

## VII. CI/CP PROGRAM & BUDGET PROCESS RECOMMENDATIONS

Identifying the Authors' citizen involvement (CI)/citizen participation (CP) program and budget process recommendations is Step 7 which is one outcome from the highlights of different analyses ideas from Chapter V and the issues identified in Chapter VI.

- 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 recommendations, especially since most issues come from Chapter V's analysis and identification of real or potential problems and Chapter VI's identification of issues. First, the basic purpose of the 2015 *Study Design* is to promote CI and 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.

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 7: Chapter VII, CI/CP Program & Budget Process Recommendations** This chapter on recommendations 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.

- A. Background
- B. Purpose
- C. Audience
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- E. General Preliminary Brainstorming Recommendations
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      - Mandatory & Essential Levels Of Service
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      - Goals And Outcomes Not Evaluated(?)
  - 5. Element 5. Budgeting For Outcomes (BFO) Issues
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  - 11. Element 11. Taxpayers Understanding Purposes of Budget Issues

## A. **Background** (November 12, 2016 Preliminary Brainstorming)

The Authors, members of the Justice System Exploratory Committee (JSEC), Hugo Neighborhood Association & Historical Society (HNAHS), are optimistic for America's and Josephine County's (JO CO) future, even though their faults can sometimes seem overwhelming . . . until compared around the world with human experiences in other governments. Everyday they thank our founding mothers and fathers for our U.S. Constitution. The ultimate basis of all legitimate government is the consent of the governed. That was America's core founding principle.

*We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States.*

The four cornerstones of the Constitution are: *written* constitution, *republican* character, *separation of powers* (e.g., checks and balances in Congress, etc.), and *federalism*. Its most famous first amendment was the Bill of Rights setting forth the liberties of the people – some of the most important freedoms, and/or privileges of the citizens of the United States. Protecting our freedoms is crucial, even though freedom can be very messy, and many times even frightening, especially confusing and uncomfortable. The Authors believe our form of robust democracy is mostly honest sweat, loving by individuals implementing solutions to problems. Success is from their hard work, the power of cumulative gradualism, small changes over time bringing larger ones, especially with vetted information promoting informed citizens. Our government works just fine. With citizen's capacity to do good, and make compromises with their neighbors along the way, the future has never been brighter! Keep investing in each other, keep tinkering with all angles of government through civic engagement.

The roots of the Authors' citizen involvement (CI)/citizen participation (CP) program and budget process recommendations are based on, but not limited to, the numerous budget issues identified in Chapter VI and their supporting analyses in Chapter V. The Author's identify that successful CP for informed voter decision-making needs to recognize the history of JO CO's revenue streams (i.e, especially Oregon and California (O&C)), including the elements and components of JO CO's citizen participation in its budgeting process (e.g., political culture; technocratic expert model; historical CI/CP mechanisms, including current levels of civic engagement; transparency in budgeting goals, including budgeting for outcomes (BFO) and Government Finance Officers Association's (GFOA) 27 budget presentation best practice criteria; citizen understanding, etc.), and needed budgeting process changes through a more transparent government and engaged citizenry. It is not about dishonesty or fraud in government; the county has good people struggling to provide quality services for all of us. It is about a major idea that the political culture of JO CO government must want to seek CP as much as the participants want to give it, and citizens are less likely to participate if the county's political environment is not positive and accepting of input.

Why is JO CO government plagued by a lack of trust by a majority of voters (see below for coverage of last four county levies and one City of Grants Pass tax failures), and by ineffective informed voter outreach on budget process, especially CI/CP educational budget programs and enhanced CP programs? Does the JO CO historical technocratic expert model for CI in budgeting with minimal LBL tools do the job we need? Would an enhanced CP model in the budgeting process help in the long-term, or not? The Authors say, Yes!

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

Civic engagement refers to the ways in which citizens participate in the life of a community in order to improve conditions for others or to help shape the community's future. A more specific ideas for civic engagement is working to make a difference in the civic life of JO CO communities and developing the combination of knowledge, skills, values and motivation to make that difference. It means promoting the quality of life in a community, through both political and non-political processes.

General CI/CP budget systems can range from citizens having a low level of involvement to having full citizen control (i.e., from inform, through consult, involve, and collaborate, to empower). An example of a typology based on CI/CP is the now classic model developed by Arnstein (1969; 2007). She proposed a **“ladder of participation”** with eight levels, or rungs, corresponding to increasing degrees of citizens' power in decision making. At the bottom of the ladder are two rungs, Manipulation and Therapy, which Arnstein categorized as Nonparticipation. The middle rungs 3, 4 and 5, identified respectively as Informing, Consultation and Placation, belong to the category of Tokenism. At the top of the ladder, rungs 6, 7 and 8 correspond to Partnership, Delegated Power and Citizen Control respectively and are classified as Citizen Power. *The higher up the ladder an instance of citizen participation can be placed, the more citizens can be sure that their opinions will be integrated into decision making and applied in the interest of their community.*

Stated another way, the purpose of the 2015 *Study Design* 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 vote a more informed vote (rewrite this sentence?).

The Co-Authors of *Study Design* contacted the members of the Josephine County Management Team (JOCOMT) as stakeholders in defining JO CO's public safety issue, and in seeking solutions for it as managers; the Authors wanted to get together and brainstorm ideas. They believed that the JOCOMT's August 19, 2014 recommended strategy elements to identify mandated and elective public safety services (PSS) to the JO CO BCC would be foundational in developing a minimally acceptable level of public safety services (MALPSS) analysis for the public safety issue. The Authors were interested in any necessary or mandated services the MT's work units had identified. The conclusion, of a March 7, 2016 meeting between the MT members and the Authors, was that any necessary or mandated services the MT's work units had identified were in their submitted budget documents, and they had not offered any supplemental documentation to the BCC as a result of Commissioner Cheryl Walker's urging of August 19, 2014. At that point the Authors made a commitment to study the JO CO FY 2015-16 budget in order to better understand MALPSS issues as they related to the county's public safety issue. This eventually led the Authors to the almost overwhelming research involved in developing this draft *Citizen Participation In The Josephine County Budget Process*.

**Josephine County Management Team Meeting With Exploratory Committee: March 7, 2016**

Budgets: Josephine County, Oregon

Justice System Exploratory Committee

Justice System & Public Safety Services Study Design: 2015

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

JO CO has three non-partisan commissioners who are elected at large for four-year terms. In broad terms the JO CO Board of County Commissioners (BCC) has legislative, quasi-judicial, management, and administrative duties. JO CO has four areas of interest related to the JO CO public safety issue: 1. Elected JO CO Sheriff (e.g., adult jail, sheriff rural patrol deputies, etc.), 2. Appointed JO CO Juvenile Justice Program Director, 3. Elected JO CO District Attorney and 4. Animal Control/Protection (Appointed JO CO Public Health Director).

