

VI. BUDGET PROCESS ISSUES (draft November 14, 2016, 95 pages)

Identifying the voters' perspective for JO CO budget process issues is Step 6 which is one outcome from the analysis of the budget. The issues are mostly the highlights of different analyses ideas from Chapter V.

- Step 1: Chapter I. Introduction/Purpose

Phase I. Identify Brainstorming Questions

- Step 2: Chapter II. Oregon Budget Law Excerpts
- Step 3: Chapter III. Excerpts from JO CO Budgets: FY 2006-07 TO FY 2016-17
- 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 II. Analysis of Budget Questions Identified During the Study of the Law, and a Final Identification of Budget Issues.

- Step 5: Chapter V. Analysis: Citizen Understanding Budget Process
- **Step 6: Chapter VI. Budget Process Issues**

Phase III. Develop recommendations about the local JO CO budget process to the JO CO BCC and the JO CO Budget Committee.

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

As background, the Authors provide a context for their identification of issues, especially since most issues come from Chapter V's analysis and identification of real or potential problems. First, the basic purpose of the 2015 *Study Design* is to promote citizen involvement (CI) and citizen participation (CP) for informed decision-making. Stated another way, the purpose is to provide grass roots opportunities to county citizens for active CI/CP, accessibility to information and education, and to better understand the Justice System & Public Safety (JS&PSS) Issue (i.e., JO CO public safety issue) as the decision-makers. If even as few as five percent of the voters in the last four JO CO public safety levies changed their votes, pro or con, it would make their final votes more informed votes.

Involving citizens in the governance process is rooted in the Jeffersonian tradition of American politics. Jefferson advocated locally based, bottom-up government that is responsive to citizens, and he viewed citizen apathy as dangerous to civic health. There is little disagreement that the public should have an opportunity to influence government actions. Whether or not the public uses the opportunity, keeping that option available is important in a democracy. It is accepted that citizen participation is valued and beneficial to government. What are governments trying to accomplish when they involve citizens?

Step 6: Chapter VI, Budget Process Issues This issues chapter is first organized around Ebdon and Franklin's (2006) four citizen-participation elements and their components (elements 1 - 4). It also includes seven additional elements on a variety of issues.

- Element 1. Government Environment Of Budgeting Issues
 - Component 1. Structure And Form Of Government
 - Component 2. Political Culture
 - Component 3. Legal Requirements
 - Component 4. Technocratic Expert Model For Accounting & CI/CP In Budgeting
- Element 2. Citizen Participation In Budgeting Process Design Issues
 - Component 1. Citizen Involvement in Oregon Budget Law At Apprise/Inform Level
 - Component 2. Citizen Participation Timing In Budget Process
 - Component 3. Type of Budget Allocation
 - Component 4. Budget Process Participants
 - Component 5. Budget Process Stages/Budget Message
 - Component 6. Sincere Preferences/Willingness To Pay
 - Component 7. Public Participation in Planning, Budgeting, and Performance Management
- Element 3. Citizen Participation Mechanisms In Budgeting Issues
 - Component 1. Public Meetings
 - Component 2. Advisory Committees
 - Component 3. Workshops
 - Component 4. Third-Party Intermediation
- Element 4. Budgeting Goal Issues
 - Component 1. Budget Planning Goals
 - Component 2. JO CO Government Budget Goals: FY 2006-07 to FY 2016-17
 - Component 3. JO CO Budget Goal Issues
 - a) Budgeting For Outcomes Commits To Goals
 - b) Addressing County Goals And Clearly Defining Program Purpose
 - c) Sustainable Plan for All Mandated and Essential County Government Programs
 - d) Budget Only for Mandatory And/or Self-Supporting Programs.
 - e) Mandatory & Essential Levels Of Service
 - f) Supporting Analysis Lacking/Transparency in Government
 - g) No Strategic Plans
 - h) Goals And Outcomes Not Monitored(?)
 - i) Goals And Outcomes Not Evaluated(?)
- Element 5. Budgeting For Outcomes Issues
- Element 6. Monitoring, Assessments, Performance, & Audits Issues
- Element 7. Transparency in Government Issues
- Element 8. Government Finance Officers Association Budget Presentation Award Program Issues
- Element 9. Action Plan Issues
- Element 10. Public Mistrust In Government Issues
- Element 11. Taxpayers Understanding Purposes of Budget Issues
 - a) Understanding JO CO Department Staffing Analysis Issues
 - b) JO CO Department Descriptions & Relationships Issues
 - c) Professional Web Page for JO CO Departments Issues
 - d) Use Of References & Links In JO CO Budget Programs Issues
 - e) Flow Chart of JO CO Departments Issues
 - f) JO CO Citizen's Guide To The Budget Issues
 - g) Optical Character Recognition Feature of JO CO Budgets Issues
 - h) Standard Procedures for Preparing JO CO Annual Budgets Issues

There are two main government goals with significant important differences between efforts to inform the public, and efforts to involve the public.

- To inform the public of government decisions.
- To involve the public in government decision-making.

Many government officials stop at the first public involvement goal of “inform”, using CI/CP primarily as a way to educate the public. Making the additional effort of involving citizens in decision making can provide officials with insights and information, leading to better decisions. There is no corruption or dishonesty in the JO CO budget process. The process is traditional in the sense of decades of O&C passthrough money within the framework of a “Technocratic Expert Model” in accounting and CI/CP. However, this legitimate model of “apprising” and/or “informing” the public does not focus on active citizen participation, understanding, or support.

The JO CO CI/CP budget process is the minimal legal Oregon Local Budget Law (LBL) level of “informing” the public, and it worked just fine in the past. Historically, the JO CO BCC rarely asked for increased taxes and the public rarely wanted to become involved in the budget. During the heyday of O&C pass-through money, when the county was not getting into your wallet or purse, it was just too much work to get involved in the budget, and most citizens felt that government was doing a reasonable job. Rational ignorance was traditional for the public in refraining from acquiring knowledge when the cost of educating oneself on an issue exceeded the potential benefit that the knowledge would provide. The Authors admit they practiced this strategy as the budget process was very complex and information held by the government, while not secret, was just too much work to figure out under JO CO’s “inform” level of sharing.

The local traditional CI LBL budget process is interpreted and implemented by the JO CO Budget Officer. Traditional in Oregon means using the minimal CI requirements of LBL as there are no formal BCC legislative policies (i.e., resolutions or ordinances) identifying the public participation process and requirements in the budget process for the leaders of the budget process (i.e., BCC, other elected officials, JOCOBC, JOCOMT), and the public. This traditional or normal Oregon budget method focuses on one formal legal meeting before the JOCOBC and one formal legal hearing before the JO CO BCC. Significantly, the *Local Budgeting Manual* (LBM, Chapter 9, Publication Requirements) emphasizes meeting notices and a financial summary of the budget more than CI/CP.

“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 JO CO budget process easily satisfies the Oregon Citizen Involvement Advisory Committee’s (CIAC) question criteria for the establishment of a citizen participation budget plan.

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. (Davis 2016).

Although there is a government interest in hearing from citizens, the BCC clearly wants to remain flexible in when and how it obtains public input. There is also a sense that the public would probably not show up if an intensive effort to involve them was implemented. This is probably true in the short-term, as it took decades to arrive at today's relationship between the BCC and the public in budgeting. Trying to involve the public with beneficial outcomes (e.g., understanding, support, trust, etc.) may take just as long to turn around. It turns out that, per Chapter I, Introduction/Purpose, that the two alternative purpose themes for this paper continue.

1. Optimistic CP Opportunities Alternative In Budget Process.
2. Pessimistic CP Opportunities Alternative In Budget Process.

The optimistic CP opportunities alternative is pretty much the Authors' basic purpose of the 2015 *Study Design* which is to promote citizen involvement and citizen participation for informed decision-making. This is also the purpose of *Citizen Participation In The Josephine County Budget Process* which is to have the JO CO BCC take steps toward greater accountability, transparency, and public participation (i.e., key elements of good governance) in the JO CO budget process by making information more readily available and comprehensible to citizens, **through collaborative approaches**. The goal is that, over the long-term, the citizens take the opportunities to participate in a collaborative budget process (e.g. dialogue; diverse participants; involved at the outset; mutually shared knowledge; continuous engagement; controversial choices versus use for routine activities, etc.) with more understanding, support, and trust.

The pessimistic CP opportunities alternative turns out to be that opportunities remain as they are now, at a CI level. The CI level of public participation, as defined by the public meeting and public hearing format in the JO CO budget process, is the county'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. This is pretty much the purpose of CI, per the LBL purpose of ORS 294.321(6), to enable the public to be "apprised".

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 county O&C revenue since FY 2012 -13 along with other unknowns (e.g., further degradation of O&C revenues; scary horrific past of future unforeseen unemployment, bankruptcies and foreclosures; state forecasts of revenue growth facing downward pressure; unanticipated PERS costs; etc.). The BCC has the specific issue of funding mandated and essential PSS 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 by the public.

There are many reasons to believe in the Optimistic CP Opportunities Alternative In Budget Process purpose. The example of a future involvement of the public in JO CO's participation in the Government Finance Officers Association's (GFOA) Budget Presentation Award Program is just one.

What the Authors have observed in the JO CO's CI/CP budget program appears to be different from what the GFOA's Budget Presentation Award Program implies (see question below). From the JO CO budget web site the county shares that the GFOA provides that it 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 (<http://www.gfoa.org/budgetaward>).

The JO CO has been awarded the GFOA Distinguished Budget Presentation Award several times in recent years. For example, Arthur O'Hare, Finance Director and Budget Officer, in his April 30, 2015 budget message to the county budget committee, wrote that JO CO had received the GFOA Distinguished Budget Presentation Award, and that this award is the highest form of recognition in governmental budgeting, and **shows that the JO CO budget document reflects nationally recognized guidelines for effective budget presentation. He assured the budget committee and the public that the budget document met the collective requirements of JO CO and the GFOA.**

Question. A GFOA award suggests a conflict between the present JO CO CI/CP budget program and the GFOA criteria requirements for a "Distinguished Budget Presentation Award." This is because the GFOA recommends that governments incorporate public participation efforts in planning, budgeting, and performance management results processes. It also recommends that to ensure effective and well implemented public participation processes, governments include the following considerations in designing their efforts (i.e., purposes, assurances, approaches, information, communication, and buy-in from top government officials; see Section V.J. for more details).

How can this be? The idiom "the devil is in the detail" refers to a catch or mysterious element hidden in the details, expressing the idea that whatever one does should be done thoroughly (i.e., details are important). Perhaps, both are occurring at the same time? Perhaps the pessimistic CP opportunities alternative turns out to be that while CP opportunities remain as they are now, they are also in a state of transition beyond the focused meetings/hearings public participation goal of "Inform" – to enable the public to be "apprised".

The Authors are impressed with a 2012 response from a city official and a member of the City of Milwaukie Budget Committee (Appendix L).

Yes we will be applying for the GFOA budget award again. **In the spirit of continuous improvement, constantly comparing and contrasting our financial documents up against the best in the nation is one way we plan on improving the communication of financial results to our citizens** (emphasis added). The GFOA award programs are not ways for GFOA to raise money, but rather they distribute an applicant's document around to Special Review committee members for determination of meeting minimum qualifications. **Whether an award is given or not, the true value of this program is that it provides comments and improvement suggestions for applicants to work on with future documents, a process which we believe improves the transparency in communicating financial results back to our**

citizens (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.

Regardless, this chapter on issues agrees with the GFOA that identifying critical issues is a key step in strategic planning. Once the environmental analysis has been completed, the next step is to use the resulting information to identify the most critical issues. **Issue recognition should reflect stakeholder concerns, needs, and priorities as well as environmental factors affecting the community** (emphasis added) (Section V.I; GFOA 2005 p. 2).

Significant is that all the issues involve one issue: Public trust and/or non-trust in JO CO government. Many times the budget CI/CP issue itself would not be an issue if there was a more healthy view of local government by its citizens. Individual citizens can not prove what the majority of JO CO citizens think, but based on the last four public safety levies from 2012 - 2015, it can safely be assumed that a majority of voting citizens do not trust JO CO government.

There is also the larger trust issue. As a comparison, what is the public trust in Washington for the period 1958-2015? Public trust in the government remains near historic lows. Only 19% of Americans today say they can trust the government in Washington to do what is right “just about always” (3%) or “most of the time” (16%) (PewResearchCenter 2015).

Trust in Government

PewResearchCenter. Viewed September 14, 2016.

<http://www.people-press.org/2015/11/23/public-trust-in-government-1958-2015/>.

The Organization for Economic Co-operation and Development weighted in on trust in government - Only 40% of Citizens Trust Their Government. Trust in government is deteriorating in many OECD countries. Lack of trust compromises the willingness of citizens and business to respond to public policies and contribute to a sustainable economic recovery. Why Trust Is Important: Trust is important for the success of a wide range of public policies that depend on behavioral responses from the public.

- Trust is necessary to increase the confidence of investors and consumers.
- Trust is essential for key economic activities, most notably finance.
- Trust in institutions is important for the success of many government policies, programs and regulations that depend on cooperation and compliance of citizens.

OECD. Viewed September 14, 2016

<http://www.oecd.org/gov/trust-in-government.htm>

The OECD identified six areas for governments to win back trust (go to full article for details).

1. Reliability: Governments have an obligation to minimize uncertainty in the economic, social and political environment.
2. Responsiveness: Trust in government can depend on citizen's experiences when receiving public services - a crucial factor of trust in government.
3. Openness: Open government policies that concentrate on citizen engagement and access to information can increase public trust.
4. Better regulation: Proper regulation is important for justice, fairness and the rule of law as well in delivering public services.

5. Integrity & fairness: Integrity is a crucial determinant of trust and is essential if governments want to be recognized as clean, fair and open.
6. Inclusive policy making: Understanding how policies are designed can strengthen institutions and promote trust between government and citizens.

Trust in Practice: Towards Inclusive Policy Making

OECD. Viewed September 14, 2016

<http://www.oecd.org/gov/trust-inclusive-policy-making.htm>

Moving from an approach that focuses principally on policy measures to one that understands better "how" policies are designed and implemented will help strengthen institutions and in turn promote greater trust between citizens and government.

A priority for governments should be to build a policy making process conducive to trust. Concerns over the undue influence of vested interests over decision making has led to **increasing demands for more transparency and a greater commitment to safeguarding the public interest. Efforts to guarantee that the policy making process is open, inclusive and fair would improve the quality of policy decisions** (emphasis added).

A policy-making process conducive to trust is built on informed decisions using reliable and relevant information, that are in the public interest, and are carried out with high standards of behavior.

The above areas that OECD identified for governments to win back trust has a large overlap with what the Authors are describing as enhanced CI/CP.

The Authors believe that budget politics should be based on evidence. However, trust is about believing in something or someone. Facts matter, but beliefs may, and do, trump facts when held deeply. Most voters do not feel they are part of the JO CO budget process, nor does JO CO especially encourage them to be, or enable them to be by the county's actual lack of actions (i.e., lack of budget CI/CP action plan agreements with citizens). Many citizens are also scornful of those they view as self-serving government technocrats. This view is in lock-step with popular trust in expert opinions and established institutions tumbling across the U.S. However, citizens are not ignorant, in the long-term the truth has powerful forces on its side. Any politician or government leader who fudges with the truth will eventually be exposed. Contrarily, they will be admired and trusted for truth in action.

[Still Researching - Minutes are not policy and the Authors did not find an incorporation or reference to the minutes that they clarified fiscal policies. Web minutes did not go back to 2006-07].

A. Government Environment Of Budgeting Issues

1. Structure And Form Of Government Issues These issues consider the influence of variation in the structure and form of local government on the likelihood that various forms of citizen involvement (CI)/citizen participation (CP) will be utilized.

Issue. **County Manager** Is it an issue that JO CO does not have a county manager? Without one the JO CO BCC is responsible for these administrative manager duties.

