to unit goals and objectives and include efficiency and effectiveness measures. Refer to GFOA's best practice on "A Systematic Approach to Managing Performance and Performance Management for Decision Making."

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.

GFOA BPAP #F7 Criteria: The document should explain long-range financial plans and its effect upon the budget and the budget process.

Criteria Location Guide Questions

1. Are long-range financial plans identified?
2. Do your long-range financial plans extend out at least two years beyond the budget year?
3. Is there a concise explanation or illustration of the linkage between the entity's long-range financial plans and strategic goals?

Explanation This criterion requires the identification of long-range financial plans that extend beyond the budget year. The impacts of the long-range financial plan upon the current budget and future years should be noted.

Refer to GFOA best practices on (1) Long-Term Financial Planning, (2) **Establishment of Strategic Plans**, (3) **Budgeting for Results and Outcomes**, and (4) Multi-Year Capital Planning.

GFOA BPAP #C1. Mandatory Criteria. The document shall include a table of contents that makes it easier to locate information in the document (GFOA 2014 p. 1)

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. *Make sure every page in the budget document is sequentially numbered.*

GFOA BPAP #C2. Mandatory Criteria: 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 (GFOA 2014 p. 2).

Criteria Location Guide Questions

1. Is an overview contained in the budget message/transmittal letter, executive summary, or in a separate budget-in-brief document?
2. Is summary information on significant budgetary items conveyed in an easy to read format?
3. Is summary information on budgetary trends provided?

Explanation The intent of this criterion is to help readers quickly understand major budgetary items and trends (revenues, expenditures, and capital). Highlighting, indentation, bullet points, outlines, tables, or graphs may help in communicating this information. If a budget-in-brief is published as a separate document, inclusion of easy to read summary financial information in the main budget document is encouraged. Refer to GFOA's best practice on "Effective Presentation of the Budget Document."

GFOA BPAP #C3 Criteria: 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 (GFOA 2014, p. 12).

Criteria Location Guide Questions

1. Is statistical information that defines the community included in the document (*e.g., population, composition of population, land area, and average household income*)?
2. Is supplemental information on the local economy included in the document (*e.g., major industries, top taxpayers, employment levels, and comparisons to other local communities*)?
3. Is other pertinent information on the community (*e.g., local history, location, public safety, education, culture, recreation, transportation, healthcare, utilities, and governmental structure*) included in the document?

Explanation Background information should be included in the budget in the form of statistical and supplementary data, either in a separate section or throughout the document. The goal is to provide a context for understanding the decisions incorporated into the budget document. The presentation should include factors that will affect current or future levels of service (*e.g., population growth, economic strength in the region, or a change in the size of the school age population*).

Do not just copy the CAFR statistical/supplemental section into the budget document. Refer to GFOA's best practice on "The Statistical/Supplemental Section of the Budget Document" for information that should be included as part of this discussion.

GFOA BPAP #C4 Criteria: A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader (GFOA 2014, pps. 12 - 13).

Criteria Location Guide Questions

1. Is a glossary that defines technical terms related to finance and accounting, as well as non-financial terms related to the entity, included in the document?
2. Are acronyms or abbreviations used in the document defined in the glossary?
3. Is the glossary written in non-technical language?

Explanation The use of technical terms and acronyms ought to be kept to a minimum, to enhance the value of the document to the majority of stakeholders. When technical terms and acronyms are used, they should be clearly and concisely described in the glossary. *Make sure acronyms and non-financial terms are also included.*

GFOA BPAP #C5 Criteria: 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 (GFOA 2014, p. 13).

Criteria Location Guide Questions

1. Are charts and graphs used in the document to convey essential information (*e.g., key policies, trends, choices and impacts*)?
2. Do the graphics supplement the information contained in the narratives?

Explanation This criterion requires that graphics be used to communicate key information in the budget document. Graphics should enhance the budget presentation, and clarify significant information. The entity determines the most effective format to present graphic information. Graphics may be consolidated or

included throughout the document. Normally, narratives should accompany the graphs. Graphs can be used for such topics as revenues, expenditures, fund balances, staffing, economic trends, capital expenditures, service levels, performance measures, or general statistical information. Originality is encouraged, but not at the expense of clarity and consistency. Consider using captions to explain the significance of graphs.

GFOA BPAP #C6 Criteria: 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 (GFOA 2014, p. 13).

Criteria Location Guide Questions

1. Is page formatting consistent?
2. Are the main sections of the document easily identifiable?
3. Is the level of detail appropriate?
4. Are text, tables, and graphs legible?
5. Are budget numbers in the document accurate and consistent throughout the document?

Explanation The goal of this criterion is to make sure that the document itself contributes to the effectiveness of the communication to readers. Sequential page numbering throughout the document is encouraged. Budget numbers (both financial and operational) should be accurate and consistent throughout the document. Put similar topics in the same section.

Refer to GFOA's best practice on "Making the Budget Document Easier to Understand" and "Presenting Official Financial Documents on Your Government's Website."

2. Josephine County Government Josephine County has received the GFOA Distinguished Budget Presentation Award for several years now. For example the April 30, 2015 Budget Message provided the following: "*The Government Finance Officers Association (GFOA) of the United States and Canada has given the Distinguished Budget Presentation Award to Josephine County for the third year in a row. This award is the highest form of recognition in governmental budgeting and shows that our budget document reflects nationally recognized guidelines for effective budget presentation.*"

3. Analysis Of "Taxpayers Understanding Purposes" In Budgeting for JO CO What is outstanding from the Exploratory Committee's point of view is the GFPA's method of analyzing the submitted budget document, including the GFOA Questionnaire (i.e., What JO CO government filled out and submitted to GFOA) - Detailed Location Criteria Guide (GFOA 2014). There is a companion judging process that entails that each budget document submitted to the program is evaluated separately by three reviewers with specific awards criteria (GFOA 2015). Each reviewer rates a given budget document as being either not proficient, proficient, or outstanding in regard to 27 specific GFOA best practice 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 (Appendix U).

The City of Milwaukie, Oregon described it as follows.

“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. 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** (emphasis added). 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.” (Appendix L).

4. Is “Taxpayers Understanding Purposes” Working? Not Yet! However, regardless that this program is below the horizon of public perception, the GFOA Budget Award Program has the potential to revolutionize the present CI in budgeting program.

L. Summary/Conclusions (WORKING DRAFT)

Conclusions/Findings – a conclusion reached as a result of an inquiry, investigation, or trial. The authors’ inquiry/analyses is what the cumulative JO CO FY 2006-07 to FY 2016-17 budgets mean to the authors (i.e., BFO budget excerpts, BFO brainstorming questions and analysis). The conclusions/findings is the basis for developing the next process step - identification of budget process issues and the last step - recommendations.

1. Overview This summary of Chapter V started out as a modified Ebdon topology of elements and variables that are important in developing and implementing citizen participation in the budget process. This summary will generally follow the outline of Chapter V.

1. Overview
2. Introduction To Citizen Participation In Budgeting
3. Government Environment Of Budgeting
4. Budgeting Process Design
5. Citizen Participation Mechanisms In Budgeting
6. Budgeting Goals
7. Budgeting For Outcomes (BFO)
8. Government Finance Officers Association Budget Presentation Award Program
9. Action Plans
10. GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management
11. Taxpayers Understanding Purposes of Budget Issues

Public input does affect JO CO budgetary decision-making, particularly when groups of influential citizens join together on a particular issue. However, the complexity of the budget and the perceived general lack of citizen interest are significant barriers to participation. Participation works best when it occurs early in the process, and is a dialogue rather than simply one-way information sharing. The Chapter V analyses found that citizen involvement (CI) in budget development in JO CO occurs primarily in the late stages of the budget process, and that changes have focused more on providing additional information to the public than on opening up a two-way dialogue between county officials and citizens. However, several local Oregon governments have used methods that can help to achieve more meaningful participation. The opportunity is available from authority in Oregon Local Budget Law (LBL) for JO CO to go beyond the minimalist CI/CP LBL of “apprising” the public (Appendix L).

Currently, JO CO is dealing with serious fiscal issues that require painful decisions on taxation and service provisions. There is also a disconnect between what citizens expect from the county and what they are willing to pay – JO CO has not utilized all the CP techniques available to adequately capture this information. Perhaps its political culture and long use of the “Technocratic Expert Model” is not will adapted for change to a “new” enhanced CI/CP model in budgeting (i.e., new is described as some form of collaboration). As Arnstein concludes, *There is a critical difference between going through the empty ritual of participation and having the real power needed to affect the outcome of the process.*

Citizen participation can be very useful in educating the public about key trade-offs and gaining valuable input from citizens about their priorities and preferences. Working to make these connections encourages citizens to participate in a more knowledgeable fashion rather than simply demand that their fire station or library remain open without tax increases or other service cuts. There are a number of examples in which enhanced CI/CP has been successfully used by local governments in Oregon (Appendix L), but the majority of local Oregon governments have stayed with, or returned to traditional incremental budgeting of the minimalist LBL.

2. Introduction To Citizen Participation In Budgeting This paper has modified Ebdon's (2007) topology of elements and variables that are important in developing and implementing CP the budget process. It has also discussed what is actually known about these factors and their components and where gaps exist in our knowledge about CI/CP. Using this information, a logic model has been presented that suggests there are ways to structure participation inputs differently based on the level of outcomes desired.

This chapter identifies the Author's analysis, interpretations, and opinions of the budget facts, Chapters II and III, and questions about those facts (Chapter IV). It helps address the question: "What is JO CO's public safety problem, or issue, or is there an issue, and by what standards?" The reduction of federal payments to the county since the 2000 Secure Rural Schools Act, especially after 2012, and the failure of five public safety tax levies, and one city sales tax, are decisions about the issue. The Committee believes these decision facts are not right or wrong decisions; they are the truth; they are our reality. Chapter V's analysis is the bases for identifying the budget issues in Chapter VI.

Part of the answer is that JO CO is not unique in its budgetary issues, and there are plenty of possible CI/CP solutions out there to become informed citizens participating in the county's budget process (Appendices O - X).

In many ways, CI/CP is a wide-open area of potential engagement. Much has been written on the importance of participation in the governance process. Locally the county has its public safety issue - JO CO supporters of county tax levies 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 (Davis 2016).

The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services. **The majority of JO CO residents opposed the five proposed levies (i.e., 2012 by JO CO BCC, 2013 by JO CO BCC, 2014 by Securing Our Safety, 2015 by Community United For Safety, and 2016 by Josephine County Safety Levy Committee)** but that is not the problem that JO CO faces. Some residents resent the decisions made by the JO CO BCC because they feel disconnected from the process of policymaking and policy delivery and distrust the officials in charge of making policy decisions. If the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the budget decision-making process (Section V.C.2; Davis 2016).

3. Summary of “Government Environment” In Budgeting For JO CO For this analysis four components make up the government environment in budgeting.