The daily administrative functions of each county office/program/division are overseen by managers appointed by the BCC, or one of seven other elected officials. **The BCC sets county policies, adopts the annual budget, and passes resolutions and ordinances** in accordance with state law. This includes local JO CO legislative action plans (Section V.I) which can assist the local government body in carrying out its budgeting goals: strategic plan, long-term financial plan, citizen involvement plan, county budget manual, citizen involvement in budgeting plan, and county citizen's guide to the budget.

The BCC appoints many volunteers to citizen's advisory and review committees, including the budget committee. These committees assist the county and the BCC in providing needed and desired services to the community. Like most local counties, staff take their cue from the governing body, and the BCC determines the extent of public involvement in budget decision-making.

## JO CO Budget Process Stakeholders

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

Ultimately the Authors final CI/CP budget program and budget process recommendations will be aggressively shared with the JO CO budget process stakeholders, especially its citizens, and the Oregon Department of Revenue.

**1. Historical Political Environment & Budget Revenues** Political culture is the set of attitudes, beliefs, and sentiments which give order and meaning to a political process and which provide the underlying assumptions and rules that govern behavior in the political system.

In JO CO most of the historical revenue streams were commercial activity and private agriculture. During the territorial period economic activities centered on gold mining. The discovery of rich placers at Sailor Diggings in 1852 and the resulting gold rush brought most of the first settlers to JO CO. By the late 1850s gold mining was beginning to decline, but private settlement increased with donation land claims in the 1850s and homesteading soon after. Settlement continued to increase, especially after the Oregon & California (O&C) Railroad was built through the county in the 1880's. The Great Depression, 1929 - late 1930s, had a major worldwide economic downturn, but dirt farming by many in JO CO was known many years before 1929.

Almost two-thirds of the lands within the boundaries of JO CO are administered by the Federal government which are tax exempt. Recognizing the financial impact that ownership of tax-exempt federal lands would have on the local counties in which these lands were situated, the Federal government instituted policies that shared revenues from these lands and/or provided funding to counties in lieu of the taxes they would have received if these lands were held in private ownership. Eventually revenue sharing legislation created a fixed fiscal relationship between the harvest of timber on federal lands and the revenue received by local governments. This situation resulted in funding levels being directly linked to the amount of harvest that occurred on lands owned by the federal government (Gaid 2009, pps. 13 - 14).

- 1908. Congress enacted and subsequently amended the Twenty-five Percent Fund Act (1908).
- In 1916, Congress passed the Chamberlain-Ferris Revestment Act (1916), which revoked the title of the O&C Railroad to over 2 million acres of land for failure to comply with the conditions of the land grant, and directed that some of the revenues from timber sales off this land be shared with counties with O&C lands.
- 1937. Congress enacted The O&C Revested Lands Sustained Yield Management Act (1937) (O&C Act) that amended the earlier O&C legislation to require 75 percent of the revenues derived from the revested and reconveyed grant lands (formerly held by the Oregon and California Railroad Company and currently managed by the Bureau of Land Management) be paid to eligible counties of which 50 percent are to be used as other county funds. Twenty-five percent of the proceeds from timber production on the O&C lands were to be provided to the federal government to pay back the costs of buying back the tainted land and then given to the counties as a payment in lieu of property taxes that would have been assessed if the land was in private ownership.
- 1952. It took until 1952 before that debt was paid back. The counties later agreed to give up that 25 percent in exchange for management of the O&C lands. O&C payments are discretionary funds.
- 1993 Omnibus Budget Reconciliation Act (1993) (OBRA), providing an alternative annual safety net payment to counties in which Federal timber sales had been restricted or prohibited by administrative or judicial decisions to protect the northern spotted owl.
- 2000. The OBRA was repealed in 2000 by the passage of the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS).
- [Add laws through 2016.](#)



Historically, Oregon counties with extensive federal lands received a large share of their revenues from National Forest Service (NFS) and O&C lands. The revenue sharing arrangement between local governments and federal agencies functioned as intended from 1908 into the 1980s. In recent years, Federal timber sales dramatically declined due to market conditions, legislation, and legal decisions, reducing the revenues to counties (Gaid 2009, p. 14).

Eventually revenue-sharing from 2.4 million acres of Oregon and California Railroad Revested Lands tax exempt in western Oregon paid big government dividends in timber harvesting from these lands via the 1937 O&C Act. This setup was a revenue boon to JO CO starting in the 1950s – and their services – when harvest numbers were high. But it had a side effect: over the years, public safety funds, like those in Josephine County, came to hinge on the presumption of stable timber harvest revenue sharing. The economic recession in the early 1990s did not help. By the late 1980s Oregon’s logging industry entered a nosedive. Federal timber sales dramatically declined due to market conditions, legislation, and legal decisions, reducing the revenues to counties. The Northwest Forest Plan in the early ’90s, tightened environmental regulations across the Pacific Northwest.

The long-standing nature of these revenue sharing arrangements and the steady loss of federal timber revenues caused counties dependent on the natural resource economy to experience significant budget shortfalls. Recognizing this trend, Congress enacted provisions in the Omnibus Budget Reconciliation Act (1993) (OBRA), providing an alternative annual safety net payment to counties in which Federal timber sales had been restricted or prohibited by administrative or judicial decisions to protect the northern spotted owl. The OBRA was repealed in 2000 by the passage of the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS). Most recognized that timber in JO CO was no longer king, not even close. However, public safety funds continued to be funded through 2012 through various versions of the SRS (Gaid 2009, pps. 15 - 16).

#### Paragraph on JO CO O&C revenues (Federal government sources).

In a beautiful setting where “It’s the Climate,” JO CO also became a place to retire with low property taxes. In 2004 Fortune Magazine found Grants Pass, which is the largest population center in JO CO, one of the top five places in the nation to retire in. The mild climate, fishing, whitewater rafting and the health care facilities were listed as the reason for the high ranking. Logging and mining were not on the list.

In an odd twist, the Authors’ grand-folks, Rudy and Annie Hlobil, settled in Hugo in 1947, but not to retire. The Authors permanently followed with their parents in the 1950s and both graduated from Hugo Elementary School in 1958 and 1960. Their first real jobs were in the seasonal hops industry off Upper River Road at Lathrops. After highschool they both ended up at Southern Oregon Plywood, Mike on the green chain and Jon at the dryer end (Jon?). In 1962 the money was so good for Mike that he wondered why he needed to go to college.

JO CO today is far more complex than in its timber days. Stated too simply – Its economy is diversifying with a mix of well-to-do neighborhoods and enclaves of half million dollar plus mini-estates—often adjacent or near federal public lands—and extreme poverty. In 2015 JO CO was once again ranked near the bottom of the state for quality of health. That same year the most commonly used measure of inequality, the Gini Coefficient, found JO CO had the third- largest gap between the haves and the have-nots in the U.S. This idea was, and is, incomprehensible to the Authors, like *The Millionaire* T.V. show in the late 1950s they enjoyed as kids on one of the two channels making it into their home. But the Gini is backed up by the facts: nearly 30 percent of all income in JO CO goes to just 5 percent of area households, while the lowest-earning 20 percent of households take home just 3.2 percent of all income generated. Even though the cost of living is lower than the national level, 24.3 percent of the population was on food stamps.