The literature supports the position that communities with a council-manager form of government are more likely to seek citizen input, because they employ a full-time professional. 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 is a wide range of legitimate and effective 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 CI/CP?

Issue. **Who Controls Information?** One of the biggest issues with JO CO citizen participation is information, who controls it and whether it is comprehensive, accurate, readily available to the public, and just as important whether the voting citizens believe it is trustworthy.

Issue. **CI/CP & Government Officials and Policy** Competition with existing processes: JO CO government officials and policy makers are key to successful civic engagement strategies. They will be more responsive and co-operative if they do not feel that they are being bypassed or threatened by engagement activities.

Issue. **Authority** For the purposes of this paper, the central question is whether there are any known conflicts under Oregon Local Budget Law (LBL) for enhanced CI/CP procedures, and a potentially conflicting local government charter, ordinance, regulation, or policy. There is no doubt that there are minimal CI LBL requirements that JO CO must follow. However, the county, under its home rule charter and the LBL, may provide for the exercise of county authority over matters of county concern, such as enhanced CI/CP procedures beyond the minimums of the LBL.

Issue. **Talk Is Not Cheap** While describing the very important benefits of enhanced CI/CP, it is acknowledged that JO CO BCC should consider a litmus test to consider when they allocate resources toward CI/CP processes. 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.

Issue. **No Known BFO Champions** There are no known individual JO CO leaders championing Budgeting of Outcomes – BFO (e.g., JO CO commissioners, other seven elected officials, department heads, etc.). It was observed that one JO CO Budget Committee (JOCOBC) member raised a BFO issue during the FY 2016-17 budget, and was not supported by a majority of the JOCOBC.

Issue. **No BFO Model For Use By Departments** The lack of a formal and coherent framework for implementing BFO (i.e., local government messaging and focusing on BFO instructions) each JO CO budget year has been noticed. For example, the JO CO FY 2006-07 “budgeting for outcomes” initiative, a performance budgeting process, has been stalled for a decade and has not moved forward to address several core BFO principles, examples of which follow.

- BFO effort linked to larger budget performance management, monitoring, and evaluation.
- Identification of high-level priorities important to the public for organizing the budget process through
- Develop request for results.
- Ranking the department proposals (alternatives).
- Identifying performance measures to monitor and evaluate performance.
- Sharing clear expectations for the BFO process communicated to stakeholders through written records.
- Formal BFO evaluation processes non-existent.

The county has been stuck for 10 annual budgets with highlighting the main BFO’s ideas it is using without any sharing of supporting analysis of why the FY 2006-07 BFO financial policies are still applicable (i.e., disappointingly nonspecific). This conclusion became apparent after an intensive review of the financial policies for JO CO public safety departments from FY 2006-07 to FY 2016-17, a detailed study of the FY 2015-16 public safety departments programs, and interviewing representatives of all public safety departments.

Issue. **Public Distrust Of Government** Instead of taking the time and effort to involve citizens, JO CO can wait until they experience higher levels of voter distrust and anger. To win elections, candidate promises make the newspapers. Some share that huge budget gaps have created end-of-county service disasters and revenues must be secured; others share the budget can be dealt with through greater efficiencies, with no impact on essential services or tax increases; or that the government facts aren’t right. Such promises are difficult to keep and inevitably prompt greater citizen disillusionment. Wouldn’t it be better to start the discussions earlier, no matter the different sides and views – to help citizens understand the realities of the fiscal situation – rather than pretend that miracles can happen in government, or stoically await the future?

2. Political Culture Issues Political culture is an important JO CO 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. **The Authors believe 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.**

Issue. **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 effect of this conservative ideology can be seen in the county voters' historical votes on state and county tax initiatives decisions to support or oppose tax measures. Based on these results, ideology can be considered a determinant of tax measure support in JO CO to oppose tax increases.

Issue. **Political Culture** JO CO is unique in that a particular policy instrument, a property tax, had been proposed (i.e., levies in 2012, 2013, 2014, and 2015) to provide funding for public safety services in the county. 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.

Issue. **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. 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, 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.

Issue. **JO CO Uses a Traditional Budget Process** Citizens have responded to JO CO's "apprise" and/or "inform" level of CI/CP appropriately - minimalist. Others feel that the county can improve citizen trust in government through enhanced CI/CP efforts, and therefore find citizens more understanding and supporting of budget allocations.

Issue. **Citizen Participation in JO CO Budget Is Minimalist** In practice, JO CO 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? Or are they acting in a pragmatic fashion, gathering and considering policy preference information using other input mechanisms?

Issue. **BCC, Elected Officials, & Departments** There has been relatively little innovation in the crucial practices and processes of financial planning which should be supporting JO CO's budget goal of BFO. To put it simply, local authorities are facing 21st century problems with a 20th century approach to CI/CP in budget accounting. 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. Traditional budgeting can hamper innovation by trapping local authorities 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 meet its strategic objectives department by department.

Issue. **Public Trust In Government** While ideology likely plays a role, fair treatment within processes is the second most common argument utilized by levy opponents, probably because of a lack of trust in governmental processes. 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. What this implies for the county is its voters will be more 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 their perceived unfairness.

Issue. **CI/CP Directionless Beyond "Apprise"** Per informal policy direction from the BCC to use the LBL, financial planning professionals, with public policy responsibilities have institutionalized the practice of public meetings/hearings as the method to involve the JO CO public in the budget process. This one-way flow of information 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. Commonly used efforts such as public meetings, open houses, and public hearings are viewed by the majority of CP researchers as mediocre or average in their effectiveness to include the public.

Issue. **CI/CP Budget Goal of "Inform"** It is concluded that the level of public participation in budgeting, as defined by the public meetings/public hearings JO CO budget process strategy, 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 LBL's purpose of ORS 294.321(6), to enable the public to be "Apprised."

However, while inform equals "apprise" of the LBL, it is tricky because the International Association of Public Participation (IAP2) Spectrum identifies a public meeting as "Consult", but the IAP2 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 of the specific public input (versus the JO CO budget meeting minutes with very few details), and no specific budget committee or BCC written responses of the specific affects the public comments had on the complete budget decision for the stage the public comments were applicable (i.e, complete proposed budget, complete approved budget, complete adopted budget).

Issue. **CI/CP Budget Goal of “Inform” Satisfactory** The public participation goal of “Inform” would be 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 State mandated and JO CO essential public safety service 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 and not participating.

3. Legal Requirements Issues Most states, including Oregon, impose certain legal budget requirements on local governments (such as public hearings) that may either enhance or constrain participation. The present JO CO citizen budget process participation model, in terms of the opportunity for one-way testimony in budgeting is centered on early BCC 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 for presentation to the JOCOBC. There is almost no opportunity for the budget committee, and especially the public, to meaningfully affect policy this late in the budget process when the proposed budget is first submitted to the committee.

Issue. Oregon Local Budget Law (LBL) Oregon imposes certain legal budget requirements of local governments (ORS 294.305 to 294.565). Although minimal for CI, there is no doubt that there are LBL requirements, especially accounting, that are applicable to all local Oregon governments. Some examples follow.

- 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%.

The LBL also provides for the exercise of county authority over matters of county concerns beyond the minimums of the LBL, such as enhanced CI/CP procedures.

Issue. ORS 294.305 to 294.565 Not About CI/CP Most of the LBL ORS 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 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 the ORS.

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|-------------------------|-----------------------|
| • citizen | Zero (0) times in ORS |
| • citizen involvement | Zero (0) times in ORS |
| • citizen participation | Zero (0) times in ORS |
| • involvement | Zero (0) times in ORS |
| • participation | Zero (0) times in ORS |
| • public | 43 times in ORS |
| • public involvement | Zero (0) times in ORS |
| • public participation | Zero (0) times in ORS |

Issue. Public Meetings/Hearings, Review and Comment Procedures Legally required methods of public participation in government decision making in JO CO – meetings/hearings and their review and comment procedures in particular – do not work. They do not achieve genuine participation in budget planning or decisions; they do not satisfy members of the public that they are being heard in the budget process; they seldom can be said to improve the budget decisions that public officials make; and they do not incorporate a broad spectrum of the public into the budget process. However, it is worse than that, as almost no citizens show up.

Issue. ORS “Apprise” Public Purpose Misrepresented 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 Oregon Department of Revenue (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. The one of concern is “Encourage citizen involvement.” The ODR is blatantly teaching a falsehood that LBL, specifically ORS 294.321, encourages citizen involvement. The ODR promotes and/or takes credit for CI through the authority of the *Manual* and the *Local Budgeting In Oregon* documents it authored. However, the ORS “apprise” purpose and the *Manual* “to encourage the public” are not remotely the same. “Apprise” as practiced in JO CO is barely above nonparticipation on Armstein’s “Ladder of Citizen Participation.”

Issue. CI/CP An Afterthought In ORS CI/CP appear to be an afterthought after ORS 294.305 to 294.565 became law. There are no ORS requirements for CI/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. The minimalist LBL establishes standard budget procedures (i.e., mostly accounting), and provide for the specific CI methods of meetings/hearings for obtaining public input on the preparation of fiscal budget policies. However, the focus is to enable the public, taxpayers and investors to be apprised, or informed of fiscal policies. Under LBL, “CP in budget preparation” identifies a minimum of one public meeting before the budget committee to provide input on the proposed budget (could be 1st meeting), and a minimum of one public hearing before the BCC on the approved budget (could be 1st hearing).

Issue. Goals & Directives Not Compliance Standards The significant problem is that CI/CP purposes are like goals, they are usually not legal requirements (Appendix F), and there is not a legal penalty for non-compliance. This is especially so in JO CO where goals and purposes are usually reasonable, but general without specific measurable performance standards. Regardless, CI/CP purposes are not even identified in LBL, except to enable the public to be apprised.

Issue. Oregon Administrative Rules The OARs, with the force of law, are usually the savior of too general ORS. Because there is nothing in LBL on CI/CP, there is very little in the OARs applicable to CI/CP in the local government’s budget process.

Issue. **Manual Introduces CI** The *Manual* does not address CI in its own chapter as nowhere in the ORS can the reader find CI/CP identified. Citizen involvement is introduced in the “introduction” of the *Manual* as if it were a purpose of LBL, as a manual is supposed to help interpret the law, not create it. This was a liberal interpretation by the ODR, almost deceiving, but they were stuck with the ORS as legislation and tried to tie CI into its operating rules as expressed in the *Manual* and the *Local Budgeting In Oregon* document. JO CO’s CI/CP authority appears to be from the ORS or OAR; it is not.

Issue. **Manual Introduces Understanding For Budget Committee** The *Manual* recommends that JOCBC members should develop a general understanding of the budget process, not what the budgeting process will do to educate the members on their job responsibilities, nor the roles of the citizens in the budget process (*Local Budgeting in Oregon*” - 150-504-400; *Manual*, p. 44).

Issue. **Oregon LBL falls under Public Meeting Law** The Public Meeting Law policy statement **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. The JO CO budget process does not meet this higher standard of “*require an informed public aware of the deliberations and decisions*” beyond the minimal LBL requirement of apprise/inform. However, LBL allows the local governing body to go beyond the minimal LBL CI/CP requirements in accomplishing this 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 were made in its annual budget process through collaborative CI/CP approaches, and it has elected not to do so.

Issue. **Budget Message Not Part of Proposed Budget** The JO CO interpretation that the JO CO budget message is not part of the JO CO proposed budget is a significant problem. 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, and it also identifies three evolutions of the budget (i.e., proposed, approved, and adopted). The JO CO government also provides an opportunity for public comment (ORS - public “input”) in the local budget process at the 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.

For purposes of public input, it is illogical that the definition by JO CO of the complete budget is restricted to the adopted budget. It is logical that the budget message is part of all three complete final budgets as they all are for the reason to enable the public to be apprised of financial policies in the budget message. It was for that reason the JO CO budget process provides a public opportunity to comment on the budget’s proposed financial policies at a budget committee

meeting and a BCC hearing. Why does JO CO give an opportunity to comment on the proposed financial policies of the proposed budget, but not provide the financial polices as part of the proposed budget? The JO CO budget process in not in compliance with LBL as interpreted by the *Manual* when it provides the budget message only in the complete adopted budget.

Issue. Training For JO CO Budget Committee (JOCOBC) The LBL allows the JOCOBC 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 time it take to prepare the budget. The BCC'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 in a public meeting 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 CI plan in the budget process, or a budget manual that the public and the budget committee could use in preparation of commenting on the proposed budget. Part of the issue is the perception that the JOCOBC is in charge of its role which is largely dictated by the budget calendar (see Section VI.B.4).

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

Issue. JO CO Budget Process in Not in Compliance The JOCOBC averages three advertized public meeting per year on the budget process from the time of the "budget message" meeting. The minutes of these meeting are usually 1 - 3 pages long. Most meetings had no members from the public giving input and this deficiency does not register as a significant JOCOBC topic during the budget meeting. When a member of the public does provide input there is normally a brief summary of the public input in the minutes, as one of the budget committee's most important duties to hear and consider any input presented by the public. However, the budget input process stops at the point of public input without any record how the committee considered the public input, and how it affected the decision. The JO CO budget process in not in compliance with its local budget process to give consideration to public input.

Issue. JO CO BCC Consideration – Keep Careful Minutes of the Budget Hearing Proceedings The JO CO BCC 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). The *Manual* warns to "*Keep careful minutes of the budget hearing proceedings to document your compliance with these requirements.*" (LBM, p 55). Considering public input received at the public hearing before the BCC is crucial as consideration is an essential element for the formation of a contract as the *Manual* interprets LBL. However, the meeting hearing

minutes for BCC budget meetings are so brief to not include how public testimony was considered, only that it was. The JO CO budget process is not in compliance with LBL to give consideration to public input.

Issue. Notices More Important Than Public Input. “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 apprising/informing the public, nor about ample opportunities for CI/CP, but about a appealable measurable form and timing compliance “notice” criteria.

Issue. May Budget Start Schedule To Tight For Additional Meeting With June 30 Adoption Schedule 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 notice criteria are important and the CI purpose of enabling the public to be apprised is not important. 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 2-month schedule from the first meeting of the budget committee when the budget message is given, and the first meeting of the BCC does not leave much room for any needed additional meetings. Therefore, they are usually voted down by the majority of the JOCOBC when additional information and/or meetings are requested by any member of the budget committee as there is no provision in law for adopting the budget after June 30.

Issue. JO CO Has Not Taken Advantage Of ORS 294.438 The LBL’s narrative publication alternative’s purpose (ORS 294.438) of giving meaning to the budget figures while highlighting significant features in the budget is a startlingly honest statement of the potential flexibility of the JO CO BCC to do what they want to in terms developing financial policies for the budget process. 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 LBL requirements is significant (Appendix L).

Issue. Purpose Of Enabling Public To Be Apprised Legally Meaningless The LBL does identify one of its purposes as enabling the public to be apprised. However, there are no standards of compliance for budget goals or purposes identified in the LBL on in the JO CO budget. Without them, LBL purposes are legally meaningless (i.e., when performance criteria are not required as part of LBL or local budgets).

4. Technocratic Expert Model For Accounting & CI/CP In Budgeting Issues Managers' professionalism, perceived political environment, and attitude toward citizen input are important factors explaining local governments' adoption of **participatory and/or collaborative budgeting** processes. Participatory budgeting is a process of democratic policy-making in which the government invites citizen inputs during the budget process and allows their influence in budget decision-making.

Why do some local governments include citizen participation (CP) in the budget process while others do not. The question of what factors drive a local government to invite CP 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 elected officials and managers in the decision process. What are the linkages between managers and CP in budgeting? Examining whether and how managers' professional characteristics and attitudes (i.e. "citizen leadership" model, "technocratic expert" model, and "bureaucratic indifference" model) affect local governments' adoption of CP in the budget process is important to citizens.