1. Structure And Form Of Government.
2. Political Culture.
3. Legal Requirements.
4. Managers’ Characteristics.

a) Literature

- Most states impose certain legal budget requirements on local governments (i.e., such as public hearings) that may either enhance or constrain participation.
- 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.
- In practice, as study after study has suggested, CP in budgetary decision making is typically minimalist and yields few, if any, directly observable results.
- 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 local governing bodies can promote new policies in communities, where anti-government sentiment runs high.
- Legal requirements can also have unintended effects. A focus on minimum legal requirements can lead to a gap between advocated and actual CP opportunities.
- It is time to face facts we know, but prefer to ignore. Legally required methods of public participation in government decision making in the US—public hearings, review and comment procedures in particular — do not work. They do not achieve genuine participation in planning or other decisions; they do not satisfy members of the public that they are being heard; they seldom can be said to improve the decisions that agencies and public officials make; and they do not incorporate a broad spectrum of the public. This pattern makes it even more difficult for decision makers to sort through what they hear, much less to make a choice using public input.
- Most often these legal methods discourage busy and thoughtful individuals from wasting their time going through what appear to be nothing more than rituals designed to satisfy legal requirements.
- Ultimately the differences between the methods legally required in the US and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices.
- Managers’ professionalism, perceived political environment, and attitude toward citizen input are important factors explaining local governments’ adoption of participatory budgeting. Participatory budgeting is a process of democratic policy-making in which the government invites citizen inputs during the budget process and allow their influence in budget allocations.
- The mechanisms and motivations within the position of manager shape the adoption of citizen participation.
- The models of “citizen leadership,” “technocratic expert,” and “bureaucratic indifference” provide different theoretical perspectives to think about how professional administration affects managers’ behavior in regard to involving citizens in the budget process.
- The actual level of CP is determined by both the extent to which governments provide involvement opportunities and the extent to which citizens are willing and competent to participate.

- The “Technocratic Expert” Model is concerned with the tension between professional administration and CI/CP. For instance, the tension between professional expertise and democratic governance is an important political dimension of our time. As public problems become highly sophisticated in modern society, policy processes are increasingly dominated by professional experts. Such technocratic dominance is likely to hamper CP because administrative decision-making based on expertise and professionalism may leave little room for participatory processes.
- Financial planning professionals, with public policy responsibilities have institutionalized the practice of public meetings and hearings as the method to involve the public in budget planning.
- The one-way flow of information in public hearings on proposed policies, the ‘review and comment’ methodology – government 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.
- Arnstein’s now classic “ladder of participation” 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.

b) Josephine County Government

The elected JO CO BCC is comprised of three non-partisan county commissioner positions. The BCC has important jobs: legislators, quasi-judicial, managers, and administrators. JO CO has four areas of interest related to the JO CO public safety issue: 1. JO CO Sheriff (e.g., adult jail, sheriff rural patrol deputies, etc.), 2. Appointed JO CO Juvenile Justice Program Director, 3. JO CO District Attorney and 4. Animal Control/Protection (Appointed JO CO Public Health Director). The county also has seven other elected officials (i.e., sheriff, district attorney, assessor, clerk, surveyor, treasurer, and legal counsel).

Understanding and designing solutions are complicated tasks as there are substantial differences between Oregon counties in terms of their geographic and demographic characteristics, priorities, historic crime rates, willingness to tolerate certain levels of crime, and past and present funding of various public safety services. This complexity is also found at the local level in JO CO. The issue is not simply taxes versus safety. The range of pro and con reasons for the last five levies and one proposed sales tax from 2012 - 2016 are broad and complex

There are particular individual characteristics that can heavily influence citizen perceptions and engagement decisions for support or opposition to new taxes. These differences vary by ability to measure public service value/tax burden, perceived peer groups, relationships with decision makers, locality of decision-making, and political ideologies. JO CO is unique in that a particular policy instrument, a property tax, had been proposed (i.e., proposed levies in 2012, 2013, 2014, 2015, and 2016) to provide funding for public safety at the local level. This took place in a county that was very unique in terms of political ideology and demographic statistics.

c) CP Analysis Of “Government Environment Of Budgeting” In Budgeting for JO CO

JO CO uses a traditional CI budget process as interpreted by its budget officer. Traditional in Oregon means using the minimal CI requirements of LBL as there are no formal JO CO BCC legislative decisions (i.e., resolutions or ordinances) identifying the public participation requirements in the budget process for the BCC, JO CO Budget Committee (JOCOBC), and/or the public (e.g., no county budget manual, no CI/CP budget plan, no county citizen’s guide to the budget, etc.). This traditional or normal Oregon budget method focuses on the legal LBL minimum one formal meeting before the JOCOBC and a minimum of one formal hearing before the BCC.

Oddly, the *Local Budgeting Manual* (LBM, Chapter 9, Publication Requirements) emphasizes meeting notices and a financial summary of the budget more than CI. This informal CI policy is quite a restriction on the potential for enhanced CP beyond LBL presently being practiced by other local governments across Oregon. Examples of county enhanced citizen participation procedures being used are identified in Appendix L.

There are no known individual JO CO leaders championing enhanced CI/CP or BFO (e.g., BCC, other elected officials, department heads, etc.).

Under JO CO’s home rule charter, it may provide for the exercise of county authority over matters of county concern, such as enhanced CP procedures beyond the minimums of the LBL. Other local governments are utilizing these enhanced CP procedures.

A major idea is that the political culture of 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) Political Ideology and Demographics Influence Citizen Perceptions JO CO is very unique in terms of political ideology and demographic statistics. JO CO is unique because it is politically conservative in comparison to the rest of Oregon and to the rest of the country. The situation in JO CO is particularly unique because of the demographics of the population that resides in the county. The population of the county is much older than the rest of the state. This number is inflated due to the higher number of retirees in the county, with almost half of the households collecting some form of social security income. JO CO residents are also less well off than those in other parts of the state. The end result of these statistics is that most JO CO residents live on a fixed income, making an increase in property taxes undesirable for much of the population.

The situation in the county is particularly unique because of the demographics of the population. It is much older than the rest of the state, with a higher number of retirees. JO CO residents are also less well off than those in other parts of the state. The end result is that most JO CO residents live on a fixed income, making an increase in property taxes undesirable for much of the population. **This income distribution is corroborated by the Gini coefficient, a measure of statistical dispersion intended to represent the income distribution of a nation's residents. It is the most commonly used measure of inequality.** The Grants Pass

Metropolitan Statistical Area (MSA = JO CO) has the third-largest gap between the haves and the have-nots in the U.S. Out of 381 MSAs in the entire U.S., only two are higher (i.e., worse inequality) than JO CO. For example, nearly 30 percent of all income in JO CO goes to just 5 percent of area households, while the lowest-earning 20 percent of households take home just 3.2 percent of all income generated. Even though the cost of living is lower than the national level, 24.3 percent of the population is on food stamps.

(2) Public Trust In Government Fair treatment within processes is the second most common argument utilized by JO CO levy opponents. This is likely a result of a lack of trust in governmental processes. Opponents of the levy are much more likely to oppose the levy because they see government as wasteful or otherwise untrustworthy. JO CO residents appear to want certain policies from their local 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.

JO CO residents have some control over budgeting as it concerns property tax issues, but for the most part, decisions are made by the JO CO BCC. Since this system appears to be inadequate at ensuring procedural justice, the county should seek to change its mechanisms of service provision to allow for more citizen voices.

Public distrust of JO CO government is a major issue. In 2016 researcher Nathan Davis found the following.

While ideology likely plays a role for both JO CO opponents and supporters of four public safety tax levies from 2012-15, ideology is not the only factor influencing citizen perceptions, particularly on the opponent side. Fair treatment within processes is the second most common argument utilized by levy opponents (41% of opponents). Reading through the letters, this is likely a result of a lack of trust in governmental processes. Opponents of the levy are much more likely to oppose the levy because they see government as wasteful or otherwise untrustworthy.

Davis' research found opponents are likely to utilize distributive justice motivations to support their decisions because of ideological opposition to property taxes. Supporters, on the other hand are more likely to utilize outcome favorability arguments to support their decisions. This is likely due to the nature of the public safety issue. Public safety is an issue that is highly prescient in the mind of supporters. Compared with other public goods, failing to have a proper level of public safety seems to carry relatively dire consequences. For this reason, supporters likely utilize outcome favorability arguments rather than procedural justice arguments.

Given these results, JO CO residents appear to want certain policies from their local 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. The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services. Many JO CO residents opposed the four levies proposed (i.e., 2012 by county, 2013 by county, 2014 by Securing Our Safety, and 2015 by Community United For Safety) but that is not the problem that JO CO faces. Some residents resent the decisions made by the JO CO BCC because they feel disconnected from the process of policymaking and policy delivery and distrust the officials in charge of making policy decisions. If the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the decision-making process. Davis recommended that JO CO do this through using co-productive models of governance.

The Authors are definitely not government, but over the last four years they have found that the involved public (i.e., stakeholder government and private citizens) with the JO CO public safety issues, pro or con, generally didn't trust their motives, believing instead that they secretly might support the side of the pro-con issue on the opposite of their values. They therefore are reticent to provide information as it might be able to be used against their positions.

(3) Citizen Participation Budget Plan Needed Is there a CP issue/problem in JO CO budgeting? Is a CP budget plan or other BCC legislative decisions on CI/CP needed? The majority of CP researchers conclude that the objective of traditional models is legal conformity, inform and educate, and gain support of public for governing body policies. In contrast, 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 budget decisions.

Sadly, CP in JO CO budgetary decision making is typically minimalist and yields few, if any, directly observable results. Are JO CO government officials wasting a valuable opportunity to understand and refine the priorities of their 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?

(4) Josephine County Goals of "Inform" The level of CP as defined by the public meetings and public hearings in the JO CO budget process is the BCC's informal goal of "Apprise." The CI goal of "Apprise" is to provide the public with balanced and objective information to assist them in understanding. This would be the purpose of CI per the LBL purpose of ORS 294.321(6), to enable the public to be "Apprised". The International Association for Public Participation (IAP2) spectrum identifies a public meeting as "Consult", but the public participation goal of "Consult" is to obtain public feedback on analysis, alternatives, and/or decisions. It is not apparent that the JO CO budget process meaningfully reaches the consult goal as there are no written record how the specific public input was considered. There is no written record from the JOCOBC or BCC as to the specific affect the public comments had on the budget for the stage the comments were applicable (i.e, complete proposed budget, complete approved budget, complete adopted budget).

JO CO residents have some control over budgeting as it concerns property tax issues, but for the most part, decisions are made by the BCC. Since this system appears to be inadequate at ensuring procedural justice, JO CO should seek to change its mechanisms of service provision to allow for more citizen voices. However, the budget reality in JO CO is a "Technocratic Expert" CI Model which is the basic minimal CI requirements of the LBL. This is in contrast with the enhanced CI/CP approach that is allowed by LBL and the approach of many local governments in Oregon (Appendix L).