**2a. Political Ideology** JO CO is unique because it is politically conservative in comparison to the rest of Oregon and to the rest of the country. There is a significant conservative, tea party, and libertarian movement within the county. This can be observed in the voting history of the county. The last time that a non-Republican presidential candidate was able to secure the county's vote was in 1936 when JO CO supported Franklin Roosevelt. In 2016, 41% of county voters were registered Republicans while only 27% were registered as Democrats (Oregon Secretary of State, 2016). This contrasts greatly with the rest of the state where only 29% of voters are registered Republicans, and 41% are registered Democrats (which also contrasts with a 27% Republican, 30% Democrat breakdown amongst registered voters nationwide) (Gallup, 2016) (Davis 2016, pps. 29-30).

This effect of ideology on JO CO residents' decisions to support or oppose tax measures can be seen in the county's vote on state tax initiatives. Josephine County has a history of rejecting tax measures that would traditionally be deemed politically progressive. In 2010, the county voted against the rest of the state on Oregon Measures 66 and 67. Measure 66 sought to increase taxes on household income above \$250,000 while reducing income taxes on unemployment benefits. Oregon voters supported this measure, with 54% of voters voting in support; JO CO residents opposed this measure with 55% of the county residents voting in opposition. Measure 67 sought to increase corporate taxes. Again, Oregon voters supported this measure 53-47, but only 44% of JO CO residents supported this tax measure. Similarly, a 2012 measure to phase out estate taxes was opposed by state voters but supported by county voters. Based on these results, ideology can be considered a determinant of tax measure support in JO CO (Davis 2016, p. 30).

**2b. JO CO Citizens Rejected Six Public Safety Tax Proposals: 2012 - 2016** The 2012 expiration of federal SRS payments to JO CO, used mostly for public safety services, resulted in five county levies and one city sales tax as solutions. They all failed. However, there is a high probability for another levy to be on a future ballot. This is reasonable, as public safety services are needed, even though the form and the cost are issues.

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

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

The Authors believe it would be prudent for the BCC to take Davis up on his challenge for future research to test his conclusions about **public trust in government** (see Section VII.8 for detailed information on trust) and **citizen preferences on service levels they are willingness to fund** utilizing several different citizen participation mechanisms (e.g., surveys, standing JO CO Budget Committee, focus groups, JO CO Fiscal Advisory Committee, workshops). For example, many JO CO annual budgets have had the following language on citizen input on services levels

they are willing to fund, and stakeholder support of programs, along with the budgets creating the transparency in government that our citizens have requested.

“Budgeting for Outcomes” is based on programs and service levels within the County. Future budgets **will incorporate citizen input on services levels they are willing to fund** (emphasis added), **goals set by the Board** (emphasis added) and **stakeholder support of programs** (emphasis added). The Budget before you clearly outlines the programs and services that the County Departments provide, **creating the transparency in government that our citizens have requested** (emphasis added).”

**3. Demographic Statistics** The situation in JO CO is particularly unique because of the demographics of the population that resides in the county. It is much older than the rest of the state, with an average age of 47 years (compared to 39 years for the state of Oregon). This number is inflated due to the higher number of retirees in the county, with 47.65% of households collecting some form of social security income (compared with 31.58% for the entire state). The higher number of retirees is likely, in part, a result of the lower cost of living and lower property tax rates in the county, and the county’s reputation as a good place to retire. JO CO residents are also less well off than those in other parts of the state, with a median household income from 2010-2014 of \$31,890 (in 2006 dollars) compared to \$43,024 for the entire state. The end result of these statistics is that most JO CO residents live on a fixed income, making an increase in property taxes undesirable for much of the population (Davis 2016, p. 29).

**4. Legal Budget Requirements Of JO CO Government** JO CO is a home rule county with three commissioners who are elected at large for four-year terms. Home rule means more self-determination, more local control, and more local responsibility in the way county government is organized and operated.

Most states impose certain legal budget requirements on local governments (such as public hearings) that may either enhance or constrain participation. The literature suggest it is time to face facts we know, but prefer to ignore. Legally required methods of public participation in government decision making in the US – public hearings, review and comment procedures in particular – do not work. They do not achieve genuine participation in planning or other decisions; they do not satisfy members of the public that they are being heard; they seldom can be said to improve the decisions that agencies and public officials make; and they do not incorporate a broad spectrum of the public. Ultimately the differences between the methods legally required in the US and CP 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 annual activities vs. continuous engagement; and use for routine activities vs. for controversial choices.

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

The Authors do not believe the LBL operational budget requirements of JO CO government are working if the goal is to have informed citizens actively involved and supporting controversial budget decision-making times of fiscal stress. The BCC's public participation goals of "Apprise" was probably very satisfactory with many citizens pre-2012, especially if the majority of the voters had no problems or trust issues. However, the Authors believe that the JO CO 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.

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

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

In 2016 this view of the JO CO budget process being traditional was corroborated by an Oregon State University researcher (Davis 2016, pps. 47 - 48)

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

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

**6. Josephine County Low Permanent Tax Rate** Measure 50 gave every Oregon County a permanent tax rate. Josephine County’s permanent tax rate is 58.67 cents per 1,000 of assessed value (JO CO Assessor web page: <http://www.co.josephine.or.us/Page.asp?NavID=1732>; viewed November 8, 2016). It is the lowest rate of any county in Oregon.

Oregon's current property tax system is shaped by two constitutional amendments passed in the 1990's: Measure 5 in 1990 and Measure 50 in 1997. Previously, Oregon property taxes were assessed under a levy based system, with the levy amount applied to each property's real market value. In order to meet community service demands, each taxing district calculated its own levy based on budgetary needs.

However, Measures 5 and 50 combined to create a rate-based tax system while reducing taxable values and limiting tax rate growth.

Measure 50 was a legislatively referred constitutional amendment – a proposed

constitutional amendment that appears on a state's ballot as a ballot measure because the state legislature in that state voted to put it before the voters. Measure 50's permanent tax rate became a constitutionally fixed amount restricting local government and school revenues (Section 11(3), Article XI of the Oregon Constitution).

The 1997 Measure 50 imposed a permanent tax rate on local governments. It was determined largely by combining whatever operating tax authority existed locally when Measure 50 passed.

Measure 5, which introduced tax rate limits, was passed in 1990 and became effective in the 1991-92 tax year. When fully implemented in 1995-96, Measure 5 significantly reduced taxes from their 1990-91 levels. Measure 50, passed in 1997, cut taxes, introduced assessed value growth limits, and replaced most tax levies with permanent tax rates. It transformed the system from one primarily based on levies to one primarily based on rates.