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 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 one, and most of them twice. They consider them all to be professionals, and most appear to be distant, in some degree, in terms of sharing information. The Authors' have observed that the JO CO BCC, JO CO public safety elected officials, and JO CO department heads exhibit all three of the very different perspectives about how managers' characteristics might impact CI/CP. **Scientifically inconclusive, the Authors admit they believe the technocratic expert model dominates in JO CO.** They believe 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 CI/CP 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, including the budget process leaders, may fear that CI/CP reduces administrative efficiency, and, as a result, they may openly or privately discourage CI/CP in budgeting.

For the record, over the last four years the Authors have been studying the safety issue, they have found almost universally that the involved public they have communicated with (i.e., stakeholder government and private citizens) concerning the JO CO public safety issues, pro or con, generally don't understand, and/or trust the Authors' motives. It is suspected that all, or most, believe instead that the Authors secretly might support one 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 interests.

Issue. **JO CO Leader's Attitudes and Roles Toward CP** Have you heard this one - "Idealism increases in direct proportion to one's distance to the problem." Does this mean that only those who are not engaged in budgeting advocate CP in budget decisions? For the question this means that CP in budgeting is nice in theory but it doesn't work or isn't tried in practice; or that in order for a pie-in-the-sky idealism to make it in the real world, it needs to be located in the "realism" of the public budgeteer's daily work experience. Without a CI/CP budget goal change beyond the LBL "appraise" level of participation, including performance standards, **many believe, or wonder if the JO CO government leaders (e.g., JO CO commissioners, other seven elected officials, JO CO Management Team - JOCOMT, etc.) support CP in budget decisions.**

Issue. **Budget Officer's Attitudes and Roles Toward CP** The budget officer's administrative reality, with its statutory basis, illuminates how the processes for getting public input into general and special purpose government agency budgets can be driven by shortened time frames, legal requirements, the necessity of a "clean audit," and a culture that supports this emphasis. This reality is also the BCC's reality as the budget officer works for the BCC. **In many examples public input is, at best, restricted to responding to a prepared budget, without any interest on the part of staff in making changes to the completed budget document prepared by technically proficient budget professionals.** Although the public would be invited to meetings/hearings at the end of the fiscal year, timing pressures for budget approval and adoption would again disallow meaningful citizen input. The question is if CI/CP is based on nothing more than meeting minimal legal requirements – producing token, or inauthentic CI/CP?

Issue. **Budget Officer's Administrative Reality** Prepare for legal deadlines for notification (so as not to incur an audit finding for procedural non-compliance).

Issue. **Expert-focused Approaches to Citizen Input in Public Budgeting. Preparation of better, friendlier budget materials is a technical solution narrative that requires only that budget officers operate by meeting legal requirements for CP.** The need for budget presentation skills relates to citizens' roles as voters in approving or denying tax levies for public services. Clear and simplified budget presentations can contribute to citizens' developing confidence in the fiscal and overall management capacities of JO CO. In this narrative, budget presentations contribute to the development of an image of overall technical competence. Citizens need not participate because the situation is in the hands of competent, politically-savvy administrators and technical experts. The main problem with this narrative is that the majority of JO CO citizen voters hold government and its employees in negative regard, and are increasingly alienated from government, and have voted down four tax levies in as many years.

Issue. **Control Strategies to Keep Citizens Away** Deliberately or not, public administrators draw upon assorted control strategies to keep citizens away from policy and budget decision processes. **These JO CO procedures include limiting citizen input until a time when it is meaningless or an unessential part of the policy process;** using routine procedures for getting citizen input, such as relying solely on traditional public hearings and notices; defining problems and issues before asking citizens what they think, thus constraining possible ways of understanding the situation and possible solutions; and **failing to facilitate conversation at meetings, thus letting the proceedings turn into a series of monologues.**

Issue. **Tight Control In Budget Process** Tight control by JO CO is especially apparent in the budget process. Typically, budgets are developed internally by the BCC and are **presented to the public as a finished product at the first JOCOBC meeting, as one that can be manipulated only marginally and indirectly, and after key issues have already been defined.** Professional, technical expertise, and efficiency are given more value than democracy in the budgetary profession. Too much and too-loud CP creates delays and inefficiencies and threatens the positions of incumbent politicians and administrators. **Therefore, technical expertise is valued over the hands on, lived experience of community residents.**

Issue. **Budget Reality in JO CO Traditional And Continuing** The budget reality in JO CO is a “Technocratic Expert” CI/CP model which reflect the basic minimal CI requirements of the LBL. This is in contrast with the enhanced CI/CP approach that is allowed by budget law and the approach of many local governments in Oregon. JO CO’s minimal CI model was not because of the present JO CO situation of hard controversial unstable local revenues, as this same minimal CI/CP model was used for many stable revenue decades prior to the local public safety budget revenue issue, with its major cuts occurring in safety programs in 2012.

Issue. **Change for Traditional JO CO Budget Process** Traditional service provision minimizes CI/CP, 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.

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

B. Citizen Participation In Budgeting Process Design Issues

The literature cites a variety of considerations, such as timing, type of budget allocation, participants, and gathering sincere preferences, when designing the budget participation process.

Due to the public policy decisions inherent in the budget, the budget process would seem to be a prime opportunity for citizen input. However, empirical research suggests that CI/CP in budgeting is not widespread. Do practitioners such as the **JO CO government leaders (e.g., JO CO commissioners, other seven elected officials, JOCOMT, JOCOBC, etc.)** disagree with the 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 CP not used more? What are the effects of CP in budgeting?

1. Citizen Involvement In Oregon Local Budget Law At Apprise/Inform Level Issues

Issue. Budget Complexity and Citizen Disinterest Budget complexity and citizen disinterest are the major barriers to CI when the JO CO public making a difference is slight for making a difference in budget decision-making. There is no written record that citizen input into the JO CO budget process has changed the annual proposed budgets.

Issue. Citizen Distrust in Government Citizen participation is seen as a way to reduce the level of citizen distrust in government, and to educate people about government activities. Major distrust in government is an issue in JO CO. Why hasn't enhanced CI/CP started/stuck?

Issue. Citizens Willing to Commit It is difficult to find a group of representative citizens willing to commit the necessary time and effort in the traditional JO CO CI budget process to learn about complex public budgets during times of stable budgets (i.e., relative trust), let alone during times of fiscal stress (i.e., relative mistrust).

Issue. Single One-Way Budget Cycle In JO CO CI citizen input process occurs linearly and in reference to a single annual budget cycle rather than as an ongoing two-way dialogue over the years. Citizens can't really get involved and make a difference beyond the potential of the three elector citizens on the JOCOBC, and there are many question that the electors even have a chance for a meaningful dialogue with the differences in the authority of the BCC members and the elector citizen members.

Issue. Cost In Time & Money Cost and frequency are factors in the lack of two-way communication. Two-way CI/CP methods take significant more time, effort, and money than traditional CI budgeting methods. Leaders do not usually get rewarded for successful inventory and CI/CP programs that their successors will inherit. The high probability scenario is that success for two-way CI/CP methods will take too long (i.e., 10 - 20 years in the political environment of JO CO), and be beyond the tenure of the present leaders for them to be rewarded.

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

2. Citizen Participation Timing In Budget Process Issues The literature identifies 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 when the BCC shares its fiscal policies the first time with the other JO CO seven elected officials and JO CO department heads, rather than the budget proposal/approval/adoption phases. In and out of Oregon, there are examples of budget input occurring early in the process, but most studies have found participation used more frequently at the end of the 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.

Issue. **Participation Works Best When it Is a Dialogue** Other research besides timing suggests that participation works best when it is a dialogue rather than simply one-way information sharing. However, JO CO budget participation for the public still 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.

Issue. **Timeliness Of Information** Timeliness of the information should be based on the sources and intended use of the information. If the purpose is to educate and inform the public about budget decisions that have been adopted for the upcoming fiscal year, the information should be made available soon after the proposed budget has been developed and definitely by the time of the approved budget. **On the other hand, if the purpose is to inform citizens of proposed budget decisions and to seek citizen feedback**, especially on fiscal policies, the information should be provided at the beginning point in the process when the proposed budget is being developed. Minimal CI/CP under LBL is to educate and inform and to seek citizen feedback. JO CO budgets are reasonable at educating and informing, and deficient at seeking and using citizen feedback. The problem is that poor timing of information leads to poor timing of opportunities to provide citizen input regarding that information.

Issue. **Effective Participation Through a Different Lens** Overall, citizens believe an effective participation system should include two-way communication between all stakeholder groups, more opportunity to be heard earlier in the process (not in May at the budget public hearings), and involvement an honest dialogue with JOCOBC, BCC, other elected officials, JOCOMT, and their staff regarding the budget and the citizens’ role in the process. A major criticism of public hearings concerns timing. Because most jurisdictions hold only the state-mandated LBL meetings/hearings, and they usually takes place late in the process, the public has little opportunity actually to influence results. These meetings/hearings take on a perfunctory or symbolic function.

Issue. Does Government Really Want To Involve The Public? If JO CO wants to involve the public, timing is vital, regardless of the method used. A high level of frustration is expressed by the public with the use of JO CO public meetings/hearings, particularly because they take place at the end of the process, when little meaningful input can be given. 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 JO CO in both the short term and the long term. When this two-way exchange begins early in the budget process, there is a greater likelihood that the information exchanged will be used and that both citizens and JO CO officials will be better informed about the other's position and more committed to the result.

Issue. Availability of Proposed Budget Document To Review The LBL allow JO CO to provide its proposed budget to the public the day of the JO CO budget committee's first meeting (ORS 294.426(1)). One informal survey of the availability of Oregon county proposed budgets before the 1st budget committee meeting found highs of 55 and 27 days to review the proposed budget and give comments for Yamhill and Jackson counties, and lows of 0 days for Coos and Josephine counties. Zero days to review massive budget documents for comment is not fair nor logical, but it is legal. 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(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 (Appendix L). In conclusion, in JO CO the number of days the public and budget committee had to preview the proposed budget before the budget committee's first meeting is not enough for meaningful participation.

Issue. Violating Concepts of Meaningful Public Participation The legal option of only making the complete proposed budget available to the public for the first time at the first JOCOBC 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. It 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 any opportunity to make a change. This is a major problem in JO CO; public does not show up at budget meetings.

Issue. Public Opinion Not Heard Or Valued per the Oregon LBL minimum requirements. The minimum LBL approach creates a perception/reality that public opinion is not being “heard” or valued. Structured opportunities for two-way citizen testimony (input) into the JO CO budget are minimal to non-existent.

Issue. Stage of Citizen Input To Improve Public Trust The JO CO's use of the minimal CI requirements of LBL do not allow, much less enable or enhance public participation in the first phase (i.e., proposed budget) of the JO CO budget process. It misses a great opportunity over the long-term to improve public trust. 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 (i.e., public input is more beneficial during the preparation stage rather than later phases: proposed/approval/adoption).

3. Type of Budget Allocation Much of the CI/CP 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, many mid-western cities have 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.

CI/CP is used in different types of resource allocations in JO CO.

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

The budget allocations for activities beyond the budget process are not pertinent to the purposes of this paper.

There are no identified issues for “type of budget allocation.”

4. Budget Process Participants Issues (i.e., selection method, numbers, representatives, and authorities). The selection of participants is another important design component. Researchers suggest that participation should be open to large numbers of people. Participants should also be representative of the community, to give wide access and not close anyone out of the process. The participant-selection method might also be critical; for example, officials could invite individuals based on neighborhood involvement, or individuals could self-select. 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.

Per the general public minimal CI requirements of LBL, the present JO CO budget process participants are the following.

1. JO CO Board of County Commissioners (BCC).
2. JO CO Other Seven Elected Officials.
3. JO CO Management Team (JOCOMT).
4. JO CO Budget Committee (JOCOBC) (ORS 294.414).
5. Staff, Including Budget Officer who works for the BCC.
6. Public.

Per LBL, JO CO must establish a budget committee. The committee is composed of the JO CO governing body members (BCC) and an equal number of elector citizens. An elector is a qualified voter who, for example, has the right to vote for a ballot measure submitted by the local government. The selection of electors is the responsibility of the JO CO BCC. In JO CO there are six members of the budget committee (i.e., all three commissioners and three elector citizens appointed by the commissioners per ORS 294.414).

Issue. Members of JO CO Budget Committee Do Not Have Equal Authority What are the authorities of the BCC members of the budget committee versus the appointed elector members? Do all members of the JOCOBC 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?

Issue. According to the Manual for LBL, All Members of the Budget Committee Have Equal Authority as each member's vote counts the same and the budget committee elects a presiding officer from among its members. This position is sharply contested by the Authors and they challenge the Oregon Department of Revenue (ODR), 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 elector members of the committee. The reasons for this position in JO CO follow.

1. The BCC controls the JOCOBC's operating funds, its staff, its schedule, and its role.
2. Electors are appointed by the BCC and their reappointment is at the discretion of the BCC.
3. Governing body members work on budget year round while electors have approximately two months.
4. Governing body members are paid full-time professionals, while electors are unpaid and part-time.
5. Governing body members have more budget training and experience than electors.

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

Issue. Elector Members of JOCOBC Labeled Disruptive When Expressing Opinions 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 rather than as credible members of the committee expressing a difference of opinion (i.e., the JO CO Budget Officer is inferring that the budget committee members were not equal, with his 2016 quote: *"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).

Issue. Elector JOCOBC Members Are Appointed 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 LBL authorities for the 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?

Issue. The JOCOBC Is Under Control Of JO CO BCC The county commissioners control the JOCOBC's operating funds, its staff, its schedule, and its role. The JOCOBC is invisible outside of approximately two months when its job is to approve the proposed budget, and during that period it does not have time to address budget process issues. It barely has time to address budget allocation issues.

Issue. Majority Vote Of Budget Committee Slanted To BCC The budget committee reviews the budget proposal 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 elector 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 (i.e., they have a vested interest in the status quo).

Issue. **Unequal Authority** Equal authority comes from having the following: 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 seemingly equals. Nevertheless, it is quite obvious that the JO CO elector citizens are not equal to the members of the governing body (JO CO BCC), 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.

Issue. **Public Believes Propaganda That Budget Committee Is Independent** The issue position will be explained by a recent experience of the Exploratory Committee which optimistically thought the JOCOBC was the expert group that could answer its budget process questions. It is official in the Exploratory Committee's view that the JOCOBC is not independent, and **now the Committee makes official requests to the JO CO BCC to schedule the JOCOBC's time for the purpose of explaining the budget process to the public.**

The fact that all members of the budget committee have equal votes, and that the an elector member of the JOCOBC might be voted as chair of the JOCOBC, has little value if the committee does not exist outside of the two months to approve the proposed budget with the names and contact information of some of the JOCOBC members (i.e., the elector members) kept secret from the public. It is understand that the JOCOBC members can't address budget allocation issues outside of public meetings and keeping the contract information helps with that issue. **However, hiding the JO CO budget process and its experts from the public by not having any information contacts for it to go to when it has budget process questions feels like it must be illegal under LBL.**

The Authors made their first request to the JO CO Budget Officer for budget process information on January 20, 2016. On September 27, 2016 the Authors made their first official request to the BCC versus continuing to believe that Arthur O'Hare, JO CO Budget Officer, and the JOCOBC, have any independent authority or responsibility to schedule the JOCOBC's time and decide its own roles beyond approving the annual proposed budget. Its request to the BCC was precipitated after Mr. O'Hare's September 23, 2016 email response to our September 23, 2016 letter/email request for a meeting with him and the JOCOBC to answer JO CO budget process questions with clarifying answers.

"Mike – you are requesting a meeting with me and with the Budget Committee in order to discuss various aspects of the budget process. That is really a decision of the Board of Commissioners for both me individually and for calling together the Budget Committee. I will need to check with them regarding your request and will get back to you when I have more information. Thanks. Arthur O'Hare, Finance Director, Josephine County, Oregon"

Since Arthur O'Hare is the BCC's employee, and the JO CO BCC controls the schedule and roles of the JO CO BCC, the Authors asked the BCC to schedule a meeting(s) for them with Arthur O'Hare, JO CO Budget Officer, and the JO CO BCC. No response from BCC as of October 7, 2016.