JO CO's present minimal CI model was not because of the present JO CO situation of hard controversial unstable local politics during a time of fiscal stress, as this same minimal CI budgeting model has been used for many decades prior to the O&C budget revenue issue formall starting in 2000. Quite simply, so far, JO CO has not been able to change, or does not want to change, the minimalist CI budgeting model to an enhanced form of CI/CP. The county did make a major innovation for the FY 2006 - 07 budget cycle by identifying a "budgeting for outcomes" process, which on paper, is still in effect today (Section V.G).

d) Is The "Government Environment Of Budgeting" In Budgeting Working? The Authors observe it is not working. Within JO CO's traditional model of budgeting, citizens may have some control over the system by being able to elect decision makers, however, the ability of citizens to make direct decisions or help in the provision of services is limited. Its residents have some control over budgeting as it concerns to property tax issues, but for the most part, decisions are made by the JO CO BCC.

Supporters of the tax levies 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. The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services.

Finding ways to incorporate citizen involvement into service delivery could further display the legitimacy of the process of public safety provision. Enhanced CI/CP rather than utilizing traditional service methods should allow for more democratic voice and thus increase perceptions of procedural justice within the JO CO government.

The government environment of budgeting is not working because JO CO voters are likely to view any new taxes as inherently unfair. Both the ideology of voters in JO CO and the demographics of the population suggest that individuals will likely be opposed to future levies on the basis of the levies' perceived fairness. This is likely a result of a lack of trust in governmental processes.

However, there are CI/CP opportunities to enhance the role of citizens in the budget process to increase perceptions of procedural justice, and finding ways to incorporate citizen involvement into service delivery could further display the legitimacy of the process of public safety provision. The bottom line, if the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into all decision-making processes, including budgeting.

JO CO's political culture is not working in terms of promoting trust in government, and, therefore, support for new taxes. Fair treatment is a common argument utilized against the last five years of proposed levies.

Is a CP budget plan or other BCC legislative decisions on CI/CP needed to address the public trust issue, or is there a CP issue/problem? Could going beyond the LBL's public meeting - hearing requirements be part of the solution?

Political culture is the product of both the history of a political system and the histories of the members. With difficulty it can be changed with effort over a long time period. It is about the availability of legal enhanced CI/CP tools to JO CO government. It is about the will to identify CI/PC goals beyond the LBL's "apprise" (i.e., inform).

e) Are The "Legal Requirements Of JO CO Government" Working? Legally required methods of public participation in government decision making in the US – public hearings, review and comment procedures in particular – do not work.

Citizen involvement and citizen participation appear to be an afterthought in ORS 294.305 to 294.565. There are no requirements for CI or CP to occur such as in the requirement of a CI budget plan, or any other formal CI/CP program to help the public understand the local budget process and how to most effectively participate. A minimalist LBL approach provides for the specific methods of meetings and hearings to obtain public input on proposed fiscal budget policy. The focus is to enable the public, taxpayers and investors to be apprised, or informed of fiscal policies. However, the LBL also allows local governments to use enhanced CI/CP beyond the LBL minimums.

The Authors do not believe the legal budget requirements of JO CO government are working if the goal is to have informed citizens actively involved and supporting controversial budget decision-making during times of fiscal stress. The BCC's public participation goals of "Inform" was probably satisfactory with many citizens pre-2000-2012, especially if the majority of the voters had no problems or trust issues. However, the Authors believe that the CI model of "Apprise" is not satisfactory during times of fiscal stress and for issues such as the county public safety issue, which is multifaceted, with citizen perceptions and engagement decisions pro and con, involving a multitude of reasons for involvement and/or engagement – All within the context of mistrust in government by a majority of the voters. The Authors support the following ideas becoming local JO JO legislation (i.e., resolution or ordinances) **for the purpose of transparency in government and, hopefully, the beginning of a long road to improved public trust in government.**

1. GFOA's best practice recommendation that all governments regularly engage in long-term financial planning that encompasses certain elements and essential steps, including updating long-term planning activities as needed in order to provide direction to the budget process.
2. An expanded budget CI/CP process allowed by an expanded publication narrative (ORS 294.438), JO CO's home rule charter, and practiced by many local governments in Oregon (Appendix L). This includes local JO CO legislative action plans (Section V.I) which can assist the local government body in carrying out its budgeting goals: strategic plan, long-term financial plan, citizen involvement plan, county budget manual, citizen involvement in budgeting plan, and county citizen's guide to the budget.
3. Legislatively establish the GFOA's 27 budget program criteria, already used informally by JO CO through the GFOA Distinguished Budget Presentation Award Program, as budget standards (Section V.I; Appendices U & V). Establish a JO CO budget presentation goal of an "Outstanding" budget presentation award.

f) Is The “Technocratic Expert Model For CI In Budgeting” Working? In the opinion of the Exploratory Committee, JO CO government is plagued by a lack of trust by a majority of county voters, and by ineffective informed voter outreach, especially educational budget program descriptions, including public safety services. How can citizens be well-informed voters? Is there a way to sift through the noise and bluster of campaigns to get, as they used to say on Dragnet, “just the facts”? Does the Technocratic Expert Model for CI in budgeting with minimal LBL tools do it? Would an enhanced CP model in the budgeting process help in the long-term, or not? The Authors say, Yes!

In summary, there is a wide range of legitimate and effective forms of structures and forms of government JO CO can use. The present form is one of them. The question is whether it is working for CP in budgeting? The answer is no if citizen participation in budget meetings and hearings is the criteria. The answer is still no if trust in JO CO government by a majority of its voters is the criteria.

JO CO is stuck with its historical political culture. The present JO CO CI budgeting process is legitimate, and if an enhanced CI/CP policy is undertaken, it will take a significant long-term effort to change it. The question is whether it is working for CI/CP to potentially ameliorate the significant distrust in JO CO government?

All three manager characteristic models (i.e., citizen leadership, technocratic expert, and bureaucratic indifference) are legitimate and can be used in the budgeting process. The Authors believe the present dominant technocratic expert form is one of them. The question is whether it is working for CI/CP in the sense of an informed public trusting its experts and JO CO government?

All answers are up to the county’s BCC, other seven elected officials, county government staff, and, especially the public. Any changes will not occur immediately, many baby steps would be involved. Important is the transparent rationale for a local government’s direction.

4. Summary of “Budgeting Process Design” For JO CO

a) Literature There is a good understanding of variables that have been found to be important to participatory design. The timing is critical: It should occur early, but often does not. And input may vary by the type of budget allocation being made. Care must be taken in soliciting input that is both representative and collective rather than individually interested; input should be sincere or a true expression of willingness to pay (or make trade-offs).

b) Josephine County Government JO CO uses a traditional minimalist budgeting process identify in LBL. It does not use the enhanced CI/CP also identified in LBL. What budgeting process design components does JO CO government have?

(1) Timing Of Citizen Involvement In Budget Process The present JO CO CI timing in the budget process is a very late exposure of the proposed budget to the JOCOBC and the public. The CI opportunity is for one-way testimony in budgeting centered on the BCC’s fiscal policies turned into the complete proposed budget by the JO CO elected officials, the JO CO Management Team, and the JO CO Budget Officer started many months earlier. What uses of CI does government gain at the different stages of the budget? The greatest benefits to the government decision-makers, government staff, and the public is at the first stage of developing the proposed budget document which does not occur in the JO CO budget process for the JOCOBC and the public.

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.

The minimal CI requirements of LBL (ORS 294.321(6)) is to enable the public to be apprised of the financial policies in the JO CO budget process. These minimum LBL requirements by themselves are barriers to CP. They appear to focus on one goal - to summary educate citizens about complex JO CO budget activities after the proposal has been developed. Without active government solicitation of public input, the biggest barrier to CI is budget complexity.

The minimal CI requirements of LBL promote citizen disinterest and rational ignorance which is refraining from acquiring knowledge when the cost of educating oneself on an issue exceeds the potential benefit that the knowledge would provide. Ignorance about an issue is said to be "rational" when the cost of educating oneself about the issue sufficiently to make an informed decision can outweigh any potential benefit one could reasonably expect to gain from that decision, and so it would be irrational to waste time doing so.

(2) Type of Budget Allocation The opinion of the Authors is that the type of budget allocation for activities beyond the budget process are not pertinent to the purposes of this paper.

(3) Budget Process Participants Besides the general public minimal CI requirements of LBL, the budget process participants are the following: 1. JO CO BCC, 2. staff - JO CO management team, including budget officer, 3. seven other elected JO CO officials, 4. JO CO Budget Committee, and 5. Public.

The JO CO minimalist LBL approach to CI/CP focuses on the JOCOBC to represent the county voters. The budget committee receives the budget message and budget, and elects a presiding officer from among its members at its first meeting. One of the committee's most important duties is to provide members of the public with an opportunity to ask questions about and comment on the budget document. The JOCOBC reviews and, if a majority of the committee feels it is necessary, revises the proposed budget submitted by the budget officer. The budget committee must ultimately balance each fund and approve the budget through its quorum and majority rules voting process.

According to the *Manual* for LBL, **all members of the budget committee have equal authority** as each member's vote counts the same and it elects a presiding officer from among its members. This position is sharply contested by the Authors and they challenge the Oregon Department of Revenue, who wrote the *Manual*, to demonstrate in the law (i.e., ORS or OAR) that all members of the budget committee have equal authority. The BCC members of the budgeting committee have extensive power beyond that of the public members (i.e., Electors) of the JOCOBC. The reasons for this position follow.

1. Electors are excluded from the critical first phase of developing the proposed budget until it is a complete proposed budget submitted to the entire budget committee and the public for the first time. The BCC are actively involved during this first phase.
2. Electors are appointed by governing body members and their reappointment is at the discretion of the BCC.
3. BCC members work on budget year round while electors have approximately two months.
4. BCC members are paid full-time professionals, while electors are unpaid and part-time.
5. BCC members have more budget training and experience than electors.
6. Electors are asked to participate too late in the budget process and they are less likely to effect outcomes (i.e., real decision-making by JO CO Budget Office and BCC).
7. Electors's job ends when the budget committee approves the budget; they are not involved in the adoption phase.
7. The governing body members (BCC) are the unequaled authority for the final adopted budget.

(4) Budget Process Stages JO CO does not consider collaborative participation part of its budget process and, therefore, has not conducted a conflict assessment for its budget process phases.

1. Budget Officer's Complete Proposed Budget
2. Budget Committee's Complete Approved Budget
3. BCC's Complete Adopted Budget

One of the most significant aspects of the structure and form of JO CO government is that the BCC has adopted an informal policy that its citizen involvement (CI) requirements are those that are identified in LBL. Informal is used because JO CO does not have a CI in budgeting plan or any other action plan explaining CI in its budget process (e.g., no county budget manual, no citizen participation budget plan, no county citizen's guide to the budget, etc.). This informal CP policy is quite a restriction on the potential for enhanced CI/CP beyond LBL presently being practiced by local governments across Oregon, including JO CO. Compliance is worked out on a case-by-case basis with the BCC being advised by the budget officer.

(5) Sincere Preferences/Willingness To Pay Public safety services are needed in JO CO; it is just the form and the cost, and the ability and willingness to pay that are the questions. Supporters of the public safety services tax levies 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. Many county residents oppose the proposed public safety levies, but that is not the problem. A majority of the voters resent the decisions made by JO CO government because they feel disconnected from the process of policymaking and policy delivery, and distrust the officials in charge of making policy decisions.