Measure 50 gave all existing tax districts a permanent operating rate limit. A district’s permanent rate was primarily determined by combining whatever tax levies existed locally when Measure 50 passed. Another way to say it was that the rate is not based on the local government’s needs or any recent decision by voters, but derives from a formula pegged to what levies local governments across the state had in effect in 1997 and the value of homes in the 1995-96 fiscal year (ORS 310.060(2)(a)).

**ORS 310.060(2)(a)** (2) For ad valorem property taxes levied by a taxing district, the notice required under subsection (1) of this section must state as separate items:

(a) The taxing district’s rate or amount of ad valorem property taxation that is within the permanent rate limitation imposed by section 11 (3), Article XI of the Oregon Constitution, or within the statutory rate limit determined in ORS 310.236 (4)(b) or 310.237, if applicable;

JO CO’s permanent tax rate is a combination of several levies: ??? and a 31 cent library levy (research).

The JO CO Assessor Office has an excellent 2015 chart at its web page entitled *Josephine County O&C Receipts vs. County Property Taxes*. The Authors are interpreting the relationship between O&C Revenue and JO CO property taxes and to determine how its permanent tax rate of 58.67 cents per 1,000 of assessed value was calculated.

**Authors' research to be conducted:**

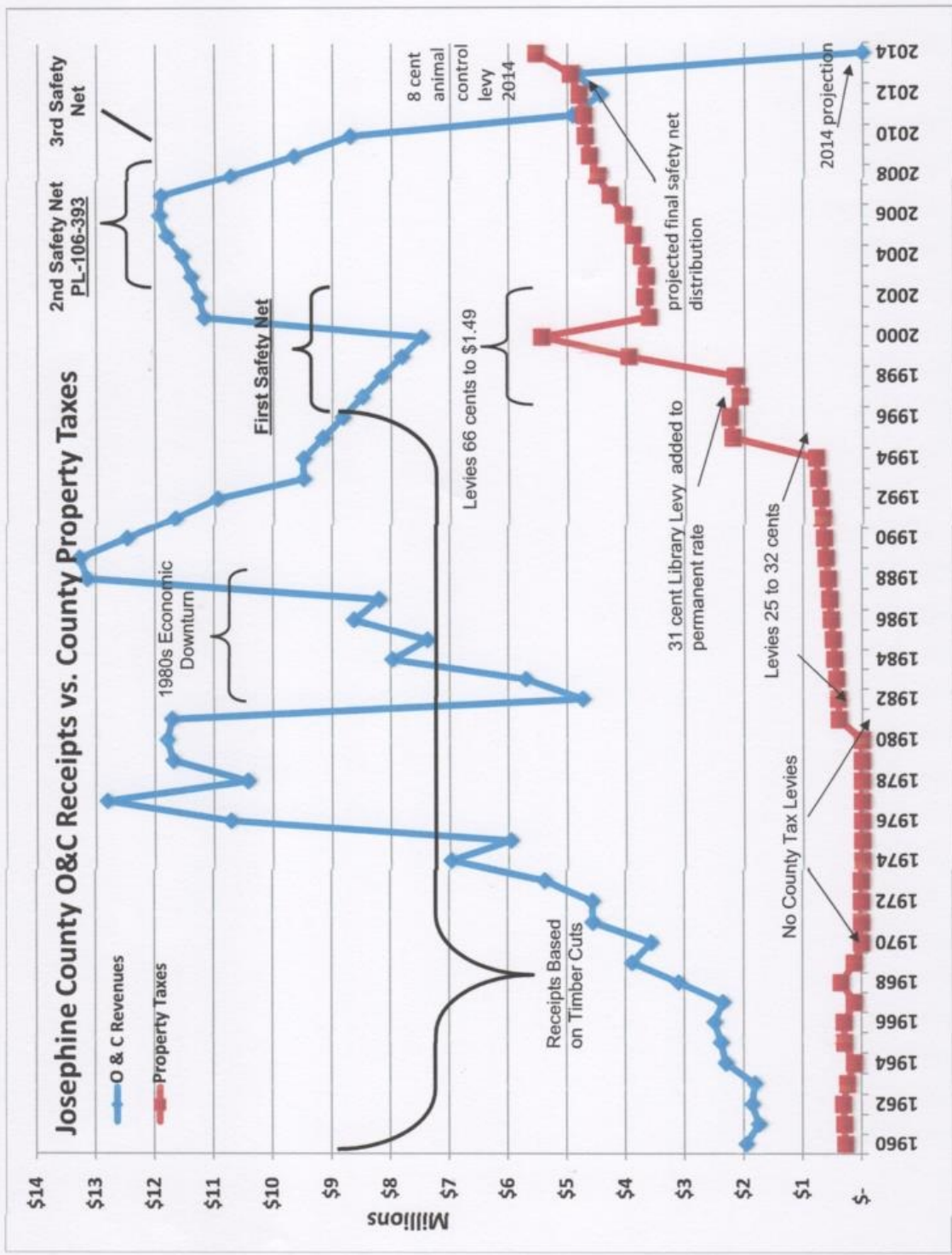
1. JO CO Assessor Office 2015 Chart: will research with Constance L Roach, JO CO Assessor and/or Chris Parton, Chief Deputy. Request update of chart. In 2013 the Justice System Exploratory Committee had some differences in O&C revenues in its July 9, 2013 Br. IID.2 from 2015 Chart.

July 9, 2013 Br. IID.2 *Justice System Public Safety Services Funding History: 2000 - 2012*  
Justice System Exploratory Committee  
Justice System & Public Safety Services Study Design: 2015  
<http://www.hugoneighborhood.org/justicesystemexploratorycommittee.htm>

2. Referenced Sources for JO CO Assessor Office 2015 Chart (bottom of chart – “Josephine County Assessor; updated 1/26/15. Prepared from information by Eve Arce, Josephine County Treasurer and County Finance Dept.”).

Eve Arce, Josephine County Treasurer  
Arthur O’Hare, Finance Director, Josephine County Finance Department

3. Federal Sources for JO CO O&C Yearly Revenues.



Josephine County Assessor, updated: 1/26/2015

Prepared from information supplied by Eve Arce, Josephine County Treasurer and County Finance Dept.