5. Budget Process Stages/Budget Message Issues There are several stages of the JO CO budget process.

1. Draft Internal Proposed Budget Document Developed By Budget Officer Under Direction Of JO CO BCC/Budget Leadership (i.e., BCC, Other Elected Officials, and JO CO Department Heads).
2. Complete Budget Officer Proposed Budget Document.
3. Complete Budget Committee Approved Budget Document.
4. Complete BCC Adopted Budget Document.
5. Execution of Adopted Budget Document.

Issue. Available Assessment for its CI/CP Budget Process Stages JO CO does not conduct a conflict assessment for its budget process phases, nor for the individual needs of CI/PC in its different stages. The BCC has adopted an informal policy that its CI/CP requirements are those minimums that are identified in the LBL. Informal is used because JO CO does not have a CI in budgeting plan or any other plan explaining CI/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 CI/CP policy is quite a restriction on the potential for enhanced CP beyond minimal LBL (Appendix L). Compliance is worked out on a case-by-case basis with the BCC being advised by the JO CO Budget Officer.

Issue. Gaining Valuable Input from Citizens There is a critical difference between going through the empty ritual of public participation and the public, including elector JO CO BCC members, having the real power needed to affect the outcome of the process. Early and two-way 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 the public through participatory/collaborative CI/CP mechanisms** 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.

Issue. Obstacles to Collaborative Participation Insurmountable? An academic from Oregon State University's masters public policy program recommends that **JO CO should seek to incorporate more citizen voices into its decision-making process through collaborative participation, including using co-productive models of governance.** This is because JO CO traditional service for CI in service planning and involvement in service delivery minimizes CI in both of these areas, favoring professional control over most service delivery procedures. Citizens may have some control over the system by being able to elect the BCC decision makers, however, the ability of citizens to make direct decisions or help in the provision of services is limited.

Issue. **Budget Message Part of Complete Budget Document** There was no explicitly identified “Budget Message” in the FY 2016-17 proposed budget. The *Manual* requires a budget message in the completed budget. This requirement is applicable to all three final evolutions of the budget in the local JO CO budget process. The JO CO Budget Officer disagrees; his position is that the “Budget Message” is required only for the complete adopted budget. However, the BCC has made him unavailable to talk to the Authors.

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

Issue. **Budget Message Statements Without Supporting Facts** Without supporting facts or analysis for fiscal policies in the budget, or referenced in the budget documents, many JO CO budgets have statements in them like the following.

The budget before you includes **citizen input on services they are willing to fund** (emphasis added), **guidelines set by the Board of County Commissioners** (emphasis added), **mandates required by the State of Oregon** (emphasis added) and **stakeholder support of programs** (emphasis added). The budgets includes **details on mandates** (emphasis added), **program outcomes** (emphasis added), revenues expenditures and personnel for each department within the respective fund. Although County government and the resulting budget is complex the **goal is to provide as much transparency in government as possible** (emphasis added) while following Oregon Budget Law.

Each of these statements in **bold** are issues in their own right and are identified later.

Issue. **Non-Fiscal Accounting Information Not Vetted.** Fiscal accounting information in the budget which is identified in the budget message is considered vetted. However, most of the goals, objectives, purposes, and budgeting of outcomes in the budget message, do not have accompanying vetted support information. The exception is Davis’s identification of JO CO citizen preferences and priorities on the public safety issue (Davis 2016).

6. Sincere Preferences/Willingness To Pay Issues Public safety services (PSS) are needed in JO CO; it is just the tax mechanism or other source of revenue, the cost, the ability to pay, and trust in government concerning the need, that are the issues.

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", 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.

The ability to gain information about sincere preferences or the willingness to pay for public services is important. Studies have found a discontinuity between citizen demands and their willingness to pay taxes. In some cases, individuals might state a higher preference for a service if they believe they will not have to pay their fair share. Therefore, it is desirable to take this into consideration to understand true preferences. Eddon and Franklin (2004) identified several "Evaluation Criteria for Citizen Engagement," including sincere preferences/willingness to pay.

- 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.

Issue. Citizens Not Involved During Fiscal Stress Calls for public participation in resource-allocation decision have been heard in the past. **The concern with cynical, distrustful citizens is leading many governments to focus again on gathering citizen input during budgeting, especially for those with the fiscal stress faced by local government becomes more serious.** JO CO has been under potential fiscal stress since 2000 and real fiscal stress since 2012. 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.

Issue. Cumulative Fiscal Stress Questions about economic stress that the JO CO BCC have to consider, beyond the high profile degrading O&C passthrough revenues, are other major economic factors that have to be considered like future unforeseen unemployment, bankruptcies and foreclosures (i.e., 2007 is not that far into the past). That scary horrific past, along with the

normal State of Oregon 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?), with few reforms known that will meet the courts' rulings on abrogating a legal labor agreement.

Issue. JO CO Officials Do Not Know Citizen Preferences Bald political statements in the budgets indicate the governing body knows the citizen preferences – “*The budget before you includes citizen input on services they are willing to fund* (emphasis added).” However, there have been no scientific studies used in the budget to support this statement, or referenced, that purport to identify citizen preferences. The recent exception is by Davis (2016).

Issue. Cost Most discussions of the value of public participation, including understanding JO CO citizen preferences leave out a large barrier: cost. At high cost, understanding the hearts of the citizens by meeting with them regularly, of using some other instrument of gaining citizen preferences (e.g., surveys, etc.), **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.**

Issue. Groups Of Citizens Point Outward 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. 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.

Issue. Citizen Opinions Are So Varied for Sources of Revenues 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 for sources of revenues (e.g., residential and commercial property taxes, transfers from other levels of government, sales taxes, BLM management of federally administered lands, flat taxes, consumption taxes, income taxes, business license taxes, charges and fees, revenue growth compared with economic growth, etc.).

Issue. Less Connected With Scientific Explanations Disconnected also means that JO CO has not provided a scientific explanation of why the old status quo PSS (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 the mandated and essential programs, and the need for their supporting levels of service (LOS).

Issue. JO CO Has Not Tried Enhanced CI/CP JO CO has not used enhanced CI/CP to explain the PSS need, nor received the support of a majority of its voting citizens for paying for proposed PSS levies. Arguments for enhanced CP 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 CP, 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. It is not known whether enhanced CI/CP would work in the long-term (i.e., 10 - 20 years). However, the bottom line is that JO CO has not tried enhanced CI/CP in the last 10 years or so since the probability of degraded O&C passthrough revenues became known, and incorporating citizen testimony into the JO CO budget decision-making process is not costless and timeless.

Issue. Willingness To Pay” The literature supports 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 JO CO BCC, other seven JO CO elected officials, and department heads? JO CO government leaders have not shared with the public what assumptions they are using for determining citizen testimony on sincere preferences and willingness to pay opinions. The question is whether the status quo is working for improving public trust and the quality of the budget allocations?

7. Public Participation in Planning, Budgeting, and Performance Management Issues 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 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 a variety of important CI/CP considerations in designing their efforts. The following issues are all derived from the paper entitled, *GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management* (Section V.J; Appendix V; GFOA 2009).

Issue. Purposes for Involving the Public JO CO's purpose for CI/CP is to apprise/inform the public. This is a legitimate level of involvement for stable conditions with public support. It does not work for conditions of fiscal stress and trust in government issues for a majority of the voting public.

Issue. Public Perspective Except for poorly attended public meetings/hearings, JO CO has no CI/CP program to solicit and/or understand the public's perspective. No written assurances by JO CO have been provided to the public that it is receiving the public's perspective rather than only that of a small number of highly vocal special interest groups. This is because everything is informal and undocumented with no publically available vetted studies except for Davis (2016).

Issue. Most Effective Solicitation Of Public Participation Public meetings/hearings are the one formal method JO CO uses for eliciting public participation in its budget process. It is one legal LBL method, but not the approach most likely to be effective in the planning-budgeting-performance management cycle. Several approaches in planning, budgeting, and performance are needed. A significant problem is that JO CO does not involve the public in planning and performance management.

Issue. Public Input Incorporated into Decision Making The majority of the JO CO voters do not believe the government when it provides information that public input will be incorporated into decision making. There is no publically available written record that it occurs beyond brief summaries in budget meeting/hearing minutes. Most importantly there is no for the record information on the details of the public input, how it was considered by either the JOCBC or BCC, and most importantly whether it made any impact on the budget decisions.

Issue. No Information On Use Of Public Input There is no formal JO CO strategic budgeting plan or CI/CP in budgeting plan that communicates to the public how public values will be collected and used. The JO CO governing body has little information on public values except the elected official method (i.e., they assert they were elected and they know what the public thinks). It has not tried any CI/CP method except the minimal apprise/inform public meetings/hearings (e.g., focus groups, simulations, CI/CP advisory committees, surveys, third-party intermediation, CI/CP workshops, etc.).

Issue. Absence of Buy-in From Top Government Officials There is no formal enhanced CI/CP advocacy from top JO CO government officials for CP in the form of existing or proposed CI/CP plans with the authority of an ordinance (e.g., strategic plans, long-term financial plans, citizen involvement plans, county budget manuals, citizen involvement in budgeting plan, county citizen's guide to the budget, etc.).

Issue. Articulating Purpose Of Public Participation Beyond "Apprise" 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. JO CO has not utilized any CI/CP purpose beyond apprise/inform associated with its minimal public meetings/hearings strategy. The GFOA's best practices range of purposes for involving the public follow (GFOA 2009).

- 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.

Issue. CI/CP Timing and Approaches JO CO has one point of access for the public in the budget process - after proposed budget has been developed during the minimalist public meetings/hearings process before JO CO Budget Committee and JO CO BCC. Public mistrust in government remains high.

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. GFOA's best practices range of general approaches and timing for involving the public follow.

- 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.).

Issue. **Technocratic Expert Model For CI/CP in Budgeting** JO CO uses the expert judgement and objective data budgeting process. GFOA's best practice is to use public involvement with expertise and data. Information derived from public involvement processes should be considered along with expert knowledge and judgment (i.e., such as the engineering expertise necessary to build a bridge) and objective data (i.e., such as economic and demographic information, both of which are also critical to good decision making).

Issue. **Collect, Maintain, Monitor, and Analyze Information from Public Involvement Activities** JO CO's budget program informs the public that its input will be considered, but provides zero information explaining how public involvement has made a difference. It provides no information on CI/CP performance (i.e., collect, maintain, monitor, and analyze information from public involvement activities).

GFOA's best practice is that 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.**

C. Citizen Participation Mechanisms In Budgeting Issues

Many citizen participation mechanisms - methods, each with strengths and weaknesses, have been used to elicit participation in the budget process (e.g., public meetings, focus groups, simulations, advisory committees, workshops, surveys, third-party intermediation, etc.).

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 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 officials' expectations regarding 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.

Issue. Oregon's Legal Budget Law Requirements Oregon, like most states, impose certain legal budget requirements on local governments, such as public meetings/hearings, that may either enhance or constrain participation. It is time to face facts we know, but prefer to ignore. JO CO's traditional use of legally required minimal methods of public participation in government decision making – 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 departments and public officials make; they do not incorporate a broad spectrum of the public; and most importantly the public is uninformed with a majority of the voters mistrusting government and not supporting budget proposals that increase taxes.

This section will only address four citizen participation mechanisms: 1. public meetings, 2. advisory committees, 3. workshops, and 4. third-party intermediation. This is because the researchers only have knowledge of the first three, and the four, third-party intermediation, is part of what this paper hopefully accomplishes.

Issue. JO CO Citizen Involvement Budgeting Program The JO CO CI/CP budgeting program is presently hovering at the first goal of apprising/informing the public of government decisions. The county's informal policy is to follow the minimal public hearing requirements of LBL. This informal CI/CP policy is a significant restriction on the potential for enhanced CI/CP beyond minimal LBL presently being practiced by local governments across Oregon. A quote from the *Budget Manual for Local Governments in Multnomah County* is worth providing again. Other examples of county enhanced CI/CP procedures are available (Appendix L).

“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).

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

1. Public Meetings/Hearings Issues

Issue. ‘Review and Comment’ Methodology 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 by JO CO.

Issue. Public Meetings Not Good For Giving Citizens Direct Influence JO CO public budget meetings are not very good at giving citizens direct influence, but they can be used as forums for preliminary information sharing. Public budget meetings/hearings are common before budget adoption. Timing of these meetings/hearings is often a constraint. Attendance is generally low unless a “ hot issue ” is involved, such as proposed tax increases or service reductions. In addition, attendees may not be representative, and they may have little knowledge of the budget as a whole.

Issue. Hearing and Public Comment Processes Tend to Be Formalistic, One-way Communication 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. 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’s role is to react. This, in its entirety, is the JO CO CI strategy to “apprise” citizens (ORS 294.321(6)).

Issue. Limits For Meetings/Hearings 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. Citizens have to stand below the stage where budget committee and JO CO BCC members sit. They can speak only on the topic defined in the agenda. The program typically does not allow for interchange, although occasionally a JOCOBC member may ask a question. Citizens have no entitlement to answers to *their* questions. 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.

Issue. **Special Interests Participate** 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 budget watchers.

Issue. **Inequality Of Power and Information** Participation pathologies can come from the inequality of power and information of JO CO citizens and government. Dialogue with other non-designated speakers are probably not permitted, even if citizen questions were pertinent. Citizens usually get no information about their 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 were ruled out of order. This situation was one of “distorted communicative action” due to the inequalities in treatment of speakers, lack of multi-way dialogue, and control of the agenda.

Issue. **U.S. Review & Comment Procedures Are Better, But** The U.S. government review (e.g., BLM, FS, NPS, etc.) and comment procedures are better than the straight JO CO public budget meetings/hearings, but still have major problems. In project review the U.S. government documents potential impacts 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 they are published with responses.** Even though government staff have to respond to comments, they can be unresponsive or dismissive. They may declare comments off point, just as in JO CO public meetings/hearings. The citizen does not know who wrote the responses in the U.S. government approved minutes, much less have the opportunity to confront the individual or have an interchange on the topic. Comment processes are difficult to learn about and not readily accessible to the ordinary citizen, but they are available at the U.S. government level **versus the vacuum of the JO CO CI/CP budget process.** Commentors do not have an opportunity to discuss or resolve issues among themselves – just like the JO CO budget process.

Issue. **Minimal Apprise/Inform Meeting Standard** 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, and “Informing” is just above nonparticipation. The model of “Apprise/Inform” for budget meetings/hearing 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 non-engagement.

Issue. **No Evaluation Method For Success Of Meeting/Hearing Approach** Unfortunately, JO CO does not have a method to evaluate the success of its budget meetings/hearings approach to its citizens involved in budgeting, and more importantly, it does not try. What CI/CP 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.

Issue. Government Leadership JO CO going beyond the LBL budget meetings/hearings format will require altruistic local governing bodies, as the acknowledgment for a job well done will not be given to them. Their sacrifices will be for future elected officials as the major outcome of public trust will not develop in the short-term, but the long-term, optimistically perhaps 10 - 20 years. This is because the pattern is clear in local governments, especially for JO CO which has a history of rejecting tax measures as reflected by its last 10 failed levies for funding public safety services.

2. Advisory Committee Issues An advisory committee is usually a collection of individuals who bring unique knowledge and skills which augment the knowledge and skills of the local government body in order to more effectively guide and manage. Citizen budget advisory committees have been used in many places. These are better than some 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. One study found that advisory committees are effective when appointments are made in a democratic manner and when the committees have clear goals. 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. What is a fiscal planning advisory committee? Planning and advisory are the keys. Advisory means making recommendations, not decisions. What is planning? The Authors’ position is that JO CO does not have a budget advisory committee; it has a budget committee whose primary job is to approve the budget.