Disconnected also means that the government has not provided a scientific explanation of why the old status quo public safety services (i.e., pre FY 2012 - 13) are needed (i.e., minimally acceptable level of public safety services (MALPSS) analysis) to make its case, including mandated and essential programs, and the need for supporting levels of service. It has relied on professional opinion in an environment of public distrust in government.

c) CP Analysis In "Budgeting Process Design" In Budgeting for JO CO The literature support the benefits of an informed citizenry. Does JO CO government have a positive political environment and is it accepting of citizen testimony? 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.

d) Is "Budgeting Process Design" In Budgeting Working For JO CO? JO CO uses a traditional minimalist budgeting process identify in LBL. It does not use the enhanced CI/CP also identified in LBL. The budget process is in contrast to citizens belief that 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, and involvement in honest dialogue with staff and elected officials regarding the budget and the citizens' role in the process.

See previous for the position by ODR, disputed by the Authors, that the elector-citizen JOCOBC members have equal authority with the BCC members, with the arguments that each member's vote counts the same, and it elects a presiding officer from among its members.

The public does not know what assumptions and/or information the JO CO BCC is using, and/or has used, for determining citizen testimony on sincere preferences and willingness to pay opinions because it has not provided a written record of how public testimony was used. All the public has are the bald statements in the annual budget documents that public input has been considered.

The question is whether the county's "Budgeting Process Design" in its budgeting process is working? Has its budget process design strategy improved public understanding, empathy, and trust? The answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

5. Summary Of "Citizen Participation Mechanisms" In Budgeting For JO CO Advantages of participation vary by the type of mechanism used. Public meetings are open to all, but turnout is often low and attendees might not be representative of the community. Citizen surveys may be generalizable if done scientifically, and can provide valuable information about service priorities and issues, but **questionable wording can**

affect results, intensity of opinion may not be indicated, and they can be costly

(emphasis added). Advisory committees can help individuals gain expertise in a given area, but may be time-consuming and may not be representative of the public (Thomas 1995; Watson, Juster & Johnson 1991; Kweit & Kweit 1987). More intensive techniques, such as citizen panels, may be useful in major policy issues, but are costly and can require extensive time commitments (Kathlene & Martin 1991). 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).

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, and when the mechanisms are designed around the purpose for participation.

Many citizen participation mechanisms – methods, each with strengths and weaknesses, have been used to elicit participation in the budget process including: public meetings, focus groups, simulations, committees, and surveys (Ebdon 2003; Ebdon & Franklin 2006, p. 440).

a) Literature It is time to face facts we know, but prefer to ignore. Legally required methods of public participation in government decision making in the US – public hearings, review and comment procedures in particular – do not work.

The National Civic League fosters enhanced efforts toward citizen engagement. The guidelines established by the National Advisory Council on State and Local Budgeting, and the GFOA's best practices on budgeting encourage and assist state and local governments to prepare budget documents of the very highest quality.

b) Josephine County Government The following considers only a few citizen participation mechanisms in budgeting and how they have, or have not, been used in JO CO.

- Public Meetings.
- Focus Groups.
- Simulations.
- Advisory Committees.
- Surveys.
- Third-Party Intermediation.
- Workshops.
- GFOA Budget Award Program.

Public Meetings JO CO currently uses the minimum compliance standard of LBL for public meetings and hearings (i.e., citizens have at least one hearing day before the budget committee to ask questions about and comment on the proposed budget document). The opportunities for public comments on the approved budget before the BCC are the same.

JO CO's meetings/hearings strategy does not achieve genuine participation in planning the proposed budget, the approved budget, nor the adopted budget; it does not satisfy most members of the public that they are being heard and they don't show up; and it can seldom be said that this brand of obtaining public input has changed or improved the decisions of the governing body. CI and CP are an afterthought in LBL. Does anyone really believe that the accomplishment of the public being "apprised" of the county's fiscal policies is CI/CP when the role of the public is to react?

Ultimately the differences between the methods legally required in JO CO and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices.

Focus Groups A focus group is a form of qualitative research in which a group of people are asked about their perceptions, opinions, beliefs, and attitudes. The Authors are not aware of focus groups being used in JO CO as a method of securing public input into the budget process.

Simulations Budget simulations can reveal sincere preferences because they require participants to make trade-offs to balance the budget. The Authors are not aware of budget simulations being used in JO CO as a method of securing public input into the budget process.

Advisory Committees A local government fiscal standing advisory committee is a permanent collection of individuals who bring unique knowledge and skills which augment the knowledge and skills of the local governing in order to more effectively guide the organization. The Multnomah County Budget Advisory Committees (CBACs) are excellent examples of local government fiscal standing advisory committees. They are independent permanent citizen bodies that review and make recommendations on county departmental budgets and operations.

There are no advisory committees supporting JO CO budgeting except the handicapped short-term JO CO Budget Committee whose focus is on approving the completed proposed budget. The JO CO Budget Advisory Committee could be an enhanced citizen participation mechanism allowed by LBL per the examples of the Multnomah County CBACs.

Citizen Surveys A citizen survey is a kind of opinion poll which typically asks the residents of a specific jurisdiction for their perspectives on local issues. The Authors are not aware of any citizen surveys sponsored by the JO CO government on the last four JO CO public safety levies.

Third-Party Intermediation JO CO is polarized with at least three groups: 1. supporters of funding pre-FY 2012-13 of public safety services, especially public safety services, 2. opponents that would prefer that a property tax not be used to raise the funding, and 3. citizens pleading for more information and/or those that mis-trust government.

Third-party intermediation time for these three groups has arrived. It would be a useful complement to the conventional direct-citizen-involvement prescription. And, most importantly, it can be supported by local government, but is not necessary. Citizen can take on this role independent of government.

Workshops At its most basic level the budget workshop participants would learn how to prepare, develop and present budgets aligned with local government's strategic goals in compliance with the minimal standards of LBL. At a higher level of CI/CP the training workshop could consider participatory budgeting (PB) and other enhanced CI/CP approaches which are permitted under LBL.

GFOA Budget Award Program It is working excellently in the sense that JO CO has received GFOA's "Distinguished Budget Presentation Award" for several years. The awards program is a wonderful opportunity for JO CO to involve the public in a two-way dialogue improving the county's performance (i.e., In being awarded the "Distinguished Budget Presentation Award" the JO CO budget document would fall short on some aspects of the many GFOA standards/desired criteria).

c) CP Analysis Of "Citizen Participation Mechanisms" In Budgeting for JO CO Why does public participation in JO CO not work? It is the use of the minimalist CI/CP strategy of Oregon Local Budget Law. Most of LBL are not about CI in the budget process. The present JO CO citizen participation timing in the budget process is a very late exposure of the proposed budget to the budget committee and the public. The CI/CP opportunity is for one-way testimony in budgeting centered on BCC fiscal policies turned into the proposed complete budget by the JO CO elected officials, the JO CO Management Team, and the JO CO Budget Officer started many months earlier. Public meeting and hearings are the specific methods JO CO uses for obtaining public views for the purpose of enabling the public to be apprised of the county's financial policies. Extensive procedures in ORS are used to give "notice" of these meetings/hearings.

Stated differently, CI/CP in JO CO does not work because it does not capture the fact 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, and when the mechanisms are designed around the purpose for participation. Ultimately the differences between the methods legally required in the US and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices.

There is a critical difference between the public going through the empty ritual of budget process participation, and having the real power need to affect the outcome of budget allocations.

One of the biggest issues in participation is information, who controls it, and whether it is perceived as trustworthy. Without active government solicitation of public input, the biggest barrier to CI is budget complexity. JO CO 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.

The potential saving grace is that the JO CO BCC can operate in compliance with LBL and still practice meaning CI and secure CP. The LBL does not limit CI/CP programs, it only requires a minimal level of compliance to be met of enabling the public to be apprised of the JO CO's financial policies and their administration in the budget process.

The world of CI/CP mechanisms to implement locally is at the fingertips of the JO CO BCC. It can do what it wants.

The question is whether citizen participation mechanisms in budgeting are working for JO CO Working? The answer is up to the county's BCC, elected officials, county government staff, and, especially the public.

6. Summary of “Budget Goals” In Budgeting For JO CO The Authors’ research effort on the Josephine County (JO CO) public safety issue, as it evolved to include the budget process, started with the JO CO Management Team’s (MT) August 19, 2014 recommendation for “Strengthening County Services.” Part of that recommendation was a proposed strategy of identifying solutions to financing county services through a collaborative process involving the public and private sectors. This process had some specific tasks to accomplish, including the identification of State mandated county services at level of services (LOS) optimal, appropriate, and sustainable. Another task was to identify elective county services desired by the citizens of the county at LOS levels appropriate and sustainable. The Authors were interested in the mandated and elective PSS programs and their LOS for the purpose of developing a minimally acceptable level of public safety services (MALPSS) analysis. The JOCOMT’s recommendation was impressive, backed up with its thoughtful rationale. This interest resulted in a January 20, 2016 communication to the JOCOMT and an eventual March 7, 2016 meeting with it. At the meeting the participating managers shared that any mandated, necessary, and elective programs and associated LOS for their work units had been identified in the county’s annual budget documents. At that point the Authors made a commitment to the JOCOMT to follow its recommendation and study JO CO’s budgets.

After studying JO CO budgets, and learning about the budget process, it was 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. However, the Authors’ analysis also found follow-through problems with the goals, some of which follow.

- Standard Procedure Goals on Financial Policies & Programs; Apprised Public of Financial Policies; Public Opportunity For Questions and Comment
 - ORS 294.403. Budget Message
 - ORS 294.426. Budget Committee Meeting
 - ORS 294.321. Purposes
- 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

The county’s effort to identify budget goals, including CI/CP goals is an excellent start. However, not much can really be stated about JO CO’s CI/CP budgeting goals except that they exist as solitary features in the FY 2006-07 to FY 2016-17 annual budget documents. The term solitary is used because the goals have no connections to any CI/CP process steps in the budget record (e.g. principles, performance criteria, monitoring, evaluation, public feedback, documentation, etc.), except as part of a FY 2006-07 “budgeting for outcomes” set of goals (see next section for BFO). All the direct or implied “**encourage public involvement**” words translate into the major legal ORS purpose of enabling the public, taxpayers and investors **to be apprised** of the financial policies.

a) Oregon Revised Statutes Oregon imposes certain legal budget requirements and procedures for local governments (Section II.A.; Section V.C.3). Especially important are explaining the budget document: standard procedures for the preparation and presentation; description of the programs and the fiscal policy to accomplish these programs; its financial policies and their connection with important features; major changes in financial policies; to enable the public to be apprised of the financial policies in which they are interested; and providing members of the public with an opportunity to ask questions about and comment on the budget document.

(1) ORS 294.403 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) (1). 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.

ORS 294.426 Budget Committee Meeting

- (1) The budget committee established under ORS 294.414 (Budget committee) shall hold one or more meetings for the following purposes:
 - (a) Receiving the **budget message** prepared under ORS 294.403 (Budget message) and the budget document; and
 - (b) Providing members of the public with an opportunity to ask **questions about and comment on the budget document**.