**7. Historical Budget Experience Of Citizens** Is part of the problem because JO CO citizens have never had to really understand and debate needed levels and funding for public services, including safety, and that the government never really tried to involve citizens in the budget process beyond the goal of apprising them of the budget's financial policies? Is part of this situation because historically the JO CO government made the decisions to pass through Federal O&C payments to be used for many worthwhile public services. Now used mostly for public safety. For example, during the O&C revenue boom years, approximately from the 1950s through the 1980s, JO CO developed a paved road system the envy of many others. Today it can not pay for the maintenance to sustain these roads into the future because of the declining stability and amount of O&C revenues. **Research.**

The public was never really involved in these pass-through revenue budget decisions, and JO CO government was not deeply involved in pursuing CP in budgeting through its continued use of a traditional LBL CI budget process. **Worse yet, this method of public participation often frustrated and antagonized members of the public who do did try to work with the LBL '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. This adversarial approach pits citizens against each other, as they feel compelled to speak of the issues in polarizing terms to get their points across, sometimes verbally attacking their neighbors. This method discourages busy and thoughtful individuals from wasting their time going through what appear to be nothing more than rituals designed to satisfy legal requirements.

These budget requirements by themselves were barriers to CP. They appeared to focus on one goal - to summarily “apprise” citizens about complex JO CO budget activities after the proposal has been developed. Without a “budget process” educated public and a active county public engagement program, the biggest barrier to CI was budget complexity. The statement that citizens generally do not understand the budget enough to participate was applicable to the Authors prior to their 2016 project to understand the JO CO budget process (i.e., they graduated from Hugo Elementary School in the late 1950s and started voting in the late 1960s). Their position is that the JO CO CP goal of “Informing”, back in the time, was satisfactory with many citizens when there were fewer problems identified by voters (i.e., local government was not trying to get into your wallet too much).

However, for the Authors the minimal LBL CI process promoted citizen disinterest and rational ignorance which is refraining from acquiring knowledge when the cost of educating oneself on an issue exceeds the potential benefit that the knowledge would provide. Ignorance about an issue is said to be "rational" when the cost of educating oneself about the issue sufficiently to make an informed decision can outweigh any potential benefit one could reasonably expect to gain from that decision, and so it would be irrational to waste time doing so. This is not to minimize some real apathy and lack of time.

These other barriers were, and are, largely due to the unwillingness of the public, including the Authors, to get involved. This was due to a lack of interest in the JO CO pass-through O&C revenue budget process because people already had busy lives and this was a low on their priority list, and they just believed that what they said would not have any impact anyway (i.e., and again, the government was generally staying away from your wallet and the local taxes were not that high).

This is not the case for JO CO today with the significantly reduced O&C revenue since FY 2012-13. The BCC has the specific issue of funding mandated and essential public services 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. For many of the previous reasons, the Authors had avoided getting involved in the JO CO budget process as part of their 2015 *Study Design* project (Chapter I).

One of the biggest issues in CP is available information on the budget process, the fact that usually it is JO CO controlled, and whether it is transparent and trustworthy. In practice, as study after study has suggested, CI in budgetary decision making is typically minimalist and yields few, if any, directly observable results. The minimal LBL methodology of only making the complete proposed budget available to the public for the first time at the first budget committee meeting at which the public has an opportunity to submit comments is especially egregious – legal, but a flagrant violation of the concepts of meaningful CP. The overwhelming majority of folks still stay home, away from engagement in the local budget process. For some budget meetings before the JO CO Budget Committee (JOCBC) and/or the JO CO BCC, their might only be a few citizens, or none.

Is there a disconnect between what citizens expect from their JO CO government and what they are willing to pay — or, perhaps, JO CO has not utilized participation techniques to adequately capture this information. Citizens do know “There is a critical difference between going through the empty ritual of participation and having the real power needed to affect the outcome of the process.” Complacency and public alienation from engagement in the budget process are real.

In conventional budgeting citizens and interests can make demands, but are not accountable for where the money will come from. Do citizens care enough to participate actively in policy-making? Do they have the encouragement and education to try to meaningfully participate without a huge individual effort? **Budget complexity and citizen disinterest were cited as the major barriers to participation.**

Also, 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. Further, arguments for enhanced CP often rest on the merits of the process and the belief that an engaged citizenry is better than a passive 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. Also, any discussions of the value of 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 JO CO can promote new financial policies where anti-government sentiment runs high.

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

Do JO CO government budget stakeholders (e.g., JO CO commissioners, other seven elected officials, budget officer, department heads, JOCOBC, etc.) disagree with the academic experts on the value of citizen engagement in budgeting? 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 engaged in the county budget process? Why are CP mechanisms not used more? The JO CO government must want to seek CP 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.

Instead of taking the time and effort to involve citizens during budget allocation decisions, JO CO can wait until they experience more voter distrust and anger, as in the stringent tax-and-spending constraints on Oregon and local governments (i.e., Measure 5 and Measure 5) during the past couple of decades, and JO CO’s last five public safety levy failures in the last four years.

To win elections, JO CO BCC candidates share many campaign promises with the voting public. The following is a little of what was shared during the recent campaign: promised that budget gaps can be dealt with through greater efficiencies, with some reduction on essential services; people want to be treated as if they’re legitimate; I’m not a politician, I’m a businessman; government budgeting experience will benefit citizens; must care about people and be willing to work long hours; must fix crime problem in county; we will honor the will of the people; must really explain the decision government just made: we’re going to have to live within our means; you have to be able to draw up a plan, a vision; fix the way things are currently being done in government; management style is collaborative working with all stakeholders; government experience gives insight; promise to remove government red tape, regulations, and fees to spur economic growth; must be aware of issues in county and have a willingness to learn; line-by-line review of county discretionary spending; time and experience and demonstrated commitment is crucial; central message is collaboration and the art of bringing people together; proposes new priorities based on needs versus wants; unwilling to support the public safety levy proposal; supports audits of county departments; we must strive to be the best we can be, not the least; working together fosters mutual respect; and this is the new normal.

Most of the BCC candidates talked about collaboration, but there were no campaign promises to specifically proposed to the entire governing body to establish legislative CI/CP budget programs to promote or ensure collaboration and citizen engagement through ordinance or resolution. This was normal, and business as usual. It is legendary in JO CO, Oregon, and the national government to cut CI/CP programs and vetted information research during times of fiscal austerity. And the county has never had any meaningful on-going CI/CP programs, except for a couple years from State grant monies when it was forced to develop a comprehensive plan under Oregon Senate Bill 100. It is also clear that government does not have to be collaborative and really listen to citizen voices when times are good, or not more problematic.

Campaign promises are usually difficult to keep and/or they were just that – the difference between candidate campaigning and elected managing that inevitably prompt greater citizen disillusionment. Wouldn't it be better to start the collaboration budget discussions with citizens earlier, at the start of the internal budget year before the BCC handed their fiscal policies over to the JO CO department heads to develop their budgets — to help them understand the realities of the fiscal situation from an on-going yearly budget cycle outside of BCC campaigns — rather than pretend that miracles can happen in government with a future economic turn-around, or perhaps another levy?

In conclusion, should the JO CO LBL 'review and comment' methodology be considered fresh through a new public budget planning process decided de novo, meaning "from the beginning," "afresh," "anew," "beginning again?"