Issue. JO CO Budget Advisory Committee JO CO has a budget committee that, according to ODR, is a fiscal planning advisory committee. The budget committee meets publicly to review the proposed budget document as proposed by the budget officer, holds at least one meeting on it in which the public may ask questions about and give public input on the budget, and eventually 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, seem like a very long way apart, especially when the advisory committee is advising itself (i.e., advising on fiscal policies the BCC developed months before). This appears to be a major conflict of interest.

The JO CO Budget Committee is JO CO’s fiscal planning advisory committee if its job is short-term for about 2 months each year reacting to a proposed budget prepared by the JO CO Budgeting Officer based on policy information given to department heads by the BCC through the point it approves the budget. By definition this reactionary mode of advising is not the needed long-term fiscal planning needed from a “fiscal planning advisory committee.”

Issue. Comprehensive Long-term Financial Planning Process 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. JO CO does not have a publically available one accessible by its citizens. 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 such as the public. 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.

Issue. Advisory Committee Proposed By SOS In 2016 Securing Our Safety proposed to the JO CO BCC that it form a “The Round Table of Josephine County.” The Round Table’s (advisory group) mission is 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.

Issue. CI/CP “Advisory Committees” In Budgeting Advisory committees would be a citizen participation mechanism - more meaningful participation. However, there are no advisory committees on JO CO budgeting process except the handicapped short-term JO CO Budget Committee whose focus is on approving the completed proposed budget. There are also no advisory committees for each JO CO department.

3. Workshop Issues At its most basic level the budget workshop participants (i.e., open to all stakeholders) could 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 type of workshop would be an opportunity to gain the tools and insights to craft the budget your local government needs to overcome obstacles and achieve success.

Issue. Josephine County Government Training workshops have been used by the JO CO Budget Committee. These workshops are open to the public. More needs to be learned about how the JO CO BCC uses workshops for JO CO Budget Committee training. It could be that these workshops are another one way-method of sharing information to the budget committee and the public without meaningful two-way communication. They also could be acting as a good two-way communication method, or have the potential, for more meaningful participation. These questions are unknown as the JO CO Budget Officer is not available to the Authors to talk about the budget process.

Issue Participatory Budgeting Workshops At a higher level the CI/CP JO CO 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.

Issue. Accessible Information On Workshops It is known that sometimes the JO CO Budget Committee has workshops. It is not known what actually occurs at these workshops, or what different purposes are possible in the future – Just not enough information.

4. Third-Party Intermediation Issues An intermediary (or go-between) is a third party that offers intermediation services between two or more parties. It would be a CP mechanism - more meaningful participation. 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.

Third-Party Intermediation represents an unexploited JO CO opportunity. The argument is that a 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, would be a useful complement to the traditional JO CO CI LBL prescription.

Issue. Polarized Public In JO CO The county is polarized with at least three groups: 1. supporters of funding for pre-FY 2012-13 levels of public safety services (PSS), especially law enforcement, 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 and reject new taxes. There are no known third-party intermediation groups in JO CO.

Issue. Potential Third-party Intermediaries There are citizen groups working on the JO CO public safety issue. SOS, Exploratory Committee, other citizen groups, etc. were not formed to be a third-party intermediaries. However, they are, or could, produce material that could be beneficially used by to-be formed organizations implementing a “Third-Party Intermediation strategy between JO CO (i.e., JO CO Commissioners, other JO CO seven elected officials, and JO CO department heads), and the public.

Issue. Could New Idea Help? This is a relatively new idea that is starting to be seriously used by local governments. The City of Toronto considered the “Third-Party Intermediation strategy being used in Philadelphia and New York City. 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. Could “Third-Party Intermediation” work in JO CO? Not enough information.

D. Budgeting Goal Issues There are three big ideas for “Goals And Outcomes.”

1. Identify Issues.
2. Monitoring With Performance Standards.
3. Evaluated.

- Section VI.D.1 is about the actual “JO CO Government Budget Goals: FY 2006-07 to FY 2016-17”.
- Section VI.D.2 is about the “Budget Planning Goal Issues”.
- Section VI.D.3 is about the “JO CO Budget Goal Issues”.

1. JO CO Government Budget Goals: FY 2006-07 to FY 2016-17

a) FY Budget 2016-17 through 2014-15 Goals (same for three years; Section III.D.3; Section V.F)

- 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; Section V.F)

- 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; Section V.F)

- 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) Directives & Guidelines Example directives and guidelines follow to demonstrate specific intent in implementing the annual budget goals.

- JO CO FY 2016-17 Directives/Guidelines
 - Status Quo budget required unless change is supported by revenue
 - Expenditures - Department level (Departments: Offices, Divisions, Programs)
 - Reported at Service Levels - Mandatory and/or self supporting
 - ▣ 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.

- JO CO FY 2015-16 Directives/Guidelines
 - * Departments are to explain in their budget submissions how their budget(s) meet these goals.
 1. Budget at a level consistent with current operational service levels.
 2. Budget only for mandatory and/or self-supporting programs.
 3. Address County goals and clearly define program purpose and expected outcomes.April 30, 2015 Budget Message - Each department has detailed in their budget how their programs meet the following goals approved by the Board of County Commissioners on 02-12-2015.

- JO CO FY 2014-15 Directives/Guidelines
 - * Departments are to explain in their budget submissions how their budget(s) meet these goals.

May 8, 2014 Budget Message - Each Department has detailed how their programs meet the goals set by the Board of Commissioners in FY 2014.

- JO CO FY 2013-14 Directives/Guidelines
 - * Departments are to explain in their budget submissions how their budget(s) meet these goals.

May 7, 2013, Budget Message - Each Department has detailed how their programs meet the goals set by the Board of Commissioners in FY 2010.

e) Oregon Revised Statutes (Section II.A.; Section V.C.3; Section V.F) 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** (emphasis added) in the preparation of fiscal policy
- ORS 294.321(6) **To enable the public, taxpayers** (emphasis added) and investors **to be apprised of the financial policies** (emphasis added) and administration of the municipal corporation in which they are interested.

2. Budget “Planning” Goal Issues This section is about budget planning goal issues where the public is not involved in a formal budget “planning” CI/CP guidance process because JO CO does not have any formal budget action plans (Section I. Action Plan Issues).

- 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

Important to CP 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. 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.

Issue. Practices Encourage Development Of Local Government’s Goals National Advisory Council on State and Local Budgeting NACSLB’s best practices promote the linkage of the budget process with other activities of the government (NACSLB 1998). Their scope recognizes that budgeting has many dimensions – political, managerial, planning, communications, and financial. GFOA/NACSLB practices encourage the development of organizational goals, establishment of policies and plans to achieve these goals, and allocation of resources through the budget process that are consistent with goals, policies, and plans. There is also a focus on measuring performance to determine what has been accomplished with scarce government resources. **These practices are closely tie to the GFOA Presentation Award Program and JO CO practices** as the county has been awarded the GFOA’s Distinguished Presentation Award several times.

Issue. Goal-Driven Approach to Budgeting Of all of the functional areas of finance, the one most in need of guidance is government budgeting. The release by the NACSLB of a set of recommended practices represents a milestone in budgeting – in one document governments now have a comprehensive set of processes and procedures that define an accepted budget process. The practices advocate a goal-driven approach to budgeting that spans the planning, development, adoption, and execution phases of the budget. JO CO has budget goals, but its goals do not drive its budget process.

Issue. Audit An auditing process is vital to determine the level of adherence to the JO CO CI’s purpose in budgeting, and there should be formal adoption of the process set out for community and stakeholder engagement activities. JO CO has little to no auditing for JO CO’s CI in budgeting (Appendix V).

Government Finance Officers Association (GFOA) recommends a goals approach. The recommended GFOA public participation in planning, budgeting, and performance management best management practices are on its web site: <http://www.gfoa.org/services/nacslb> (NACSLB 1998).

The International Association for Public Participation (IAP2) goes further in its 2015 publication, *Quality Assurance Standard: For Community Stakeholder Engagement* (Standard). 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.

Issue. IAP2 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. JO CO has no standard process except ORS 294.321(4) & (6).

Issue. Choose the Level of Legitimate Involvement and Level of Influence The level of citizen participation is determined by the local governing body from the “Public Participation Spectrum.” The spectrum acknowledges that differing levels of engagement 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. JO CO has no explanations for its CI strategy except LBL’s purpose of enabling the public to be “apprised” (ORS 294.321(4) & (6)) as interpreted by the JO CO Budget Officer who is not available to answer budget questions except during budget meetings/hearings.

Issue. Development and Approval of Engagement Plan An engagement plan is required to communicate the way in which JO CO intends to involve the stakeholder groups in participating and influencing budget decision-making. JO CO has no CI/CP budgeting plan of any type.

Issue. Feedback An integral part of the citizen engagement process is feedback which refers to the provision of information to stakeholders, including the public, 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. Except for the adopted budget, feedback from JO CO to the public is minimal to lacking.

Issue. Evaluation and Review Engagement evaluation and review enables JO CO government to make recommendations and decisions based on the outcomes of CI/CP engagement. It is also the vital evidentiary point in the project outcomes and a central element of assuring quality engagement. JO CO has no evaluation and review CI process in budgeting.

Issue. Monitoring To ensure community and stakeholder budget engagement is effective and continually provides support to the budget – ongoing monitoring and measuring of performance should be conducted and reported. JO CO does not conduct monitoring and measurement of performance for its CI in budgeting to “apprise.”

Issue. Documentation of Evidence Lacking The IAP2 “Standard” for community and stakeholder engagement is accompanied by an audit framework that sets out required standards including (Appendix S): 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. JO CO has little recording of evidence for JO CO’s CI in budgeting.

Issue. JO CO Goals But No CI/CP Connections JO CO has budget goals, but its goals were not established with independent plans involving the public to achieve these goals, including the allocation of resources through the budget process that are consistent with goals, policies, and plans. Measuring performance to determine what has been accomplished with scarce government resources has been especially lacking.

3. JO CO Budget Goal Issues This section focuses on JO CO goals versus JO CO budget planning CI/CP goal issues.

Issue. Budgeting For Outcomes Commits To Goals. The JO CO FY 2006-07 budget process was almost revolutionary in establishing BFO, and committing to future annual goals based on programs and service levels, including the incorporation of the following into the budgets: 1. citizen input on services levels they are willing to fund, 2. goals set by the JO CO BCC, and 3. stakeholder support of programs. The problem was follow-through with a publically available budget goals planning process plan (e.g., handbook, guide, etc.) to implement the FY 2006-07 BFO commitment (see Sections VI.D.2 & VI.E. Budgeting For Outcomes Issues).

Issue. High-Road Or Low-Road Participation Goals Participation goals may relate to high-road purposes such as enhancing trust or creating a sense of community, or low-road such as education, gaining support, and influencing decisions. There is consensus that goals should be clearly articulated by the decision makers before the process begins. JO CO has budget goals, but no understandable explanation of what they mean, and especially how they were applied through monitoring and evaluation.

Issue. Outcomes Of Budget Participation JO CO has not systematically measured the outcomes of CI/CP in budgeting (i.e., however, fiscal decision outcomes are the shining light of compliance/accomplishment). Participation is valuable because it provides an opportunity to gather input and encourages two-way communication, but seldom does JO CO's one-way communication through its meetings/hearings format result in resource-allocation decisions modified as a direct result of public input. Instead, JO CO officials assert that public input is considered, but without documentation on how it was considered, nor whether it had any effect on the budget decisions.

Issue. Traditional Versus Collaborative In Oregon Oregon ideas have been researched about the traditional theory of planning with a collaborative model of planning. The traditional system is compared to a collaborative model that is more welcoming to CI. 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. It is the same for JO CO's CI where LBL's level of CI/CP is to "apprise"/inform the public versus involve, collaborate, and empower.

Issue. JO CO's Inform Goal 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 public input - sometimes 1 - 2 sentence summaries in budget committee meeting minutes, 2. specific budget committee or BCC responses to public input, and/or 3. specific affect the public comments had on the completed stage of the budget for the stage the comments are applicable (i.e, complete proposed budget, complete approved budget, complete adopted budget).

Issue. Public Trust & Apprising The Public The “Inform” level of participation 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 such as the historical decades of the average 12 million dollar O&C passthrough monies. 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 PSS 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 and not participating.

Issue. 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 met by any element of a public participation program, or otherwise. For example, it is not apparent from the record that JO CO asked and answered the following questions.

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

The answers to the two questions will enable the decision makers (i.e., local governing body) and professional planners (i.e., financial planners) to contemplate the ‘Goal’ of the citizen involvement program and the ‘Promise to the Public’ that will ultimately steer the public participation program. However, JO CO has no formal public participation program for budgeting.

Issue. No Evaluation Criteria, Monitoring, or Evaluation of the Apprise CI/CP Goal Developing CI/CP evaluation criteria is imperative to measuring or comparing the financial policies and/or budget plan alternatives. Monitoring the effects after the plan has been implemented is critical. Post implementation should start with the CI/CP “Evaluation Criteria to Measure Alternatives” by asking the question: Do JO CO’s fiscal policy solutions meet the evaluation criteria? The implementation of any JO CO budget plan will proceed more efficiently with public support and the early inclusion of the public in the planning analysis process. The final stage is evaluation of the county’s CI program. Without clear CI/CP performance measures and the rigorous reporting of measures over time, it is very difficult to decipher the trends or measure successful CI in budgeting.

Issue. JO CO Has No CI/CP Principles For Budgeting The IAP2 core values are 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. JO CO should adhere to these values for community engagement to be effective and of the highest quality, however, the county has no CI/CP principles for budgeting.

Issue. **Public Perceptions Missing** JO CO establishing budget goals is a good start. Future steps in making the JO CO goal process contribute to increasing public trust in government is still in the future. Fair treatment is one of the most common arguments utilized by PSS levy opponents, and this is likely a result of a lack of trust in governmental processes. JO CO supporters would like to see their “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. These citizen perceptions are not part of the JO CO budget process; They are from researcher Davis (2016).

Issue. **Disconnect Citizens Should Be Sought** The majority of JO CO voters opposed the four levies proposed from 2012 - 2015 (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 voters 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, it should seek to incorporate more citizen voices into the budget decision-making process (Davis 2016).

Issue. **Budget Goal: All Departments Develop a Sustainable Plan for All Mandated and Essential County Government Programs** This budget goal is exactly the same for FY budget 2016-17 through 2014-15 and almost identical for the proceeding four years to that goal for FY budget 2013-14 through FY 2010-11 – provide sustainable funding for all mandated and essential County government programs for the next ten years). It is the same in spirit back to FY 2006-07 – compliance with mandated JO CO programs. The problem is that over all those budget years the JO CO departments have never developed a sustainable plan for their departments and the BCC does not address the issue. The problem is that State mandated and essential JO CO programs are not identified. Each department just describes it programs without identifying whether they are mandated, or essential, or not.

a) Budgeting For Outcomes Commits To Goals Issues

Issue. **Budgeting For Outcomes Commits To Goals.** The JO CO FY 2006-07 budget process was almost revolutionary in establishing BFO, and committing to future annual goals based on programs and service levels, including the incorporation of the following into the budgets:

1. Citizen Input on Services Levels They Are Willing to Fund,
2. Goals Set by the JO CO BCC, and
3. Stakeholder Support of Programs.

The problems were several.

1. Original BFO analysis was not available to the JOCOBC or the public, and
2. No follow-through with a publically available budget goals planning process plan (e.g., handbook, guide, etc.) to implement the FY 2006-07 BFO commitment (see previous Section V.G, and following Section VI.E. Budgeting For Outcomes Issues).

b) Addressing County Goals And Clearly Defining Program Purpose Issues

Issue. ‘Only for Mandatory Program’ Fit with ‘Requires the Majority’ of Programs? The JO CO FY 2015-16 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?

Issue. Recommended Strategy Elements to Identify Mandated and Elective Services Not Implemented 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).

Issue. Mandatory Programs Means Mandatory Services and Mandatory LOS The Authors continue to assume that mandatory programs means mandatory services and mandatory LOS. It is further assumed the BCC ‘mandated’ services and LOS are part of the S&BP established by the governing body (LBIO)? True? JO CO Budget Officer is not available to explain the budget process to the Authors.