ORS 294.321 Purposes The purposes of LBL are:

- (1) To establish **standard procedures** for the preparation, presentation, administration and appraisal of budgets of municipal corporations;
- (2) To provide for a brief **description of the programs** of a municipal corporation and the **fiscal policy** which is to accomplish these programs;
- (3) To provide for estimation of revenues, expenditures and proposed taxes;
- (4) To provide specific methods for obtaining public views in the **preparation of fiscal policy**;
- (5) To provide for the control of revenues and expenditures for the promotion of efficiency and economy in the expenditure of public funds; and
- (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.

(2) Citizen Involvement Most of the statutes are not about citizen involvement in the budget process. Two purposes touch on citizen participation (ORS 294.321 Purposes). They are minimalist in terms of promoting CP with two major purposes of providing meetings and hearings as the citizen participation mechanisms in budgeting, and enabling stakeholders to be “apprised” of the financial policies (see Section II.A for all six purposes).

There are 14 chapters in the 113 pages of the *Manual*. Citizen involvement (CI) is not covered in any of the 14 chapters. It is covered in the introduction of the *Manual* (LBM, pps. 5-6). The entire three paragraph CI section is 222 words (Section V.C.3.b)(1)(c)).

It appears the CI section in the *Manual* was developed as an afterthought to the LBL by the Oregon Department of Revenue (ODR) in the sense of suggesting LBL has a companion CI plan. It does not. “Ample opportunity” sounds good, but the actual reality is that the best the ORS can do is: provide specific methods to the local government for obtaining public views (i.e., minimum of one meeting before the budget committee and one hearing before the governing body) in the preparation of fiscal policy, and to enable the public, taxpayers and investors to be apprised of the financial policies. **Ample opportunity** to participate and being **apprised** (i.e., informed) reflects a major difference between the *Manual* and ORS.

It is a fact that any person may appear at a meeting before the budget committee and a hearing before the governing body, for or against any item in the budget. This requirement hardly encourages public participation in budget making. This is an optimistic belief of the ODR as nowhere in the ORS is public participation identified. There is no identified CI program to accomplish the goal of encouraging public participation in budget making. And, the actual record of participation in the JO CO budget hearings is dismal

b) JO CO’s Inform Goal The IAP2’s Public Participation Spectrum “Inform” goal is a level of engagement (referred to by IAP2 as ‘participation’). The “Inform” level is warranted and legitimate, depending on the goals, time frames, resources and levels of concern in the decision to be made (Figure A1-3-2; Appendix S).

The Authors conclude that the level of public participation as defined by the public meeting and public hearing in the JO CO budget process is the BCC’s informal goal of “Inform.” The public participation goal of “Inform” is to provide the public with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions. This would be the purpose of CI per the Oregon Local Budget Law purpose of ORS 294.321(6), to enable the public to be apprised.

The IAP2 Spectrum identifies a public meeting as “Consult”, but the public participation goal of “Consult” is to obtain public feedback on analysis, alternatives, and/or decisions. It is not apparent that the JO CO budget process meaningfully reaches the consult goal as there is no written record for the following.

1. Specific written public testimony versus brief summary minutes.
2. Specific budget committee or BCC written responses to public input.

3. Specific affect the public comments had on the budget decision for the stage the comments are applicable (i.e, complete proposed budget, complete approved budget, complete adopted budget).

c) Lack of Evidence For The Record There is no evidence in the FY 2006-07 to FY 2016-17 budgets, or referred to in the budgets, that the “appraise” or “inform” level of participation was in compliance with any standard of a public participation program, or otherwise.

d) Effectiveness of Budgeting Goals Establishing budget goals is a good start. Future steps in making the goal process contribute to increasing public trust in government is still in the future. While ideology likely plays a role for both JO CO opponents and supporters of four public safety tax levies from 2012-15, ideology (Section V.C.2) is not the only factor influencing citizen perceptions, particularly on the opponent side. Fair treatment within processes is the second most common argument utilized by levy opponents and this is likely a result of a lack of trust in governmental processes. Given these results,

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. (Davis 2016)

JO CO residents appear to want certain policies from their local 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. The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services. A majority of JO CO residents opposed the five proposed levies (i.e., 2012 by county, 2013 by county, 2014 by Securing Our Safety, 2015 by Community United For Safety, and Josephine County Safety Levy Committee), but that is not the problem that JO CO faces. Some residents resent the decisions made by the JO CO BCC because they feel disconnected from the process of policymaking and policy delivery and distrust the officials in charge of making policy decisions. If the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the budget decision-making process (Section V.C.2).

e) Addressing County Goals And Clearly Defining Program Purpose The JO CO goals are in the budgets, but their meaning is not clear as the public is provided the goal “phrases” and then it seems like the process is over. Sometimes there are some directives, but major elements of understanding are missing (Appendix Y). The budgets are just not transparent. For example, the budgets had goals and some objectives. After that they were generally not addressed. It was very difficult to impossible to identify and understand the 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).

The JO CO Budget Committee (JOCOBC) and the public were not included in the development of the goals by the BCC. There was some kind of internal government process between the JO CO BCC, JO CO Budget Officer, and the JO CO Department heads. Missing is a strategic plan and financial plan to tie the goals into a framework of understanding (GFOA's Distinguished Budget Presentation Award criteria and IAP2's quality assurance standard for community stakeholder engagement).

As part of the public safety issue, the Authors have been studying the local budget process for the JO CO FY 2015-16 Budget with the goal of understanding. The budget provides, in part, in its budget message: 1. Goal #2 - Develop a sustainable plan for all 'mandated and essential' county government programs, and 2. Directive #2 - Budget 'only for mandatory' and/or self-supporting programs. It was assumed that mandatory programs meant mandatory services and mandatory level of services (LOS). However, also in the budget message, under Special Revenue Funds, was the following: "Josephine County requires the majority of County programs to be self-sustaining through fees, grants, state contracts, and other revenue sources that don't rely on property taxes or general fund support." How does 'only for mandatory' program fit with 'requires the majority' of programs?

The JO CO FY 2015-16 budget references some ORS in its program summaries, but it is generally lacking in: 1. being comprehensive in addressing all applicable mandated ORS and OAR services in its program descriptions, 2. identifying what portions of the identified ORS/OAR are applicable, and 3. in identifying the type of responsibility priorities and LOS, including funding (e.g., mandated, essential, necessary, elective, etc.).

The JO CO FY 2015-16 budget message under a section entitled "Proposed Budget Goals and Directives" identified that the JO CO BCC set the goals to provide direction related to the "big picture" rather than listing individual actions or activities and that each department has detailed in their budget how their programs meet the following BCC goals.

1. Improve community outreach and communication to the public by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.
2. Develop a sustainable plan for all mandated and essential County government programs.
3. Provide access to County services to the citizens of Josephine County in a transparent, open, and professional manner.

The only problem is that most PSS budget program text descriptions are standalone descriptions that don't relate to the above BCC goals, including a general lack of individual programs goals and how they related to the county's overall budget goals. A review of the FY 2010-11 budget for the same PSS programs found very little difference in the budget program wording despite the fact the there had been a huge reduction in O&C passthrough revenues to the county in 2012. There was little information to no quantifiable information on goal objectives, or time frames on meeting the objectives.

The budget message also provided several directives to be used in preparing department budgets. The budget message instructions to the reviewer were – "*As you review the narratives, you will see how the directives are being addressed by the individual programs.*" The main directives follow.

1. Budget at a level consistent with current operational service levels.
2. Budget only for mandatory (emphasis added) and/or self-supporting programs.
3. Address County goals and clearly define program purpose and expected outcomes.

The big problem was that it was difficult to impossible to understand the relationship of the PSS program text and how these descriptions related to the goals and directives. The county goals did not have a clearly defined framework for linking the programs purpose in any strategic manner to promote public understanding.

In the opinion of the Authors there is a significant problem in the budget message from the JO CO BCC when it required departments to address all county goals and clearly define program purpose and expected outcomes (‘standards and budget parameters’), but did not explicitly define “program purpose” or a impact methodology to determine “outcomes.”

The JO CO BCC in the FY 2015-16 budget message directed all department to implement three goals and three directives in their budgets (i.e., BCC Directive 3. “*Address County goals and clearly define program purpose and expected outcomes.*”). Providing ‘standards and budget parameters’ (S&BP) is an excellent fiscal policy. The biggest problem with this S&BP is that there were no companion financial policies to define the “purpose” and a methodology to identify “outcomes.”

The Committee supports the purpose to develop a sustainable plan for all ‘*mandated and essential*’ county government programs (BCC Goal #2). **However, again the major missing component is standard financial policies for all departments to define a “sustainable plan”, and a methodology to identify “mandated and essential programs” and LOS.** Without these financial policies all the public observes in the budgets is each department sincerely developing a wide range of individual plans based on their own professional individual judgements. The Committee observes that many don’t look like plans, but summaries of issues and solutions. They always anticipated a budget reference to a sustainable plan (i.e., strategic plan) which had a plan’s detail, but that answer was never there.

What is the difference between emergency, adequate, normal, and optimal levels of PSS?
How far will people go to get the best available outcomes. What will one sacrifice for the best?
Many things in life are relative, and to achieve the best in one thing, usually means giving something else up.

f) Sustainable Plan for All Mandated and Essential County Government Programs

JO CO PSS Departments Develop a Sustainable Plan for All Mandated and Essential County Government Programs - Budget Only for Mandatory And/or Self-supporting Programs.

The JO CO BCC in the FY 2015-16 budget message directed all the departments submitting budgets to implement three goals and three directives (i.e., BCC Directive 3. “*Address County goals and clearly define program purpose and expected outcomes.*”). Providing ‘standards and budget parameters’ (S&BP) is a good idea. The biggest problem with the S&BP is there were not standard methodologies to implement them. For example, the BCC provided the direction of **1. Goal #2 - Develop a sustainable plan for all ‘*mandated and essential*’ county government programs**, and **2. Directive #2 - Budget ‘*only for mandatory*’ and/or self-supporting programs**. However, the BCC and the departments have not defined a standard methodology to identify “mandated or essential programs”, including “sustainable”, in any systematic or scientific way, essentially making the budget purpose statements professional opinions without vetted facts supporting the programs and expected outcomes.

The Committee’s five element MALPSs analysis model could easily be adapted as a systematic and standard classification methodology by departments to identify ‘mandated and essential’ programs. See the 01/12/2016 presentation to the Grants Pass Chapter of John Birch Society “*Explain Minimally Adequate Level Of Public Safety Services Research Project.*” It has an example for the local air quality index and rural patrol coverage which partially follows.

The Grants Pass’s Air Quality Index reports daily air quality. The AQI tells us how clean or polluted our air is. It can be calculated for five major air pollutants. For each of these pollutants, national air quality standards have been developed to protect public health. Particulate matter is one of the five air pollutants used to calculate the Grants Pass air quality index (AQI). It has six air pollution levels.