## B. Purpose

The optimistic CP opportunities alternative (Chapter I) of this paper is the purpose of the 2015 *Study Design*, which is to promote CI/CP for informed citizen 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 transparency of the JO CO budget process by making information more readily available and comprehensible to citizens, and the citizens taking the opportunities to participate with more understanding.

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

What are governments trying to accomplish when they involve citizens in their budget processes? There are two main goals.

- To inform the public of government decisions.
- To involve the public in government decision making.
- **Secure support**
- **Improve trust in government**

Many government officials have been faithfully and successfully implementing the first public participation budget goal for decades, using CI primarily as a way to inform and educate the public. Making the additional effort of involving citizens in decision making, however, can provide officials with insights and information, leading to better policy decisions.

## C. Audience

This draft paper, *Citizen Participation In The Josephine County Budget Process*, and these budget recommendations about the local JO CO budget process are intended first for the JO CO Budget Process Stakeholders.

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

Ultimately the Authors final CI/CP budget program and budget process recommendations will be aggressively shared with the JO CO budget process stakeholders, especially its citizens, and with notice to the Finance, Taxation and Exemptions Unit, Oregon Department of Revenue.

What started with the Hugo Justice System & Public Safety Services (JS&PSS) Exploratory Committee's (Justice System Exploratory Committee) July 18, 2013 JO CO public safety issue scope of work evolved to its definitive August 2015 *Study Design* Project. That lead to focused meetings and/or interviews with the JO CO Leadership members, including the JO CO Budget Committee in late 2015 and early 2016 including information request letters to the State of Oregon (i.e., three to Oregon Governor John A. Kitzhaber in 2013, two to Oregon Governor Kate Brown in 2015 on MALPSS, and one to the Finance, Taxation and Exemptions Unit, Oregon Department of Revenue on Oregon Local Budget Law July 2016).

As can be seen first the Authors were asking for information from the audience on the JO CO public safety issue and the local budget process. Now the Authors will be providing the same stakeholders an opportunity to review and comment on the draft paper, *Citizen Participation In The Josephine County Budget Process* before it is finalized.

## D. Trust

Oregon, like many states, imposes legal budget requirements on local governments, such as public hearings, that may enhance or constrain public participation. It is time to face what we know, but prefer to ignore. JO CO's use of the legally required minimal methods of CI in budgeting – public hearings, review and comment procedures in particular – do not work today. This type of budget process does not achieve genuine participation in budget planning; it does not satisfy members of the public that they are being heard; and it can seldom be said to improve the decisions that JO CO had already made in the complete proposed budget - most voting citizens just don't trust the annual budget process and don't show up. For example, how many citizens off the street have shown up in the last 10 years of budget meetings? A couple dozen?

The JO CO CI/CP budgeting program is presently hovering at the first goal of “apprising-informing” the public of government decisions with its policy to follow minimal CI requirements of LBL. This informal citizen participation policy is a restriction on the potential for practicing enhanced CI/CP to involve the public in government decision making, and it does not provide fertile ground for growing trust in government.

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](#)).

Significant is that all the JO CO budget issues and JO CO public safety issues involve one overarching issue: Public trust and/or non-trust in JO CO government. Many times the budget CI/CP issue and the JO CO public safety issue themselves would not be an issue if there was a more healthy view of local government. JO CO citizens do not have vetted facts about their preferences as a group, but based on the last four failed JO CO public safety levies from 2012 - 2015, and the failed 2015 City of Grants Pass tax for public safety, it can be safely assumed that a majority of voting citizens do not trust JO CO government.

Members of the committee believed that the first important step was the identification of the issues for why the levies failed. Except for the recent vetted study, *Citizen Perceptions of Public Safety Levies in Josephine County, Oregon: A Test of Group Engagement Theory* (Davis 2016), reasons for the levy failures are complex and unknown as facts (i.e., interested citizens debate and provide opinions on their non-vetted facts). However, it is believed that vetted research of citizen issues is the most important step in developing a successful, *Justice System & Public Safety Services Study Design: 2015*.

Citizens are demanding greater public accountability, particularly regarding stewardship of public resources in an atmosphere of low public trust in JO CO government combined with the thought that people in the government waste a lot of money paid in taxes. As another comparison of trust – In 2010 the Association of Government Accountants (AGA 2010) found strong dissatisfaction among citizens regarding the financial information they receive from the government. Nearly three-fourths of citizens regard financial information as important; yet only five percent reported satisfaction with information provided by their governments.

The Organization for Economic Co-operation and Development also weighted in on trust in government - Only 40% of Citizens Trust Their Government (OECD 2016). 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 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.

The OECD identified ideas for governments to win back trust has a large overlap with what the Authors are describing as one outcome of enhanced citizen involvement (CI)/citizen participation (CP). Moving from an approach that focuses principally on policy measures to one that understands better "how" policies are designed and implemented will help strengthen local governments 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.

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.

**An informed citizenry is one that is ready to be engaged in the policy process, but other challenges to participation exist, such as citizen apathy and ineffective participatory mechanisms.**

Restated, an important question is: How can JO CO government increase citizen trust, enhance accountability, and improve citizen perceptions of government performance?

One possible answer would be to better engage the public in the process of government decision making, especially with regard to fiscal policy. But, citizens need to be educated and informed before they can effectively engage in decision making and governance. The following are some more general ideas/potential policies about building public trust through an enhanced CI/CP JO CO budget process.



An informed citizenry is a necessary, but not a sufficient condition for effective public participation. This is consistent with the empirical findings that increasingly show the fallacy of the optimists' hope that transparency in and of itself will prove to be a panacea for a various governmental ills. **Needed from JO CO government is that they pursue better quality, or more effective transparency that satisfies the citizen's desire for relevancy, usefulness, and timeliness.** An informed citizenry is one that is ready to be engaged in the policy process, but other challenges to participation exist, such as citizen apathy and ineffective participatory mechanisms.

Public participation may serve as a way to persuade citizens to support a particular policy, legitimize policy decisions, build public trust, and create alliances with citizens and interest groups that can help to solve public problems. Through public participation, awareness can be increased, fostering a more transparent, engaged, and collaborative partnership between citizens and administrators. This correlates with the increasing shift from government to governance, the role of public participation, especially at the local level has evolved significantly from traditional hierarchical decision making structures.

The Authors continue to believe that the foundation of any government program to help prevent and resolve public controversy must be an informed public confident with its government. Yet, understanding citizen preferences and the information needs required can be exceedingly difficult. Informing and engaging the public is often a strategic decision, one that balances inclusiveness and engagement at the risk of impacting process efficiency. Significantly, these are the times when knowledge of the 'true' preference structure of an informed citizenry seems most valuable.