Issue. Goals’ Meaning Is Not Clear 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 budget directives, but a major element of understanding is missing without performance standards for the goals and directives, monitoring, and evaluation feedback to the public.

Issue. JOCOBC and the Public Were Not Included in the Development of the Goals First, and foremost, the JO CO Budget Committee (JOCOBC) and the public were not included in the development of the budget goals and directives. That project was some kind of internal government process between the JO CO BCC, JO CO Budget Officer, and the JO CO Department heads.

Issue. **Strategic Plan and Financial Plan** Missing is a JO CO 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).

Issue. **The Grants Pass Daily Courier** 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."

Issue. **ORS/OAR References For Programs Incomplete** 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 State 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.).

Issue. **Standalone Program Descriptions Don’t Relate to the BCC Goals** 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.

Issue. **FY 2010-11 budget Compared To FY 2015-16** A review of the FY 2010-11 and FY 2015-16 budgets 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.

Issue. **Quantifiable Information on Goal Objectives** There was little information to no quantifiable information on goal objectives, or time frames on meeting the objectives.

Issue. Relationship of the PSS Program Text Descriptions to Goals and Directives 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 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.

Issue. No “Program Purpose” or Impact Methodology to Determine “Outcomes” 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?

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.”

Issue. Missing Components: Policies to Define a “Sustainable Plan” & Methodology to Identify “Mandated and Essential Programs” 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 projects based on their own professional individual judgements. Many program purposes don’t look like plans, but summaries of issues and solutions. There is no budget reference to a sustainable plan (i.e., strategic plan) which had a plan’s detail.

Issue. **What Are Outcomes?** 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.

Issue. **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.”

Issue. **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 supporting 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.

Issue. **MALPSS Analysis Model** The Committee’s five element MALPSS analysis model could be adapted by JO CO PSS departments to identify outcomes, and the Committee so recommends.

Issue. **JO CO PSS Departments Address County Goals & Clearly Define Program Purpose**

REVIEW for work done - Juvenile Justice Example

c) Sustainable Plan for All Mandated and Essential County Government Program Issues

Issue. **JO CO PSS Departments Not In Compliance With Goal** Per JO CO goals, the county departments are to develop a sustainable plan for all mandated and essential county government programs. The reviewed PSS departments are not in compliance with this goal.

The Government Finance Officers Association (GFOA) recommends a sustained goals approach identified by the National Advisory Council on State and Local Budgeting (NACSLB 1998). The NACSLB's work is important in emphasizing that budgeting should have a long-range perspective, and not be simply an exercise in balancing revenues and expenditures one year at a time. This focus on long-term financial planning comes at a critical time. Recommended budget practices encourage governments to consider the longer-term consequences of such actions to ensure that the impacts of budget decisions are understood over a multi-year planning horizon and to assess **whether program and service levels can be sustained** (emphasis added (NACSLB 1998, p. 1).

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. JO CO has not utilized any CI/CP purpose beyond apprise/inform associated with its minimal public meetings/hearings strategy. One of GFOA's best practices for involving the public follows (GFOA 2009).

•“To establish long term strategies to provide for a fiscally sustainable future for the jurisdiction;”

Issue. **Sustainable Plan/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.

Issue. Five Element MALPSS Analysis Model The Committee’s five element MALPSS analysis model could easily be adapted as a systematic and standard classification methodology by JO CO 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 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.

d) Budget Only for Mandatory And/or Self-Supporting Program Issues 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 in 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.

Issue. Mandated State PSS Programs & LOS 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

Issue. State/ORS Mandatory Jail 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.**

Issue. Present Legal Budget Requirements of JO CO Government Working? 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 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.

Issue. GFOA Budget Award Program Criteria & JO CO Legislation The GFOA budget award program criteria is policy for the JO CO Finance Department. The Authors support the GFOA budget award program criteria becoming local JO CO 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 public’s radar in its applications to the GFOA budget award program; Appendices U & V).

Issue. Effectiveness of Community Participation? 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. Also an issue is the lack of performance standards.

Issue. **Cost of Enhanced CI/CP** Any discussions of the value of enhanced CI/CP 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.

Issue. **Major Barriers to Citizen Participation** Budget complexity and citizen disinterest are the major barriers to participation. However, a number of Oregon governments have successfully used CP mechanisms in the budget development process that can serve as models for enhanced CI/CP and public trust in government

Issue. **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.

Issue. **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 by the State LBL; they are county elective programs supported by county elective LOS.

e) Mandatory & Essential Levels Of Service (LOS) Issues

Issue. Majority of LOS Appear to Be “Essential,” “Necessary,” or “Elective” 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 LOS from the ORS follow.

- ORS 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

Issue. Mandated County Government Programs and LOS Consistent with Current Operational Service Levels Some JO CO departments 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 or 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. |

Issue. LOS Methodology 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?

Issue. **“Essential” LOS & MALPSS** 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.

Issue. **Current Operational Service Levels Equals an Essential LOS?** 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

Issue. **Evidence Based Versus Bald Professional Opinions** 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.

Issue. **Few State Mandated Program And/or LOS In JO CO Budgets** Most of the LOS in the budgets are identified 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.

f) Supporting Analysis Lacking/Transparency in Government Issues The following are examples of analysis lacking in the budget process and/or lack of 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).

Issue. JO CO Uses the Minimal Required LBL Process CP 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 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?

Issue. 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).

Issue. Legally Required Budget Process Versus Collaborative Approaches 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.

Issue. Lack Of Formal 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.

Issue. **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 budget process details. Crucial is the denial of resources to explain the budget process. For example, the JO CO Budget Officer has been too busy to meet with the Exploratory Committee since January 20, 2016 to October 4, 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 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 to approve the proposed budget.

Issue. **Enhanced CP Process Can Help Build Trust** Although, the current JO CO 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.

Issue. **Transparency in Decision Making Will Increase Legitimacy and Credibility** 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.

Issue. **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).

Issue. **"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.

Issue. **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.**

Issue. **Long-Term Public Support for the Budget** 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.

Issue. **Practical Challenges to Effective CI/CP** 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).

Issue. **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.

Issue. **Distinguish Effective from Illusory Fiscal Transparency** 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.

Issue. **No Authentic CP in Budgeting Without Effective Transparency** There can be no authentic citizen 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).

Issue. **Expand the Attentive Public by Transforming the Inattentive Public** Transparency needs to be achieved in the JO CO budget process 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.

Issue. **Have Public Officials Take Steps Toward Greater Transparency** 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).

Issue. **Will the Resources Be Used per Adopted Budget?** 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 re-budgeting 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).

Issue. **Promote Social Accountability & Restore the Public's Confidence** 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) – *“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.”*

Issue. **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.

Issue. **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 programs. 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.

Issue. **Whether the Public Trusts That Their Involvement and Testimony Will Be Used** 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 by JO CO government.

Issue. **JO CO Should Figure Out How To Sincerely Ask For CI** Non-expert citizens have the ability and desire to address complex public policy issues, and they enjoy being asked to do so.

Issue. **What Settings Promote CI/CP?** 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**.

Issue. **If Citizens believe** 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.

Issue. **Citizen Participation Process Trusted by Public** 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.

Issue. **JO CO must Provide Evidence of Having Followed Good Process** 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.

Issue. 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.

Issue. Transparency and Accountability Ideas 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.

- 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.

Issue. High Cost of Enhanced CI/CP 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.

g) No Strategic Plans Issue

Issue. No Direction From Strategic Planning The 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. Even though JO CO uses the GFOA criteria participating in the GFOA Budget Presentation Program, it is weak to none existent on conducting any kind of public budgetary planning which involves the stakeholders, especially its citizens.

Issue. Informal CI Requirements LBL Minimums The BCC has an informal policy that its CI requirements are minimums identified in the LBL. Informal is used because JO CO does not have any plan by resolution or ordinance explaining its CI in budgeting process. For example, JO CO does not have any of the following types of actions plans even though they are recommended and/or suggested for consideration through the county's participation in the GFOA Budget Presentation Award Program (Section V.I).

- 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

Issue. JO CO Needs To Apply Strategic Budget Planning While there is not a single best approach to strategic planning, a sound strategic planning process will include several key steps, the first three follow (Section V.I; GFOA 2005 pps 1-3):

- (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.
- (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" (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.

Issue. CI/CP Budgeting Goals Exist as Solitary Features in Annual Budget Documents

JO CO's effort to identify budget goals, including CI 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. 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.

E. Budgeting For Outcomes (BFO) Issues

Issue. **Availability/Accessibility of BFO Information** BFO information supporting 11 JO CO budgets from FY 2006-007 through FY 2016-17 is not available in the budgets and not referenced in the budgets to their source(s). The BFO analysis document(s) is not available to the public (i.e., not in compliance with JO CO approved FY Budget 2016-17 Budget Goal #3 - Provide access to County services to the citizens of Josephine County in a transparent, open, and professional manner). For example, in 2016 this was an identified problem the JO CO Budget Committee brought up. Significant was that the BFO analysis supporting the BFO goals, directives, and process were not made available to the JO CO Budget Committee, or the public (Section V.D.3c)(2) - All Budget Committee Members Do Not Have Equal Authority).

Issue. **Budget Does Not Incorporate FY Budget 2006 - 2007 Commitments That It Continues to Refer To** The Board of Commissioners initiated a fundamental change in the FY Budget 2006 - 2007 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).

- 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
- Future budgets will incorporate Oregon mandates to provide services.

Issue. **No Known Public Participation Program Specific To BFO** There is no known public participation program plan, handbook, or guide for the budgeting process and/or BFO. Public participation — in the form of focus groups, surveys, and public hearings — helps mitigate the opposition to the change. Also, public participation helps governments create the expectations for the BFO process and encourages discussions that focus on community expectations and the citizen perspective. There is no evidence that JO CO conducted focus groups, surveys, public hearings, or any specific citizen outreach mechanism etc. for the purpose which “*incorporates citizen input on service levels they are willing to fund.*” The incorporation statement has been in most budgets as a statement without making available in the budget or referencing any supporting evidence.

Issue. **Coordinating Traditional Budgeting With BFO** Leaving the role, structures and methods of BFO evaluation to individual departments to determine was an arguably weak conclusion that reflected, in part, the uncertainty surrounding the integration of the JO CO traditional output and outcome methodologies, including where evaluation could therefore best contribute to policy development. JO CO does not have a clear BFO budgeting and expenditure management framework which would have provided the review process with a much better starting point for determining where and in what form evaluation activities might contribute, given various policy objectives and performance measurement needs.

Issue. **BFO Experiments** JO CO Departments are experimenting with BFO because of a lack of a clear and fully articulated standard JO CO BFO model in which traditional output and outcome concepts are effectively integrated in the budgeting and expenditure management process, and it has generated difficulties. The assumption is that departments have had almost insurmountable challenges in linking the rationale for their spending operations with both appropriations (*i.e.* relevance) and impact assessment – assumption is because public has not seen a supporting written record. 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 “budgeting for outcomes” initiative. Based on JO CO’s last 10 budget years, the present unknown model of expenditure management provides no inherent process and little clear guidance for how critical BFO linkages should be made. One wonders if the message that they **should** be made has occurred. Current JO CO department practice largely involves a range of department-specific responses and practices that vary significantly in both content and merit, and sadly fail the BFO goals and objectives.

Issue. **County’s GFOA BPAP #06 Criteria Not Followed For BFO** The 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 programs, including the JO CO budget program.

GFOA BPAP #06 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.

Issue. **Principles of Effective Outcomes Budgeting** The GFOA and US National Advisory Council on State and Local Budgeting (NACSLB) have identified four essential principles of effective budgeting for the GFOA Budget Presentation Award Program of which JO CO is a participant. The specific GFOA 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). 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 objective of integrating performance into the budgetary process.

The GFOA believes that the following eight BFO steps should help local governments in making a successful transition from traditional output concepts to BFO.

- BFO Step 1. Determine how much money is available.
- BFO Step 2. Prioritize results.
- BFO Step 3. Allocate resources among high priority results.
- BFO Step 4. Conduct analysis to best achieve desired results.
- BFO Step 5. Budget available dollars to the most significant.
- BFO Step 6. Annual progress measures, monitoring, and feedback.
- BFO Step 7. Check what actually happened.
- BFO Step 8. Communicate performance results.

Issue. 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. JO CO has successfully completed this BFO step.

Issue. Prioritize Results The BFO results or outcomes that matter most to citizens should be defined. Elected leaders should determine what programs are most important to their constituents. The BCC accomplished this BFO step in the sense of macro prioritizing what the BCC decided were the service levels citizens were willing to fund and stakeholder support of programs, but did not inform or involve the public in how they did it (i.e., the 10 annual budgets do not have specific statements of citizen preferences and how the BCC obtained them). There is no list of prioritized results, especially as the view becomes the details of each budget program.

Issue. Allocate Resources Among High Priority Results The BFO allocations should be made in a fair and objective manner. Allocations were made as all 10 annual budgets were adopted by the BCC with specific allocations to specific programs and program elements. Not provided was written documentation supporting the specifics as to particular BFO goals tracking through each program and, especially the individual program elements.

Issue. Conduct Analysis To Best Achieve Desired Results Conduct analysis to determine what BFO strategies, programs, and activities will best achieve desired results. No publically available analysis is available to JO CO budget stakeholders, especially the public.

Issue. Budget Available Dollars To Most Significant Budget available dollars to the most significant BFO programs and activities. The objective is to maximize the benefit of the available resources. Per previous, it is not clear how this budgeting was done as there is no list of prioritized results for each program element. Not provided was written documentation supporting the specifics as to particular BFO goals tracking through each program element. No publically available analysis to best achieve the desired result was available to the public.

Issue. Check What Actually Happened This involves using performance measures to compare actual versus budgeted BFO results. Checking or monitoring compliance of outcomes with BFO performance measures was a failure as JO CO does not have any BFO performance criteria, or if it did this information was not available to the public.

Issue. **Annual Progress Measures, Monitoring, and Feedback** Set measures of annual BFO progress through monitoring, and close the feedback loop. These measures should spell out the expected results and outcomes and how they will be measured. This JO CO BFO step is pretty much a failure. None of the annual elements of this BFO step occurred, or if they did the information was not accessible by the public. The public, including the JO CO Budget Committee, has not been provided any BFO material except the BFO goal, directives, and process statements in each annual budget

Issue. **Communicate Performance Results** Internal and external stakeholders should be informed of the BFO results in an understandable format. This is another failure of the BFO budgeting goals, directives, and process commitments, as zero information was provided to stakeholders by the JO CO BCC, or its representatives.

Issue. **One-Year Versus Multi-Year Budgeting** Budgeting for results and outcomes is not just a one-year exercise, but also a multi-year effort that should improve the budget process. The annual budget require that sustainable plans for all mandated and essential programs are required sometimes for an identified five or ten year horizon. But, there is no publically available tracking (except for accounting) through performance standards, to monitoring, to evaluation, or feedback to the public.

F. Monitoring, Assessments, & Performance/Audits Issues (Draft)

Issue. BCC Does Not Evaluate Budget Compliance With Goals and Directives The JO CO BCC sets goals to provide direction related to the “big picture” rather than listing individual actions or activities. Some budget have statements like “*Each department has detailed in their budget how their programs meet the goals approved by the Board of County Commissioners.*” The BCC also provided directives to be used in preparing department budgets. Some budget have statements like “*As you review the narratives, you will see how the directives are being addressed by the individual programs.*” However, the budget is silent on compliance with goals and directives. There is just no written feedback on performance standards, monitoring, or evaluation of the goals and directives.

Issue. Outcomes Of CI Budget Goals Not Assessed Important to CI/CP are both the goals and outcomes of participation. Goals should be set at the beginning of the citizen-participation process, and CI/CP outcomes should be assessed and compared to what was expected when the goals were established. This does not occur except for the LBL of apprise.