1. The Comparison of rural patrol coverage and the Grants Pass AQI in terms of problems, indicators, and standards.
2. For the comparison of problems, we will use *rural patrol coverage* as the PSS problem and Air Pollution as the air quality problem.
3. The indicator for rural patrol coverage is *response time* and the indicator for air pollution is *PM 2.5 particulate matter*. PM2.5 is fine particulate matter that has a diameter of 2.5 micrometers or less.
4. The standard for rural patrol coverage is *number of minutes to response* and the standard for air pollution is an “*X*” amount of *PM 2.5 particulate matter* (i.e., one of six levels) in micrograms per cubic meter.

The standards and criteria for the JO CO DA’s Office programs are most appropriately identified by the individual PSS program. The significant idea is that standards and criteria are clearly the responsibility of the county departments that is accountable for the accuracy and comprehensiveness of their budget purpose statements and associated information.

g) Budget Only for Mandatory And/or Self-Supporting Programs The 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 and the budget process. Does the Technocratic Expert Model for CI in budgeting with minimal LBL CI tools help or hurt trust? Would an enhanced citizen participation model in the budgeting process help in the long-term, or not?

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 Dragnet, “just the facts”? One of the biggest issues in citizen participation is information, who controls it and whether it is trustworthy.

The Oregon Revised Statutes (ORS) identify some mandated State PSS programs, but not very many. However, it is very difficult to impossible to understand mandatory ORS LBL in JO CO budget programs, with the result that there are very few ORS mandatory programs, especially mandatory State level of services (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. A few example PSS mandatory programs and LOS from the ORS follow.

- ORS requires one sheriff and a jail, but does not require any deputy sheriffs, or that the jail have one bed or 280 bed usage levels. For emphasis we repeat that the LOS for beds is about usage; it is not about the bed capacity of the jail.
- ORS requires one or more persons as counselors of the juvenile department. If more than one person is appointed, one may be designated as director.
- ORS does not provide any statutory requirement to have a juvenile detention and/or shelter facility, this is left up to the governing body to decide on. The program of providing facilities is a county decision; it is not a state mandated requirement

The State/ORS jail requirement is not about the physical capacity of a jail. Nor is it about the jail bed usage versus the physical bed capacity. It is purely about the law. ORS requires one sheriff, and presumably one jailer – the sheriff program of one sheriff is both the State mandatory program requirement and the LOS. A local government having patrol deputies is not a State mandatory program; this is a county elective program and county elective LOS. There is no mandatory State required LOS. The same goes for the jail and juvenile justice department. Having a physical jail is a State mandatory program. Using one bed up to 200 beds is not a mandatory State program requirement. Again it is up to the county to define jail deputies and jail bed usage as an elective LOS. ORS is silent on bed usage and there is zero usage required.

This position is controversial as it is in conflict with the present goals design of JO CO budgets.

The Authors do not believe the present legal budget requirements of JO CO government are working if the goal is to have informed citizens actively involved and supporting controversial budget programs during times of fiscal stress. The BCC’s public participation goal of “Inform” was probably very satisfactory with many citizens pre-2012, especially if the majority of the voters had no problems or trust issues. However, the Authors believe that the CI model of “Apprise” is not satisfactory during times of fiscal stress and for issues such as the county public safety issue, which is multifaceted, with citizen perceptions and engagement decisions pro and

con, involving a multitude of reasons for involvement and/or engagement – All within the context of mistrust in government by a majority of the voters.

The Authors support the GFOA budget award program criteria becoming local JO JO legislation (i.e., resolution or ordinances) **for the purpose of transparency in government and, hopefully, the beginning of a long road to improved public trust in government** (i.e., there are 27 GFOA criteria presently being used by JO CO below the radar in its applications to the GFOA budget award program; Appendices U & V).

Evidence for the effectiveness of community participation in management is in short supply, due in part to the inherent problems in measuring the success of policies that may take decades to positively affect change. Even more difficult, perhaps, is the prospect of measuring incremental changes in the well-being of the general public as they become more engaged in the policy process.

Any discussions of the value of public participation must not 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.

Budget complexity and citizen disinterest are the major barriers to participation. However, a number of Oregon governments have successfully used participation mechanisms in the budget development process that can serve as models for enhanced CI/CP and public trust in government

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.

The bottom line: There are very few State mandated programs in JO CO budgets. This is a problem because major portions of county budget programs are not self-supporting nor mandatory; they are county elective programs supported by county elective LOS.

h) Mandatory & Essential Levels Of Service (LOS) The Committee’s review of the FY 2015-16 PSS budget LOS finds that there are legitimate PSS budget programs from the ORS and Oregon Administrative Rules (OAR) that are identified as mandating PSS. However, the Committee has come to the conclusion that there are very few ORS/OAR mandatory “LOS,” and therefore, very few identified in the FY 2015-16 budget. The majority of LOS in the budgets appear to be “essential,” “necessary,” or “elective.” A mandatory LOS might be the “minimally adequate level of public safety services” (MALPSS), but the Committee is not sure.

A few example PSS mandatory program services and LOS from the ORS follow.

- ORS requires one sheriff and a jail, but does not require any deputy sheriffs, or that the jail have one bed or 280 bed usage levels. For emphasis we repeat that the LOS for beds is about usage; it is not about the bed capacity of the jail.
- ORS requires one or more persons as counselors of the juvenile department. If more than one person is appointed, one may be designated as director.
- ORS does not provide any statutory requirement to have a juvenile detention and/or shelter facility, this is left up to the governing body to decide on. The program of providing facilities is a county decision; it is not a state mandated requirement

Some JO CO Department identify the mandated with in effect, moral standards, of what was considered right. However, the BCC’s financial policies were actually tricky. They addressed mandated county government programs and LOS consistent with current operational service levels. The programs to be addressed were mandatory, but the LOS of the current operations service level has nothing to do with mandated LOS. LOS could be elective essential or some lower category. Goal 2 and LOS Directive 1, and program Directive 2 follow.

- Goal 2. Develop a sustainable plan for all mandated (i.e. above examples) and essential County government programs.
- Directive 1. Budget at a level consistent with current operational service levels.
- Directive 2. Budget only for mandatory and/or self-supporting programs.

The Committee’s recommended LOS approach is that the PSS departments tackle the job like they were going to court.

1. What does federal, state or local law require?
2. What has the law been interpreted by court opinion precedents?
3. What legal applicable PSS department issues have been studied and are available as supporting vetted analysis and reference papers?

The Committee believes the MALPSS analysis model could be adapted by departments to identify an “essential” LOS for any budget program, and it is not limited to an “essential” LOS. The methodology can be used for any LOS (e.g., mandated, essential, necessary, elective, etc.).

See the following example of a MALPSS analysis model that can be used by all PSS departments.

- Analysis 1. Identify PSS department program issue(s).
- Analysis 2. Identify Indicator(s) for PSS department. An indicator is a variable, either singly or in combination with another variable, which is taken as an indication of the condition of the overall program. What are the indicators for the particular PSS budget programs?
- Analysis 3. Standards for PSS department Indicators. A standard is the measurable aspect of an indicator. It is the level, point, or value above which something will take place, or below which it will not take place. It provides a baseline against which a particular condition, or change, can be judged as acceptable or not.
- Analysis 4. Department PSS Outcome (Significance) Determinations. To determine significance, impacts are compared to the standards beyond which the impacts, including cumulative, become significant.

The Committee wonders if budgeting at a level consistent with current operational service levels is an essential LOS. There is no way to know from the budget. Perhaps the Lane County Public Safety Coordinating Council's (PSCC) approach should be considered for determined an essential LOS for PSS.

- Lane County Public Safety Coordinating Council. December 1, 2011 *Status of the Public Safety System in Lane County as per Senate Bill 77*. Report to the Board of County Commissioners. Eugene, OR.

The Lane County PSCC identified five levels of MALPSS for its services. Its adequate level of service does not seem to reach an "essential" LOS. It all depends on the definitions and criteria. Perhaps Lane County PSCC's minimally adequate level of service is what JO CO would consider essential.

- 1. Adequate Level of Service
- 2. Minimally Adequate Level of Service
- 3. Less than Adequate Level of Service
- 4. Inadequate Level of Service
- 5. Emergency Level of Service

Regardless, the Committee's point is to get beyond bald professional opinions in identifying and establishing "essential" LOS, or any LOS. Assume the PSS department is going to court, and/or use the scientific method for determining a range of LOS. The BCC would approve the applicable financial policy.

The bottom line: There are very few State mandated program and/or LOS in JO CO budgets. Most of the LOS in the budgets are elected by JO CO as supporting essential programs with their corresponding essential LOS. This is a problem because major portions of county budget programs are not self-supporting nor mandatory; they are county elective programs supported by county elective LOS.

i) Supporting Analysis And Transparency In Government Lacking

- The budget process experts (i.e., JO CO Budget Officer and JO CO Budget Committee's (JOCOBC) are not available to the public for the purpose of explaining the budget (i.e., January 20, 2016 to November 15, 2016).
- There are no JO CO informative action plans (e.g., strategic plan, long-term financial plan, citizen involvement plan, county budget manual etc.) that the JOCOBC or the public can use to understand the budget process.
- Excessive time it takes to get records after a copy request from the JO CO Legal Counsel.
- Almost no time to review proposed budget prior to the JOCOBC's first meeting.
- There is no information on GFOA's "Distinguished Budget Presentation Award Program" (Budget Awards Program) except the county has received several. There is no information on the GFOA's 27 criteria that the county uses when it applies for an award application.
- There is no information on Budgeting For Outcomes in the budget documents (except for its goals and the outline of a process).

JO CO is one of a majority of Oregon local governments practicing the minimal required LBL process – public meetings/hearings with opportunity for public input procedures.

The framework for measuring success should be clearly defined. Measuring participation success can be framed by fairness and competence, as 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, and when the mechanisms are designed around the purpose for participation (i.e., during a year long process versus a two-month JO BO Budget Committee (JOCOBC) review and approve proposed budget process). Ultimately the differences between the methods legally required in the US and collaborative approaches include: one-way talk vs. dialogue; elite or self-selected vs. diverse participants; reactive vs. involved at the outset; top-down education vs. mutually shared knowledge; one-shot activities vs. continuous engagement; and use for routine activities vs. for controversial choices. 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.

Lack Of Budget Process The JO CO budget-making process and the decision-making should be transparent so that the voting citizens can observe and understand what is going on and how decisions are being made. One significant problem is the complete lack of JO CO guidance in the form of county budget action plans (i.e., strategic plan, financial plan, budget handbook, citizen budget guide, etc.) for the public to start understanding the "ballpark rules," the budget process procedures.

Opaque Budget Process The Authors can easily conclude the budget process is opaque as they have been studying the JO CO budget process intensively for eleven months, and are still struggling to speculate about the big picture, and many of the process details. For example, the JO CO Budget Officer has been too busy to meet with the Exploratory Committee since January 20, 2016 to November 15, 2016 to explain the county budget process. That is certainly not transparency in government. The budget document is available, but not transparent from the date the JO CO Budget Officer's proposed budget document is delivered to the JOCOBC for its first advertised meeting in the sense of being "apprised" or informed (i.e., there are a few JOCOBC meetings open to the public where they can be apprised and give input). The JOCOBC purpose is limited to approving the proposed budget.