**Ambiguous goals and political and environmental constraints further compound the problem.**

Citizens cannot effectively participate without being informed, particularly for complex and controversial issues such as budgeting and fiscal policy. However, developing informed citizens as it pertains to budgeting and financial issues can be challenging. Part of this is a systemic issue wherein financial reporting is often conceptualized as an outreach or accountability tool by chief financial officers as opposed to a mechanism for greater engagement. Ambiguous goals and political and environmental constraints further compound the problem; yet by empowering citizens, reeducating administrators, and designing and implementing the necessary structures, administrators can encourage effective and informed participation.

It is not surprising, therefore, that one of the most obvious requirements for effective citizen participation in decision making is that citizens be provided with meaningful and accurate information that matches their desires. In addition to accuracy, the information presented should be relevant, organized, and presented in a meaningful manner. In the absence of information, the contributions from public participation may be limited, as citizens may come to the decision making table with relatively little information on the topics or issues to be addressed. Citizens may need to be informed and educated before they can participate effectively.

Different controversial movements have shaken America and JO CO in recent years. They are not addressed in this paper except for JO CO's degradation of O&C revenues resulting in the JO CO public safety issue. It is observed that many of these movements are assumed to be discrete, separate phenomena. But, there is an argument that they have fed one another and overlapped, as more people rediscover the fine art of direct action. Many issues don't get fixed at the voting booth, at least not without a fight. So more and more, people are taking to the streets and raising their voices to pressure politicians to act.

**Citizens may need to be informed  
and educated before they can  
participate effectively**

The Authors don't feel their action of conducting and documenting analyze in *Citizen Participation In The Josephine County Budget Process* is making trouble for JO CO government because they had no agenda, pro or con on the JO CO public safety issue, and still don't. They tried to be fair and impartial. But, they do feel like they are activists acting together, honoring America's long history of making waves to make change. Leadership matters.

After reading the above paragraph, corrections are necessary as the Authors do have a pro agenda on an enhanced CI/CP program in the JO CO budget process and the recommendations although not categorized that way could be broken down into two type of recommendations.

1. JO CO Public Safety Recommendations.
2. JO CO CI/CP Budget Recommendations.

**E. General Preliminary Brainstorming Recommendations (brainstorming recommendations; not close to being comprehensive)**

**Recommendation. Why Trust Is Important** This issue is intertwined between why trust is important and areas where governments need to win back trust. The Organization for Economic Co-operation and Development (OECD) weighted in on trust in government - Only 40% of citizens trust their government and trust is deteriorating. Trust is important for the success of a wide range of public policies that depend on behavioral responses from the public. In particular, trust is important for the success of many government policies, programs and regulations that depend on cooperation and compliance of citizens. The OECD identified six areas for governments to win back trust.

*Trust in Practice: Towards Inclusive Policy Making*

OECD. Viewed September 14, 2016

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

**Recommendation OECD 1. Reliability Promotes Trust** Governments have an obligation to minimize uncertainty in the economic, social and political environment. Reliable policymaking requires developing a long-term vision for the public sector. The vision includes strengthened planning functions and improvement of monitoring, including specialized evaluation units and more regular reporting by departments on progress in implementation.

**Recommendation OECD 2. Responsiveness Promotes Trust** Trust in government can depend on citizen's experiences when receiving public services - a crucial factor of trust in government. Under tight fiscal constraints and growing expectations, governments are increasingly engaging with citizens to ensure quality, responsiveness and ultimately trust in public services. Governments are also exploring how improved service delivery can boost confidence and trust in the public sector.

**Recommendation OECD 3. Openness Promotes Trust** Open government policies that concentrate on citizen engagement and access to information can increase public trust. There are a number citizen involvement mechanisms to support open and inclusive government, from access to information, to consultation processes, to full-fledged open government policies. At the heart of these efforts is the goal of increasing citizens' trust which should be the main goal when investing in openness and engagement of citizens, with others including strengthening social cohesion, raising awareness or increasing citizens' scrutiny.

**Recommendation OECD 4. Better Regulation Promotes Trust** Proper regulation is important for justice, fairness and the rule of law as well in delivering public services. For citizens it is important for justice, fairness and the rule of law as well in delivering public services. For businesses it is important to have reliability and confidence in regulatory governance for investment and growth. For public administrations it is important to have the confidence of stakeholders to act and trust in the efficiency and appropriate use of public resources for equal benefit for all citizen's well-being and environmental protection.

Recommendation OECD 5. **Integrity & Fairness Promotes Trust** Integrity is a crucial determinant of trust and is essential if governments want to be recognized as clean, fair and open. Evidence suggests a link between trust in politicians, both from the business community and citizens, and the perception of corruption. Integrity policies, aimed at preventing corruption and fostering high standards of behavior, help to reinforce the credibility and legitimacy of those involved in policy decision making, safeguarding the public interest and restoring confidence in the policy making process. Policies addressing high-risk areas, such as the working relationship between the public and private sectors, can limit undue influence and build safeguards to protect the public interest.

Recommendation OECD 6. **Inclusive Policy Making Promotes Trust** Understanding how policies are designed can strengthen institutions and promote trust between government and citizens.

Recommendation. **Information Timely, Relevant & Contextualized** There is an information gap between citizens and their governments when it comes to government finances. The inherent complexity of fiscal policy makes it exceedingly difficult for effective public participation. Effective public participation in fiscal decision making must address informing or educating the citizenry with accurate and meaningful government financial data. Better understanding citizen wants and perceptions is critical to closing the information gap between users and providers of financial information. Citizens are interested in some types of information over others and that such information must be timely, made relevant and contextualized (Jordan 2016)

- Jordan, Meagan; Yusuf, Juita-Elena (Wie); Mayer, Martin; and Mahar, Kaitrin, *"What Citizens Want to Know about their Government's Finances: Closing the Information Gap"* (2016). School of Public Service Faculty Publications. Paper 9. [http://digitalcommons.odu.edu/publicservice\\_pubs/9](http://digitalcommons.odu.edu/publicservice_pubs/9)

Recommendation Jordan 1. **Types of Budget Information Citizens Want** The need is for information to be made relevant and contextualized so that citizens can understand how it relates to or impacts them. For example, one citizen asked, "How does this information show me that my county leaders are doing a good job?" The question illustrate the use of government performance measures – either in terms of efficiency, outcomes, benefits and costs – as key elements of relevance. They are a critical component necessary for citizens to better understand the relevance of the information. The use of performance measures provides a way to provide context while lowering the intellectual entry barrier for individuals seeking to make sense of complicated fiscal data.

Recommendation Jordan 2. **Information Timeliness From government** Timeliness should be based on the sources and intended use of the information. **If JO CO's purpose is to educate and inform** about budget decisions that have been approved or adopted for the upcoming fiscal year, the information should be made available soon after the proposed budget has been completed and/or approved. On the other hand, **if JO CO's purpose is to inform citizens of proposed budget decisions and to seek citizen feedback**, the information should be provided at the point in the process when the proposed budget is being developed or deliberated before it is complete. Poor timing of information leads to poor timing of opportunities to provide citizen input regarding that information.