Issue. No BFO Analysis/Assessments, Or References of Availability, to support the committed FY 2006-07 Budgeting for Outcomes (BFO) components and statements on mandates for future budgets (i.e. FY 2006-07 To FY 2016-17).

1. Future budgets will incorporate mandates required by the State of Oregon.
2. Future budgets will incorporate citizen input on services levels they are willing to fund.
3. Future budgets will incorporate goals set by the JO CO BCC.
4. Future budgets will incorporate stakeholder support of programs.

Issue. Performance Measurement Not Incorporated In Budget Process JO CO does not have performance measurement as an integral part of its budget process. It is impossible for citizens to understand the relationship of goals and outcomes if performance measurements are not identified, monitored, and evaluated for compliance, and written feedback made available to the public stakeholders.

The Government Finance Officers Association (GFOA) has long urged state and local governments to incorporate performance measurement as an integral part of their budget process, and it strongly endorses the work of the National Performance Management Advisory Commission’s (NPMAC), 2010 report, *A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving*. The NPMAC 2010 report represented eleven national public interest organizations of elected and appointed state and local government officials, including the GFOA (GFOA 2011, pps. 1-2).

The GFOA encourages state and local governments to implement performance management systems. The purpose of public-sector performance management is to provide a systematic approach to managing performance through concepts, practices and processes that align governments’ efforts to achieve the best possible results for the public within available resources. Performance management emphasizes the importance of continuous learning, improvement, and accountability for results.

G. Transparency In Government Issues (Synthesizing)

Issue. Terms and Phrases Not Defined It was difficult to understand CI/CP budget goals when terms and phrases (e.g., 1. improve community outreach, 2. provide access in a transparent, open, and professional manner, 3. encourage public involvement, through community outreach, 4. provide services in a transparent, open and efficient manner, future budgets will incorporate, citizen input on service levels they are willing to fund, stakeholder support of programs, etc.) were not defined in the budgets or companion CI/CP documents (e.g., handbook, manual, plan, etc.).

Issue. Complicated Issue Make no mistake, understanding the JS&PSS Issue and (i.e., JO CO public safety issue) designing the JS&PSS *Study* are major complicated tasks starting with understanding the values of neighbors. At the heart of a community is a group of people who live in a certain area, and whose common and diverse interests involve the area itself and the people who live there. There are substantial differences between Oregon counties in terms of their geographic and demographic characteristics, historic crime rates and their willingness to tolerate certain levels of crime and their past and present funding of various public safety services. Given these, and other, substantial differences, understanding how to determine whether JO CO is providing a “minimally adequate level of public safety services” (MALPSS) is a difficult task indeed, especially when the county states its collective government opinion (i.e. political and profession opinions) that it is not providing a MALPSS without providing any evidence to support the professional opinion: research, documented study, vetted paper, etc.

Issue. Transparency In Government Transparency needs to be achieved in the JO CO budget process 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. There are many areas where JO CO does not provide transparency in government.

CI/CP Issue. Supporting Analysis Lacking - No Written Record Three significant areas where there is no written analysis supporting JO CO’s budgeting process follow.

1. **Unexplained JO CO Budgeting For Outcomes (BFO)** BFO information supporting 11 JO CO budgets from FY 2006-007 through FY 2016-17 is not available in the budgets and not referenced to their source(s). The BFO analysis document(s) is not available to the public (i.e., not in compliance with JO CO approved FY Budget 2016-17 Budget Goal #3 - Provide access to County services to the citizens of Josephine County in a transparent, open, and professional manner) (Section V.G; Section VI.E)
2. **Unavailable JO CO Performance Criteria** Twenty-seven (27) very important performance criteria are used by JO CO when participating in the GFOA Budget Presentation Award Program. A major issue is the unfamiliarity of the GFOA’s BPA 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 these 27 GFOA best practice criteria in the JO CO budgets, referenced to other sources, or published on JO CO web page.

Except for single sentence acknowledgments of JO CO being awarded the Distinguished Budget Presentation Award in several annual budgets, there is no information about the GFOA's budget award program (e.g., significance, process, major purposes, evaluation criteria, relationships to policies, financial plans, organization's operations, and communications, including public involvement, etc.). This is in conflict with the county's goal of transparency in government, especially when these are county performance standards being used by the county (Section VI.H).

- Lack of Action Plans** 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. GFOA recommends that all local governments regularly engage in long-term financial planning. A financial 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 of financial health. 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 (i.e., action plans) or by integrating it with existing communication devices. Several types of actions plans can assist JO CO in carrying out its budgeting goals (e.g. 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, etc.) (Section VI.I).

CI/CP Issue. **Potential for Unrealistic Expectations** Citizens must understand how their input will be used. If their views are merely advisory, they should know the extent to which they will be taken into account by decision makers. Otherwise, popular expectations could result in demands that cannot be fulfilled.

CI/CP Issue. **"Bad" Outcomes** Officials should decide how to respond if citizens misunderstand the issues, express unwise choices or fail to appreciate the consequences of their preferences. Those results may signal the need for greater public education about the issues, or they may demonstrate areas where decision makers are out of step with the electorate.

CI/CP Issue. **JO County Budget Meetings/Hearings Minutes** It is assumed that the JO CO meeting minutes meet the minimal LBL with other Oregon budget committees. However, in terms of being informative to the public, they are nothing like budget committees in other Oregon counties that are given the opportunity to practice enhanced CI/CP. For example, see the City of Milwaukie Budget Committee meeting minutes describing the purpose of its GFOA budget award participation program, win or lose (Appendix L). *"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."*

CI/CP Issue. **Lack of Transparency In Government: Reviewing & Obtaining Public Records** On December 28, 2015 the Exploratory Committee made a public records request to JO CO Legal Counsel's Office for minutes of JO CO Local Public Safety Coordinating Council (LPSCC) meetings. The request was part of the Committee's outreach strategy to explain *Study Design* to citizens and government representatives by researching information to assist in public understanding of the public safety issue.

The Committee was specifically interested in any research and/or work that the LPSCC had conducted on the topic of "minimally adequate level of public safety services" (MALPSS), an analysis concept embodied in three bills signed into laws from 2009 - 2013: 1. OR Senate Bill 77 (2009), 2. OR House Bill 4176 (2012), and 3. OR House Bill 3453 (2013). The JO CO Chair of the LPSCC had implied to the Committee that all one had to do to review the LPSCC's meeting minutes was to simply fill out a form for an information request.

When the Committee received a February 3, 2016 from the JO CO Legal Counsel it was caught by surprise. Inside the letter envelope was a "response to request for release of public information" form that stated the review of minutes the Committee wanted would cost \$126.00 in staff time and copying fees (February 14, 2016 Email/Letter). Except for the statement of estimated fees, there was no explanation for the change in the Authors' request, nor specific supporting data demonstrating the reasonableness of charges for "actual costs".

On February 14, 2016 an email/letter was sent to JO CO LPSCC, Chair, from the Committee on the LPSCC public records request. The Committee's concern was that the LPSCC meeting minutes were effectively illegally unavailable as under Oregon public disclosure law the records requester had the right to review the material before requesting copies.

On May 18, 2016 members of the Exploratory Committee, spent 1.5 hours reviewing JO CO LPSCC public records request, requesting and paying for copies. They paid 25 cents a copy, but only for copies they were interested in after reviewing the material. **Disconcerting was the unavailability of the JO CO LPSCC meeting minutes for two years of the Committee's request (i.e., after January 9, 2014).**

December 28, 2015 - May 18, 2016: 153 days from the time of a simple public records request to review the meeting minutes of a local government council is not transparency in government. This experience also dented the public trust in government.

H. Government Finance Officers Association Budget Presentation Award Program Issues (Draft Final)

Issue. **Criteria Are Permissive** JO CO has received the GFOA Distinguished Budget Presentation Award (DBPA) for several years now. However, many of the 27 criteria do not have to be met to receive the GFOA DBPA (Section V.H). Will JO CO strive to met more of the criteria to qualify for an “Outstanding” Budget Presentation Award?

Issue. **Unknown BPA Criteria** What is outstanding is the method of using performance criteria when analyzing budget documents (i.w., GFOA 2014; GFOA 2015). Submitted budget documents are rated for 27 specific criteria as being one of the following four conclusions: 1. information not present, 2. not proficient, 3. proficient, or 4. outstanding. A major issue is the unfamiliarity of the GFOA’s BPA program by the JO CO Budget Committee (at least some of the elector citizens), and the public. This is because there is no information about these 27 GFOA best practice criteria in JO CO’s annual budgets, referenced to other sources, or published on JO CO web page. This is in conflict with the county’s goal of transparency in government, especially when these are county performance standards being used by the county.

Issue. **Public Not Involved in GFOA BPA** The real value is that JO CO has complete control of involving the public in understanding the GFOA’s 27 best practice criteria, but the BCC have not shared the performance management program with the public.

Issue. **Unavailable GFOA BPA Application Documents** Other issues with the JO CO’s GFOA BAP are the unavailability of JO CO’s applications to GFOA for consideration of a budget presentation award. These are the JO CO filled out questionnaires to GFOA on the Detailed Criteria Location Guide (GFOA 2014).

Issue. **Unavailable GFOA BPA Evaluation Documents** Just as important are the missing evaluations of the GFOA on how well JO CO performed against the criteria. It is known that for three to four years at least that the county was awarded the GFOA DBPA. This is invaluable information on the strengths and weaknesses of JO CO’s budget documents for compliance with the GFOA BPA’s 27 best practice criteria (GFOA 2015).

Issue. **Mandatory& Non-Mandatory GFOA BPA Criteria** Monitoring, evaluation, and performance management does not work if JO CO’s GFOA BPA criteria are non-mandatory (Appendix F. Using the correct terms – Shall, Will, Should). Worst case: A GFOA DBPA does not mean much is the GFOA evaluation criteria finding was one of the first two of four evaluation findings: 1. Information Not Present, and 2. Does Not Satisfy Criterion. There is also clarification needed for when a criteria rating of proficient and outstanding are required criteria or non-mandatory criteria.

GFOA BPA Finding #1.	Information Not Present.
GFOA BPA Finding #2.	Does Not Satisfy Criterion.
GFOA BPA Finding #3.	Proficient
GFOA BPA Finding #4.	Outstanding.

Issue. What Does A GFOA Budget Award Mean? Being awarded a GFOA DBPA is significant, and what does it mean? The 27 award criteria includes 177 modifying words to the criteria from “shall” compliance standards to non-mandatory standards. The following are three categorizations of the 177 words. The two modifying words of “should” and “may” are used 96 (55%) times out of the total of 177 words. Four modifying words of “mandatory”, “shall”, “must”, and “required” are used 42 (23%) times out of 177 words. The remaining 12 modifying words (assume to be non-mandatory compliance standards) are used 39 (22.6%) times out of 177 words. All non-mandatory modifiers total 135 (77.6%) words.

“Should” and “May” Are Used	96 (55.0%)
“Mandatory”, “Shall”, “Must”, and “Required” Are Used	42 (23.0%)
Remaining 12 Non-mandatory Compliance Modifying Words	<u>39 (22.6%)</u>
	Total 177 (100.6%)

“Should” and “May” Are Used	96 (55.0%)
Remaining 12 Non-mandatory Compliance Modifying Words	<u>39 (22.6%)</u>
	Total 135 (77.6%)

Should	72 (41%)
May	<u>24 (14%)</u>
Total	96 (55%)

Mandatory	14 (8%)
Shall	11 (6%)
Must	11 (6%)
Required	<u>6 (3.4%)</u>
Total	42 (23%)

Terms Number of Times Used In Document

Should	72 (41%)	“Should” is usually used with goals, action plans, or strategies on how goals will be achieved. A “Should” is a non-mandatory provisions. Should is used to indicate a goal which must be addressed by the design but is not formally verified.
May	24 (14%)	Expressing possibility or permission.
Mandatory	14 (8%)	Mostly with the word “shall.” However, Criteria #C2, #F8, & #P4 used it with the word “should,” and criteria #F4 used it with the word “must.”
Shall	11 (6%)	Mostly with mandatory criteria. Shall is used to indicate a requirement that is contractually binding, meaning it must be implemented, and its implementation verified. Period! Don’t think of “shall” as a word, but rather as an icon that SCREAMS: “This is a requirement.” If a statement does not contain the word “shall” it is not a requirement.
Must	11 (6%)	Also used with Mandatory Criteria #F4. Don’t use must because no one has defined how must is different from shall. Also, shall has held up in court, must has not.
Required	6 (3.4%)	Could be considered mandatory criteria.
Make Sure	6 (3.4%)	
Can Be	6 (3.4%)	

Consider	6 (3.4%)	Consider or considered.
Is Not	5 (3%)	
Not Required	5 (3%)	Will is used to indicate a statement of fact. Will statements are not subject to verification.
Will	<u>5 (3%)</u>	
SubTotal	39 (22.6%)	
Is Essential	1 time	
Recommended	1 time	
Asks For	1 time	
Ought To Be	1 time	
Might	1 time	
Will Not	<u>1 time</u>	
SubTotal	6 (3.4%)	

TOTAL 177 TIMES (101%) a modifying word is used for the 27 GFOA criteria.

Some conflicts are internal to an individual award criteria. For example, how can a “mandatory” criteria standard be required when the clarification is “should”, or “encouraged”, but “not required”?

Issue. Transparency Lacking Except for single sentence acknowledgments of JO CO being awarded the Distinguished Budget Presentation Award in several annual budgets, there is no information about the GFOA’s budget award program (e.g., significance, process, major purposes, evaluation criteria, relationships to policies, financial plans, organization’s operations, and communications, including public involvement, etc.).

Under what individual criteria (i.e., 27 criteria) did JO CO’s budgets of receive a GFOA’s evaluation of Distinguished or Outstanding? What group criteria (i.e., policy tool, financial plan, organization’s operations, and communication medium) did JO CO’s budgets of receive an evaluation of Proficient or Outstanding? What criteria received a grade of information not present or does not satisfy criterion?

What extra work would JO CO have to do to receive an Outstanding Budget Presentation Award instead of a Distinguished Budget Presentation Award?

Issue. Public Availability of Documents Except for single sentence acknowledgments of JO CO being awarded the GFOA DBPA in several annual budgets, there is no information about the public availability of GFOA evaluations of award program applications.

Issue. GFOA Best Practices Related to Budgeting and Fiscal Policy GFOA currently has 38 best practices related to budgeting and fiscal policy. These could be very valuable to the JO CO citizen interested in the budget (Appendix U). The JO CO budget documents are deficient in not identifying or referencing these GFOA best practices. The following two documents are recommended reading for those interested in the GFOA's Distinguished Budget Presentation Award Program.

- Government Finance Officers Association. 2014. GFOA Detailed Criteria Location Guide: Distinguished Budget Presentation Awards Program (Questionnaire). <http://www.gfoa.org/budgetaward>.
- Government Finance Officers Association. 2015. *Distinguished Budget Presentation Awards Program*. GFOA Distinguished Budget Presentation Awards Program (Budget Awards Program) & Awards Criteria (and explanation of the criteria). <http://www.gfoa.org/budgetaward>.

Other Government Finance Officers Association's "best practices" available on line that are applicable to the GFOA's BPA program and the JO CO budget process follow. Two National Advisory Council on State and Local Budgeting (NACSLB) publications were coauthored by GFOA and/or recommended by it.