Although, the JO CO CI in budgeting process does not now perform to its potential, the Authors believe that a new CP process can help maintain and promote legitimacy in the budget process and build trust between JO CO government and community members. By including the public in a future known participatory and/or collaborative budget process, JO CO can instill a lot more transparency in the decision-making process, and in turn have the potential to gain trust and credibility from the public over the long-term. The extent or quality of the participation effort 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). Citizen involvement is important in gaining public trust and achieving a credible, legitimate right to make decisions. However, the present JO CO public budget process does not have a documented budget decision-making process handbook or guide to follow, let alone one that is visible and credible.

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).

"Transparency" includes knowledge of the facts of the decision-making process and the decision. Just as important as the decision is knowledge of your budget process before the budget process starts. Understanding the rules of your budget sandbox are just as important as actual involvement in the decision-making process.

Knowledge of the budget planning process, includes the CI barriers, resource and legal constraints, occupational mandates, technocracy, bureaucracy, and potential lack of appreciation for public opinion. Done right, this CI stage will take time and resources and may require the government to 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.**

Transparency as process knowledge, and incorporating citizens in decision-making, can produce long-term support for the budget and/or public projects. If community members are included in the decision making process they are more likely to support the carrying out of the decision. Community members can be respected allies for the budget officer and the budget committee 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, or it can become a pitched battle.

Practicalities Practical challenges to effective CI in budgetary decision-making are legion. Many are generic barriers to citizen involvement in public administration, and a few are specific to budgeting. Generic challenges 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 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; Appendix I).

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. It also entails the existence of an attentive and comprehending audience, 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. Reliable and valid preference formation, deliberation, and revelation cannot be expected unless participants first understand their fiscal situation, options and the likely tradeoffs and other consequences associated with their choices. That is, there can be no authentic participation in budgeting without effective transparency. **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 (Appendix I).

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 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 analysis. 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.

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. One solution, reflected in much of the practitioner as well as scholarly literature advocating greater citizen involvement, is to have public officials take steps toward greater transparency by making information more readily available and comprehensible to citizens. **This is an excellent idea, make no mistake about it.** 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 the attentive public (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. Thus it may be desirable to foster citizen action from the outside as well as citizen involvement on the inside of government (Appendix I).

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 CI in resource allocation by local civil-society groups. 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. **Expenditure monitoring, financial reporting, and various kinds of audits** 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 (Appendix I).

Strengthening the transparency and openness of public budgets can help promote social accountability and restore the public's confidence in overall government. For example, something as simple as transparent information in budget committee meeting minutes have power. That will enable citizens to become more engaged and, in the process, learn more about the budget and fiscal policy concerns. As citizens become engaged, cynicism should dissipate and trust in government should improve. The May 10, 2012 budget report for the City of Milwaukie Budget Committee Meeting is illustrative. In this case it was a response from a city official to a question from a budget committee member (City of Milwaukie 2012).

*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. 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** (emphasis added). 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.*

What are the potential benefits of an engaged public? JO CO residents appear to want certain policies from their local 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. If the JO CO wants to resolve issues regarding citizen disenfranchisement from county processes, it should seek to incorporate more citizen voices into the decision-making process. Davis recommended that JO CO do this through using co-productive models of governance (Davis 2016).

- The main obstacle to building public support for difficult choices on the JO CO'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.**
- "The public is ready for this conversation." Participants can be thoughtful and serious, not apathetic or unwilling to consider difficult choices, "and **beneath their mistrust and dissatisfaction is a deep desire to address the problem**".
- Public engagement is the key to overcoming mistrust. Although JO CO'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.** 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, see the following.

- Government must use performance as the basis for funding or changing programmes. Citizens would like to see greater focus on measuring and reporting outcomes.
- 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.

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** 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.** 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).

Citizen's Guide to the Budget A citizen's guide to the budget is a fascinating idea that the Committee hopes JO CO will consider, and/or individual PSS departments will implement. The big picture is the need for the local government to explain its budget proposals and the public finances in simple, plain language documents – often referred to as a "citizens' guide to the budget." JO CO used to have "Reader's Guides." Some Oregon local governments use the "budget message" to cover topics in a citizen's guide to the budget.

Any discussions of the value of public participation must not 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 JO CO can promote new policies in communities, where anti-government sentiment runs high.**

j) No Strategic Plans Action plans are documented planning strategies to get a project completed. Planning is the process of thinking about and organizing the activities required to achieve a desired goal. It involves the creation and maintenance of a plan, such as psychological aspects that require conceptual skills. Several types of actions plans can assist JO CO in carrying out its budgeting goals (see Section V.I. Action Plans).

- Strategic Plan.
- Long-term Financial Plan.
- Citizen Involvement Plan.
- County Budget Manual.
- Budget-In-Brief.
- Citizen Involvement in Budgeting Plan.
- County Citizen's Guide to the Budget.

The first action plan is the strategic plan which the GFOA recommends. Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization's mission and achieve consensus on strategies and objectives for achieving that mission. Strategic planning is about influencing the future rather than simply preparing or adapting to it (emphasis added). The focus is on aligning organizational resources to bridge the gap between present conditions and the envisioned future. While it is important to balance the vision of community with available resources, the resources available should not inhibit the vision. The organization's objectives for a **strategic plan** (emphasis added) will help determine how the resources available can be tied to the future goals. An important complement to the strategic planning process is the preparation of a **long-term financial plan** (emphasis added), prepared concurrently with the strategic plan. A government should have a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions. A financial plan illustrates the likely financial outcomes of particular courses of actions (GFOA 2005, p. 1; Section V.I. Action Plans).

The bottom line is that the county does not have action plans in budgeting. This is odd as the county's GFOA best practice recommends that governments incorporate public participation efforts in planning, budgeting, and performance management results processes (Section V.I).

7. Summary of “Budgeting For Outcomes” In Budgeting For JO CO BFO is supposed to be an approach that is based on collaboration, transparency, and delivering the services that matter most to the public. Important budgeting process BFO changes were made by the JO CO BCC in FY 2006-07, and they were used to make major cuts in FY 2012-13. However, little changed in the county’s traditional budget process except for the written goals of BFO remained the same and the BFO process remained completely opaque – no transparency in government (i.e., no written records of annual BFO analysis-decision-making process, and, therefore, no opportunity for the public to be “Apprised” and to provide input). The JO CO budget system did not support the new direction, or did not know how to make changes, which integrated the traditional budget system with BFO, and little real progress has been made, especially with a CI/CP program for stakeholders and the public. This is a problem since the budget touches everything, changing it will begin to change everything. The budget process has great leverage.

BFO is a budget process that aligns resources with results produced. Instead of starting with the previous year’s budget and justifying increases from that base, BFO should start with a set of results that encourages creative ways of achieving them. The budget should be prepared through an inclusive and interactive process that is different from the traditional budgeting process. However, it appears that except for FY 2012-13, that the FY budget lower and higher of it, a status quo budget was in control. For example, in FY 2013-14 the budget message continued to identify that the budget is based on BFO, but under budget directives (JO CO budget p. A22), it identified a status quo budget required for FY 2013-14. The same documentation occurred in FY 2015-16. This is strange as a status quo budget is the exact opposite of the BFO model.

BFO is not a panacea. It can be a practical tool for implementing fundamental change in the way JO CO works. It is an approach that can integrate strategic planning, long range financial planning, budgeting, and performance management, but does not in JO CO. The budget process can support change or inhibit it. Budgeting can demonstrate effective, ethical, transparent, innovative, and inclusive ways of doing business – or not.

In this case, “or NOT” appears to be the default the county “can NOT” get beyond. JO CO has failed in implementing BFO as an approach that is based on collaboration and transparency in government. It is unknown whether the county is delivering the services that matter most to the public as there is no known evidence to support what the citizens wants.

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. The county should seek to accomplish all three of these items if it truly wants to pass legislation to fund public safety services (Section V.C.2; Davis 2016).

In a very optimistic scenario the JO CO BCC may be getting it right, but without government transparency (i.e., no supporting discussions, analyses, or written records), and improving public trust for the majority of voters.

It is widely accepted that JO CO has entered a period in which it will have to fundamentally reshape the way it works in order to cope with heavily reduced budgets. It has tried to reorganize its services to strip out costs and focus on long term financial sustainability. But while strategic commissioning and planning is becoming more outcome-oriented, research for JO CO suggests that there has been relatively little innovation in the crucial practices and processes of financial planning which support this transformation. To put it simply, JO CO is facing 21st century problems with a 20th century approach to budgeting. In benign financial environments, incremental budgeting is an efficient way to distribute funds. But in times of austerity, this approach to budgeting is proving inadequate in improving public trust and support, as well as doing it right. Traditional budgeting can hamper innovation by trapping the BCC in patterns of past spending. In doing so, it tends to preserve the status quo rather than questioning whether each marginal dollar is helping the BCC to meet its strategic objectives.

Since there is no written record available to the public, it is unknown whether JO CO: “rushed” through the BFO process back in FY 2007-08, limited the amount of discussion, and consequently staff faced a challenge in not reverting back to the old way of making decisions. It is known that the BCC reverted back to the old traditional incremental budgeting way of making decisions.

BFO’s can still be implemented, and the first step is the championship of government leadership in JO CO. Public participation — in the form of enhanced CI/CP can still be achieved within the legal framework of the LBL. Public participation can help JO CO create the expectations for the BFO process and encourage discussions that focus on community expectations and the citizen perspective.

Another huge opportunity is for JO CO to engage the public with the best budgeting practices it is using to receive the Government Finance Officers Association’s (GFOA) Distinguished Budget Presentation Award and integrate it with BFO. The GFOA recommends that local governments consider budgeting for results and outcomes as a practical way to integrate performance management into the budgetary process. For example, the GFOA BPAP #O6 Criteria is that the budget document should provide objective measures of progress toward accomplishing the government’s mission as well as goals and objectives for specific units and programs.

8. Summary of “GFOA’s Budget Presentation Award Program” In Budgeting For JO CO

What is the Government Finance Officers Association (GFOA) Budget Presentation Award Program (Budget Awards Program)? The GFOA established the 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, and then to recognize individual governments that succeed in achieving that goal (Appendix U).

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, a GFOA budget presentation means a budget document with a compliance goal of all applicable standards and criteria** (Chapters II & III) in four basic categories of 27 specific GFOA best practice criteria (GFOA 2014).

Josephine County has received the Government Finance Officers Association’s (GFOA) Distinguished Budget Presentation Award for several years now. This is a well deserved acknowledgment to a job well done by JO CO, especially the JO CO Finance Department and its finance directors, Arthur O’Hare being the current Finance Director. For example the April 30, 2015 Budget Message provided the following: *“The Government Finance Officers Association (GFOA) of the United States and Canada has given the Distinguished Budget Presentation Award to Josephine County for the third year in a row. This award is the highest form of recognition in governmental budgeting and shows that our budget document reflects nationally recognized guidelines for effective budget presentation.”* Keep up the good work in your commitment to excellence in governmental budgeting.