- Government Finance Officers Association. March 2005. *GFOA Best Practice: Establishment of Strategic Plans*. Approved by the GFOA's Executive Board, March, 2005. Chicago, IL.
- Government Finance Officers Association. 2008. *GFOA Best Practice: Long-Term Financial Planning*. Chicago, IL.
- Government Finance Officers Association. 2009. *Recommended Practice: Budgeting for Results and Outcomes (2009) (BUDGET)*. Chicago, IL.
- Government Finance Officers Association. 2009. *GFOA Best Practice: Public Participation in Planning, Budgeting, and Performance Management*. Approved by the GFOA's Executive Board, February 2009. Chicago, IL. <http://www.gfoa.org/print/450>
- Government Finance Officers Association. 2014. *Best Practice: Effective Presentation of the Budget Document (1996, 2014) (BUDGET)*. Chicago, IL.
- Government Finance Officers Association. 2015. *GFOA Best Practice Adopting Financial Policies*. GFOA Budget Committee: (2001, 2015). Chicago, IL.
- Government Finance Officers Association. October 5, 2015 *Best Practices and Effective Budget Presentation*. GFOA Training On Best Practices, 105 pages. Phoenix, AZ
- Government Finance Officers Association. Downloaded August 29, 2016. [Generic] *Distinguished Budget Presentation Award*. To Recipient: Two Page Generic Budget Award Letter/Speech.
- Government Finance Officers Association. 2011. *Best Practice: Performance Management*. Chicago, IL.
- National Advisory Council on State and Local Budgeting (NACSLB). 1998. *Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting*.
- National Performance Management Advisory Commission. 2010. *A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving*. Chicago, IL.

Issue. Enhanced CI/CP Performance Criteria JO CO's budget process is in sharp contrast to The City of Milwaukie, Oregon practicing enhanced CI/CP (Appendix L). For example, something as simple as minutes is vitally important. In a Milwaukie Budget Committee meeting the GFOA budget award program was described by the minutes 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).

Regardless that JO CO's GFOA BPA program is below the horizon of public perception, it has the significant potential to revolutionize the present CI in budgeting program.

Issue. Example JO CO's GFOA BPA Criteria Unknown To Public The following GFOA BPA best practices are JO CO's best budget practices as they are used when applying to the GFOA BPA program (GFOA 2014; Appendix U). Thirteen (13) of the award programs criteria are considered by the Authors to be applicable to CI/CP. The huge almost insufferable problem is that the public, the most important stakeholders to the JO CO budgeting process don't know anything about them. Depending on the public 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.”

I. Action Plan Issues

Issue. **Strategic Action Plan** GFOA recommends that all local governments 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). Strategic planning is a comprehensive and systematic management tool designed to help local governments assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the government'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. JO CO does not have a budget action plan

Issue. **Long-Term Financial Plan** GFOA Best Practice: 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 give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders. GFOA recommends all governments have a long-term financial plan. JO CO does not have one.

Issue. **Content Of A Financial Plan** A financial 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. Most of the elements of a financial plan are topics treated in this document, *Citizen Participation In The Josephine County Budget Process*. JO CO has not conducted the above analysis.

Issue. **Visibility Through Other Action Plans** 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). JO CO does not have budget action plans.

Issue. **Mobilization Phase of Financial Plan (MPFN)** The mobilization phase prepares the local government for long-term planning by creating consensus on what the purpose and results of the planning process should be.

Issue. **MPFN: Alignment of Resources** Determining the composition of the project team, identifying the project sponsor, and **formulating a strategy for involving other important stakeholders** (emphasis added) is critical. This step also involves the creation of a high-level project plan to serve as a roadmap for the process.

Issue. **MPFN: 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.

Issue. **MPFN: 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.

Issue. **MPFN: 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.

Issue. **MPFN: 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).

Issue. **Analysis Phase of Financial Plan (APFP)** 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.

Issue. **APFP: 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.

Issue. **APFP: Trend Projection** After the environment has been analyzed, the planners can project various elements of long-term revenue, expenditure, and debt trends.

Issue. **APFP: 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.

Issue. **Decision Phase of Financial Plan** 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.

Issue. **Execution Phase of Financial Plan** 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.

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

Other Action Plans –

J. Public Mistrust In Government Issues

Citizens are demanding greater public accountability, particularly regarding stewardship of public resources. Results of the American National Elections Studies show declining values of trust in government. In 2008, the trust in government index was 26, the lowest value since 1958 (American National Election Studies, 2010a). For the same year, 72% of survey respondents agreed that people in the government waste a lot of money paid in taxes (American National Election Studies, 2010a). In contrast, in 2002, the value of the trust in government index was 42, and only 48% of those surveyed thought that people in the government waste a lot of money paid in taxes (Jordan 2016, p. 2).

- American National Election Studies. 2010a. *Table 5A.3: Do people in government waste tax money 1958-2008*. [cited May 16, 2011]. http://www.electionstudies.org/nesguide/toptable/tab5a_3.htm.
- American National Election Studies. 2010b. *Table 5A.5: Trust in government index 1958-2008*. [cited May 16, 2011]. http://www.electionstudies.org/nesguide/toptable/tab5a_5.htm.

Significant is that all the JO CO budget issues involve one issue: Public trust and/or non-trust in JO CO government. Many times the budget CI/CP issue itself would not be an issue if there was a more healthy view of local government by its citizens. Citizens do not know the scientific answer on their collective trust in JO CO government, but based on the last four public safety levies from 2012 - 2015, it can safely be assumed that a majority of voting citizens do not trust JO CO government.

As a comparison, what is the public trust in Washington for the period 1958-2015 by another poll taker? Public trust in the government remains near historic lows. Only 19% of Americans today say they can trust the government in Washington to do what is right “just about always” (3%) or “most of the time” (16%) (PewResearchCenter 2015).

Trust in Government

PewResearchCenter. Viewed September 14, 2016.

<http://www.people-press.org/2015/11/23/public-trust-in-government-1958-2015/>.

The foundation of any program to prevent and resolve public controversy must be an informed public. Yet, **understanding citizen preferences and the information needs required can be exceedingly difficult** (emphasis added). Informing and engaging the public is often a strategic decision, one that balances inclusiveness and engagement at the risk of impacting process efficiency. When the stakes are low or there is a general agreement upon an issue, administrators are less likely to solicit citizen input; the problem is that many government decisions, especially related to resource allocation, are complicated, costly, and often provoke significant disagreement. These are the times when knowledge of the ‘true’ preference structure of an informed citizenry seems most valuable (Jordan 2016, pps. 6-7).

The only vetted study on citizen preferences in Josephine County is a recent one from Nathan Davis, a researcher at Oregon State University (Davis 2016).

- 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).

Issue (Davis 2016). **Fair Treatment** 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). 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.

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 (Davis 2016).

Issue (Davis 2016). **Don't Trust Budget Process** 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. 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.

Issue (Davis 2016). **Oppose Tax Levies** County voters will be more 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 the levy on the basis of the levies' perceived fairness (Davis 2016).

K. Taxpayers Understanding JO CO Purposes of Budget Issues (Draft)

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 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 by the Committee are intended to be some of those low-growing fruits.

1. Understanding JO CO Department Staffing Analysis Issues

Issue. Recommendation 1. Understanding Staffing Analysis The public needs to understand the needed staffing for the JO CO departments, including its individual programs, especially during today's lack of trust environment. It is not enough to arrive at a budget in an open government setting (i.e., JO CO Budget Committee).

Budget Committee This committee is composed of three members of the elector public and the JO CO Board of Commissioners. The Budget Committee meets three or four times in a public setting each spring to review and approve proposed budget documents by the Budget Officer for the County. Budget Committee members should have an interest in County operations and an understanding of governmental budget processes.

ORS Chapter 294 - <http://www.co.josephine.or.us/page.asp?navid=1730>

Oregon Local Budget Law ORS 294.305 Sections constituting Local Budget Law.

ORS 294.305 to 294.565 shall be known as the Local Budget Law. 12/19/2014 Josephine County Overview of Budget Process - <http://slideplayer.com/slide/9275522/>

What independent nongovernment documented staffing analysis has been completed for the JO CO department (MALPASS)?

MALPASS: Minimally Acceptable Level Of Pubic Safety Services

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

What organization's staffing standards were used for the staffing analysis (MALPASS)? See Chapters III and IV of Standards For Public Safety Services.

Walker, Mike & Whalen, Jon. Very Draft February 1, 2016. Standards For Public Safety Services (Public Outreach 5.9), at Studies & Information. JS&PSS Exploratory Committee, HNAHS. Hugo, OR.

Standards For Public Safety 2016
Studies & Information
JS&PSS Exploratory Committee
Hugo Neighborhood Association & Historical Society
Web Page: http://www.hugoneighborhood.org/JSPSS_Studies.htm

Chapter III. References on Public Safety Services Standards: Highlights

Chapter IV. More Detailed Bibliography on Public Safety Services Standards

Most of the staffing analysis papers are on police and fire/EMS services. However, the main point of this recommendation is that the present staffing conclusions are in the JO CO annual budget documents (but without the staffing analysis). The conclusions are identified as requirements (i.e., FTE and budgets) in Schedules A & B for each program. A little bit of additional clarification on needed/required staffing would have considerable effect or influence in helping voters understand the programs, their needs and benefits.

2. JO CO Department Descriptions & Relationships Issues

Issue. Recommendation 2. Department Descriptions & Relationships The descriptions of the JO CO departments in the JO CO web pages and in the JO CO annual budget documents are not designed for easy consumption and understanding by the JO CO voters. The members of the Exploratory Committee are still trying to understand the departments after approximately 80 hours of research. This county program is complex, especially its relationships with other juvenile programs.

Josephine County Juvenile Justice
<http://www.co.josephine.or.us/SectionIndex.asp?SectionID=163>
Budgets: Josephine County, Oregon
<http://www.hugoneighborhood.org/budgets.htm>

The departments should consider developing standalone program documents summarizing their programs, including updated web pages, and flow charts. The goal is not legal requirements; the goal is public understanding moving toward public trust.

Issue. Recommendation 3. Professional Web Pages for JO CO Departments The JO CO department's web page is a component of the JO CO's web page. They look like the government, and it is brief in being helpful information toward public understanding. It communicates most effectively with other professionals. This analysis will take one PSS program as an example – JO CO Juvenile Justice.

Josephine County Juvenile Justice

<http://www.co.josephine.or.us/SectionIndex.asp?SectionID=163>

The JO CO JJ Department needs a supplemental web pages to promote and informed the public.

For example, see the following.

- Washington County Juvenile Department - <http://www.co.washington.or.us/Juvenile/>
- Clackamas County Juvenile Department - <http://www.clackamas.us/juvenile/>
- Multnomah County, Dept of Community Justice (Dcj) Juvenile Services - <https://multco.us/dcj-juvenile>
- Marion County Juvenile Department - <http://www.co.marion.or.us/JUV>
- Benton County Juvenile - <https://www.co.benton.or.us/juvenile>

It is speculated that citizen groups (i.e., pro or con tax levies) would be willing to subsidize and/or secure volunteer services for supplemental web publications.

Issue. Recommendation 4. Use Of References & Links References, and links to more detailed budget information should be provided. A greatly expanded use of “references” for opinions, issues, conditions, and programs would be valuable for voters that wish to know more after reading a JO CO program identified in the annual budget documents and JO CO's web pages.

Issue. Recommendation 5. Flow Chart of Josephine County PSS Departments The Exploratory Committee has not found any flow charts/diagrams depicting individual JO CO Departments. Information should be presented in layman's terms that are easy to understand, avoiding technical jargon and making full use of simple and effective charts and diagrams. Flow diagrams are valuable in understanding the PSS departments. The bottom line, make full use of simple and effective charts and diagrams. For example, see the following for Juvenile Justice.

- Juvenile Justice System Structure and Process Case Flow Diagram
Office of Juvenile Justice and Delinquency Prevention
Office of Justice Programs
U.S. Department of Justice
- Yamhill County's Juvenile Justice System 2013
Yamhill County, Oregon Juvenile Justice Department
- Marion County Juvenile Department's Flow Charts
Marion County, Oregon Juvenile Department

6. JO CO Citizen's Guide To The Budget Issues

Issue. Recommendation 6. Citizen's Guide To The Budget "For in the end, a budget is more than simply numbers on a page. It is a measure of how well we are living up to our obligations to ourselves and one another."

Because the annual budget is the key instrument by which JO CO translates its policies into action, presenting the budget in a way that makes sense to the general public is central to its accountability. A few ideas covered follow (Appendix A).

- 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 on 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, 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.

Examples and references to citizen's guides to budgets follow. Except for *Producing a Citizens' Guide to the Budget: Why, What and How?*, they are not in any order of preference. They are arranged in the categories of federal, state, and local.

Producing a Citizens' Guide to the Budget: Why, What and How? (Appendix A)

Petrie, Murray and Shields, Jon. 2010.

OECD Journal on Budgeting, Volume 2010/2.

<https://www.oecd.org/gov/budgeting/48170438.pdf>

Citizen's Guide to the Fiscal Year 2014

Financial Report of the United States Government

<http://www.nmvoices.org/wp-content/uploads/2014/02/citizen-budget-guide-2014-update-web.pdf>

A Citizen's Guide to the Washington State Budget 2015

Senate Ways and Means Committee

<http://leg.wa.gov/Senate/Committees/WM/Documents/2015CGTB.pdf>

A Citizen's Guide to the Washington State Budget 2016

Senate Ways and Means Committee

http://leg.wa.gov/Senate/Committees/WM/Documents/Publications/2016/2016%20CGTB_Final_website.pdf

Citizen's Guide to the New Mexico State Budget: How the State Spends Money and Why it Matters, 2014

<http://www.nmvoices.org/wp-content/uploads/2014/02/citizen-budget-guide-2014-update-web.pdf>

Citizens' Guide to Local Budgets

Office of the New York State Comptroller

Division of Local Government and School Accountability

<https://www.osc.state.ny.us/localgov/pubs/releases/LocalBudgetGuide2010.pdf>

A local government budget can be difficult to understand for the average citizen who may not have a background in accounting or a familiarity with budgeting. However, with some basic knowledge about what budgets contain, why they are important, and how they are presented, every citizen of every local community in New York State should be able to decipher the budget document.

Citizen's Guide to the Adopted FY16 Budget

Sarasota County

<https://www.scgov.net/Finance/Budgets/2016%20Citizens%20Guide%20to%20the%20Budget.pdf>

City of Lewiston, Idaho

<http://www.cityoflewiston.org/index.aspx?NID=357>

Citizen's Guide to the New Mexico State Budget: 2014

<http://www.nmvoices.org/wp-content/uploads/2014/02/citizen-budget-guide-2014-update-web.pdf>

A Guide to Understanding Denver Public Schools' Budget

http://financialservices.dpsk12.org/wp-content/uploads/2014/11/DPS_CitizensGuide_final_web.pdf

A Citizen's Guide to the City's Budget Process

City of Palm Bay, Florida

<http://www.palmbayflorida.org/home/showdocument?id=8646>

A Guide to Understanding the Budget: 2014 -15

Hamilton County Department of Education

http://www.pefchattanooga.org/wp-content/uploads/2015/06/HCDE_budget-guide_051515.pdf

A Citizens' Guide to the Clallam County Budget

<http://www.clallam.net/taxes/documents/Guide2002.pdf>

Reader's Guide to the Budget

Leon County Government, Fiscal Year 2007 Budget

http://www.leoncountyfl.gov/omb/budget06-07/budget/01-Readers_Guide/00-Readers_Guide.pdf

Budget User's Guide

Charleston County

<http://www.charlestoncounty.org/departments/budget/files/Budget%20Overview.pdf>

7. Optical Character Recognition Feature of JO CO Budgets Issues

Issue. **Budget Not Searchable** if standalone pdf files are inserted into annual budgets. Most of JO CO's text pages are searchable. Some are not when text files are inserted into the annual budgets.

Optical Character Recognition (OCR), is a technology that enables you to convert different types of documents, such as scanned paper documents, PDF files or images captured by a digital camera into editable and searchable data.

8. Standard Procedures for Preparing JO CO Annual Budgets Issues

The Government Finance Officers Association's (GFOA) 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. GFOA's best practice on "Website Presentation of Official Financial Documents" goes into more detail on how to present an electronic document (GFOA 2014 p. 2).

C:\Users\Mike\Documents\AAA Applications\Hugo_Neighborhood_Association\Community_Issues\JO CO Public Safety Services 2015\Budget Study 2016\Draft
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