What is outstanding from the Exploratory Committee’s point of view is the GFPA’s method of analyzing the submitted budget document, including the GFOA Questionnaire (i.e., What JO CO government filled out and submitted to GFOA) - Detailed Location Criteria Guide (GFOA 2014). For example, **the judging process entails that each budget document submitted to the program is evaluated separately by three reviewers with specific awards criteria** (GFOA 2015). Each reviewer rates a given budget document as being either not proficient, proficient, or outstanding in regard to 27 specific GFOA best practice 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 (Appendix U).

A major issue is the unfamiliarity of the GFOA’s Budget Presentation Award Program by the JO CO Budget Committee (at least some of the elector citizens), and the public. This is because there is no available public written information in the budget, or from other referenced sources, about the GFOA’s Budget Award Program, including the 27 GFOA best practice criteria, or published on JO CO web page. This is in conflict with the county’s goal of transparency in government.

Other issues with the GFOA's Budget Award Program are the unavailability of JO CO's past applications to GFOA for consideration of a budget presentation award. These are the filled out questionnaires from GFOA on the Detailed Criteria Location Guide (GFOA 2014).

Just as important are the missing evaluations of the GFOA on how well JO CO budgets performed. It is known, that for three - four years at least, that the county was awarded the GFOA Distinguished Budget Presentation Award. This would be invaluable information on the strengths and weaknesses of JO CO's budget documents in compliance with the GFOA award program's 27 best practice criteria (GFOA 2015).

The GFOA's best practices related to budgeting and fiscal policy are good advice. The 13 identified GFOA best practice documents found on the web, or free to the public without a fee and/or membership needed, are recommended reading.

The real opportunity is that JO CO has complete control in involving the public in understanding the county's GFOA 27 best practice criteria for budget documents, and how the budget document(s) meet those standards.

The question is whether JO CO's GFOA Award Program in budgeting is working for JO CO? The answer has to be yes as measured by the county receiving GFOA's Distinguished Budget Presentation Award several times. The question is whether this below the public radar program has helped the public become engaged in the budget process, including JO CO's BFO program.

9. Summary Of “Action Plans” In Budgeting For JO CO Several types of actions plans can assist JO CO in carrying out its budgeting goals, including enhancing CI/CP.

- Strategic Plan (GFOA recommended)
- Long-term Financial Plan (GFOA recommended)
- Citizen Involvement Plan (GFOA recommended*)
- County Budget Manual (GFOA recommended*)
- Budget-In-Brief (GFOA recommended*)
- Citizen Involvement in Budgeting Plan (GFOA recommended*)
- County Citizen’s Guide to the Budget (GFOA recommended*)

*communicating financial information through separate plan documents.¹⁻²

Strategic Plan The first action plan is the strategic plan which the Government Finance Officers Association (GFOA) recommends. Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization’s mission and achieve consensus on strategies and objectives for achieving that mission. Strategic planning is about influencing the future rather than simply preparing or adapting to it. The focus is on aligning organizational resources to bridge the gap between present conditions and the envisioned future. While it is important to balance the vision of community with available resources, the resources available should not inhibit the vision. An important complement to the strategic planning process is the preparation of a long-term financial plan, prepared concurrently with the strategic plan. A government should have a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions. A financial plan illustrates the likely financial outcomes of particular courses of actions (GFOA 2005, p. 1).

Strategic planning for public organizations is based on the premise that **leaders must be effective strategists if their organizations are to fulfill their missions, meet their mandates, and satisfy their constituents in the years head** (emphasis added). Effective strategies are needed to cope with changed and changing circumstances, and leaders need to develop a coherent and defensible context for their decisions. National Advisory Committee on State and Local Budgeting (NACSLB) Recommended Practices provide a framework for financial management, which includes strategic planning (GFOA 2005, p. 1).

Key elements of this best practice recommendation are drawn from *Recommended Budget Practices: A Framework for Improved State and Local Governmental Budgeting* of the National Advisory Council on State and Local Budgeting and from GFOA’s recommended practice on “*Performance Measurement: Using Performance Measurement for Decision Making - Updated Performance Measures*” (GFOA 2005, pps. 3-4).

1. GFOA recommends that all governments regularly engage in long-term financial planning. Hence, governments should devise an effective means for communicating financial information, through either separate plan documents or by integrating it with existing communication devices (GFOA 2008, pps. 1-2).

2. *GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management*. Governments should systematically collect, maintain, monitor, and analyze information gained from public involvement activities. 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 (Section V.J; GFOA 2009).

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 (GFOA 2005, pps. 1-3):

GFOA Best Practice: Long-Term Financial Planning (GFOA 2008) Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as part of an overall strategic plan. Many governments have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders (GFOA 2008, p. 1).

The GFOA recommends that all governments regularly engage in long-term financial planning that encompasses a set of elements and essential steps. A long-term financial plan should include five elements, two of which follow (GFOA 2008, pps. 1-2).

- Content. A plan should include an analysis of the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and **plan monitoring mechanisms, such as scorecard of key indicators** (emphasis added) of financial health.
- **Visibility. The public and elected officials should be able to easily learn about the long-term financial prospects of the government and strategies for financial balance. Hence, governments should devise an effective means for communicating this information, through either separate plan documents or by integrating it with existing communication devices** (emphasis added).

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; Appendix U). Refer to GFOA's best practice on Establishment of Strategic Plans.

GFOA BPAP #F7 Criteria: The document should explain long-range financial plans and its effect upon the budget and the budget process. This criterion requires the identification of long-range financial plans that extend beyond the budget year. The impacts of the long-range financial plan upon the current budget and future years should be noted. Refer to GFOA best practices on **(1) Long-Term Financial Planning, (2) Establishment of Strategic Plans, (3) Budgeting for Results and Outcomes, and (4) Multi-Year Capital Planning**.

The bottom line is that JO CO does not have any action plans in budgeting, not even a budget manual. This is odd as the county's best GFOA practice recommends that governments incorporate public participation efforts in planning, budgeting, and performance management results processes (Section V.J).

This is another failed area for JO CO as it does not have action plans to perform the critical inclusion of stakeholders, especially the public, in the budgeting process. However, the real opportunity is that JO CO has complete control within the legal framework of LBL in involving the public in understanding the county's budgeting process.

10. Summary of “Public Participation in Planning, Budgeting, and Performance Management” In Budgeting For JO CO 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 (GFOA 2009; see Appendix V for full report).

Everything in this public participation section is from *GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management* (GFOA 2009). GFOA recommends that governments incorporate public participation efforts in planning, budgeting, and performance management results processes. 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.*

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 (GFOA 2009).

The current level of public participation as defined by the JO CO budget process public meetings and public hearings strategy is the BCC’s goal of “Apprise.” This is the purpose of CI per LBL purpose of ORS 294.321(6), to enable the public to be “Apprised.” The budget process provides for the public to be apprised of financial policies, and be given the opportunity to comment at a budget committee meeting and a BCC hearing on these policies in that completed budget stage.

JO CO does not have a public participation plan, or some other plan, manual, or official policy document (i.e., ordinance), to incorporate public participation efforts into budget planning, budgeting, and budget performance management results processes.

JO CO does not follow GFOA’s best practice for public participation in planning, budgeting, and performance management. Its budget goal purposes for involving the public at the level of apprise or inform is not satisfying.

Citizens do not understand how JO CO is determining the public's budget perspectives and priorities, and the county provides no assurances that it is. The county is stuck with the failed meetings/hearings approach identified in LBL. It has no CI/CP information policy that implementing its public participation process will be incorporated into decision making. Communications to the public regarding how public input information collected will be, and was, used is that it will be considered and was considered without any written corroboration that the process of considering public input occurred. Buy-in from top government officials for a level of public involvement is stuck at apprise and inform the public.

JO CO states in its annual budget documents that future budgets will incorporate citizen input on services they are willing to fund, goals set by the BCC, and stakeholder support of programs, and then provides no information on how that was done. No goal set by the BCC has been known to have changed from the stage of the proposed budget to the adopted budget. The public has no idea how JO CO identified citizen preferences and satisfaction levels. For example, on May 26, 2016 an article in *The Grants Pass Daily Courier* quoted the JO CO Budget Officer Arthur O'Hare (see Section V.D.3.c) for full article). O'Hare prepared the proposed budget and took exception to a citizen elector at a budget committee meeting requesting an additional meeting to discuss budgeting philosophy. O'Hare is quoted "*The Board (of Commissioners) already knows we are putting our money in the most important places.*" (i.e., we don't need a budget committee or the public considering overturning fiscal policy already established by the BCC).

Contrary to GFOA's best practice on public participation in budgeting, JO CO does not systematically collect, maintain, monitor, and analyze information gained from public involvement activities. Its CI effort is to make the statement that the local governing body considered public input in its decision-making. It is not even close in explaining how public involvement has made a difference in the three completed proposed, approved, and adopted budget plans. It provides no information on evaluations based on performance standards, and how public feedback on how successful the process has been through the public's eyes.

The county is in noncompliance with its GFOA BPAP #06 Criteria that the budget document should provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific units and programs.

Public participation in planning, budgeting, and performance management is another failed CI/CP area for JO CO as it does not have plans to perform the critical inclusion of stakeholders, especially the public, in the budgeting process beyond the meetings/hearings LBL approach. However, the real opportunity is that JO CO has complete authority and control within the legal framework of LBL in involving the public in the budgeting process through enhanced CI/CP.

The question is whether the lack of public participation plans and meaningful CI/CP in budgeting is working for JO CO? Is the trust, or non-trust in JO CO government holding, improving, or declining?

11. Summary of “Taxpayers Understanding Purposes Of Budget Issues” In Budgeting For JO CO The Government Finance Officers Association (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, and then to recognize individual governments that succeed in achieving that goal (Appendix U).

The GFOA’s 27 budget award program criteria are JO CO’s best budget presentation practices as they are being used by the county in applying for a GFOA budget presentation award (GFOA 2014; Appendix U). Thirteen (13) of the award programs criteria are considered by the Authors to be applicable to CI/CP. Depending on the interest all 27 criteria are applicable to taxpayers understanding the purposes of budget issues. The following are the first two of the 13 award programs criteria (see Section V.K for the entire list of 13).

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.

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.

County has received the GFOA Distinguished Budget Presentation Award for several years now.

What is outstanding from the Exploratory Committee's point of view is the GFPFA's method of analyzing the submitted budget document, including the GFOA Questionnaire (i.e., What JO CO government filled out and submitted to GFOA) - Detailed Location Criteria Guide (GFOA 2014). There is a companion judging process that entails that each budget document submitted to the program is evaluated separately by three reviewers with specific awards criteria (GFOA 2015). Each reviewer rates a given budget document as being either not proficient, proficient, or outstanding in regard to 27 specific GFOA best practice 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 (Appendix U).

The City of Milwaukie, Oregon described the GFOA Award Program as follows.

"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. 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** (emphasis added). 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." (Appendix L).

Is "Taxpayers Understanding Purposes" Working? Not Yet! However, regardless that this program is below the horizon of public perception, the GFOA Budget Award Program has the potential to revolutionize the present CI in budgeting program.