Recommendation. **Cost** Consider costs of a significant public participation program, for purpose of ultimately gaining trust and friendship where anti-government sentiment runs high.

Recommendation. **Broad Participation and Equity in Recruitment** Engaging the entire affected community is important even with its barriers

Recommendation. **Equity in Sharing Opinions** There are several concerns regarding the individual participant equality in public engagement efforts in planning. The issues are to make sure everyone has an opportunity to be heard and that everyone feels comfortable sharing thoughts and opinions without being attacked. Public engagement efforts ought to encourage open communication, active listening and an atmosphere where everyone feels comfortable to share their opinions.

Recommendation. **Communicate** Inform the public with clear, unbiased information. Translation of technical concepts and legal jargon into understandable terms and comprehensible issues that promote honest education and public efficacy.

Recommendation. **Public Influence on the Decision** It is important to empower the public and allowing the public opinions to influence community decision making. **What is needed is an importance of listening to the public concerns and incorporating these opinions into community plans.** People need to be involved from the very beginning and have a genuine say in the design and implementation of the project for ‘participation’ to be meaningful.”

Recommendation. **Utilize an Array of Public Participation Techniques** Local governments and agencies should utilize an array of public participation techniques. In a time of decreasing revenues, the investment in genuine and thoughtful governance, and the involvement of citizens in making the decisions which will impact our lives and our future, are more critical than ever. To not do so, to continue with old ways -- open house, council session feedback, etc. -- is short sighted.

Recommendation. **Transparency** There needs to be transparency 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.

Recommendation. **Enhanced Citizen Participation** Arguments for enhanced citizen participation often rest on the merits of the process and the belief that an engaged citizenry is better than a passive citizenry. With citizen participation, formulated policies might be more realistically grounded in citizen preferences, the public might become more sympathetic evaluators of the tough decisions that government administrators have to make, and the improved support from the public might create a less divisive, combative populace to govern and regulate. However, incorporating citizen input into agency decision-making is not a costless process. This article articulates not just potential benefits but also potential social and economic costs of

community participation, so that policy-makers can better predict the usefulness of a citizen participation initiative.

- Williams, Lisa Marie. 2012. *A Better Budget for a Better City: Ideas for a health budget process in Toronto*. Wellesley Institute.

**Recommendation. Resident Engagement** Government work with community partners to foster a new culture of engagement in municipal decision-making. Prioritized resident engagement and conduct a multi-year exercise experimenting with a mix of traditional and innovative engagement models to ask residents: how can we better communicate with you and how can the budget better serve your needs?

**Recommendation. Resident Engagement** Explore the introduction of participatory budgeting in budget process as a means of providing community members with more substantial and diverse options for engagement.

**Recommendation. Accountability Through Oversight** The increasing size and complexity of the budget makes consideration of more formal, arm's length budget oversight mechanisms appropriate. The expansion of oversight duties to different actors (at the county, municipal, and neighborhood levels), and enforcement of budget information disclosure may prove crucial for maintaining good governance and public trust in city government.

**Recommendation. Fiscal Prudence** Map the fiscal, social and health implications of all budget options. Produce non-partisan reports containing budget options as well as analyses explaining the trade-offs of each, thus informing decision-makers.

**Recommendation. Transparency Through Third-Party Intermediation** Harness the power of local budget intermediaries by enabling them to enhance public understanding of the budget process, develop platforms for meaningful participation, and facilitate transparency. By synthesizing and condensing budget information, residents are offered insight into policy issues as well as ideas for broader budget reform.

**Recommendation. Public Trust in the Budget Process** While pre-emptive action or precautionary measures are valuable in maintaining public trust in the budget process, the subsequent frustration from a scandal or recurring mismanagement of the process can sometimes push us past complacency and spur local action. With the right impetus we can restructure our local governance systems, including our budget processes, to better reflect our collective identity.

**Recommendation. Quality Assurance Standard for Community and Stakeholder Engagement** Need for a standard process for any engagement process to ensure it meets best practice principles leading to confidence in the outcome for all involved. There are important elements of any engagement process for a set of 'standardized principles' to ensure consistency in quality and support those carrying out the process. It also allows any process to be audited against a defined standard for simpler evaluation and quality assurance.

Recommendation. **Written Record Of Scientific Evidence** JO CO requests are more likely to be fully funded if they show a widespread commitment to evidence and innovation. Allocate resources to programs and practices backed by strong evidence of effectiveness.

Recommendation. **Performance Plans** Major new policy proposals, and county performance plans, should be accompanied by a thorough discussion of existing evidence, both positive and negative, on the effectiveness of those proposals in achieving the county priority policy goal or objective. Such evidence includes evaluation results, performance measures, and other relevant data analytics and research studies, with a preference for high quality experimental and quasi-experimental studies.

Recommendation. **Using Innovative Outcome-focused Grant Designs** Proposals should expand or improve the use of grant program designs that focus Federal dollars on effective practices while also encouraging innovation in service delivery. These include tiered-evidence grants, **Pay for Success initiatives** and other pay for performance approaches. Performance Partnerships allowing blended funding, waiver demonstrations, incentive prizes, competitive incentive funds that encourage the use of evidence-based practices in formula grants, or other strategies to make grant programs more evidence focused.

Recommendation. **Strengthening County Capacity to Use Evidence** Proposals should strengthen county capacity by promoting knowledge-sharing among government decision-makers and practitioners through clearinghouses that help translate strong research into practice; enhancing the skills of managers, program officers, and review panels to assess and use available evidence; and developing common evidence frameworks to better distinguish strong from weak evidence and measure cost effectiveness.

Recommendation. **Other County Specific Needs** Counties may propose other strategies that would significantly improve their capacity to use or build evidence to achieve better results or increase cost-effectiveness in high priority programs. In addition to developing strategies to use evidence to promote continuous, incremental improvement, counties are also encouraged to submit proposals that would test higher-risk, higher-return innovations with the potential to lead to more dramatic improvements in results or reductions in cost.

**G. Specific Preliminary Brainstorming Recommendations To JO CO** (not close to being comprehensive)

**Recommendation. Aggressively Address Trust Issue** This issue must be addressed on many fronts and with many strategies by the JO CO BCC. For example, the BCC must aggressively demonstrate sincerity in understanding why the majority of voting citizens do not trust JO CO government (i.e., you can't meaningfully fix what your not sure of), and what the citizen preferences in budget allocations are (i.e., citizens know they have been listened to). The BCC must take Davis (2016) up on his challenge for future research to test his citizen preferences conclusions with one or more citizen participation mechanisms (e.g., surveys, standing JO CO Budget Committee, JO CO Fiscal Advisory Committee, workshops, etc.).

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

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

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

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

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



**Step 7: Chapter VII. Budget Process Recommendations** This recommendations chapter is significantly derived from Chapter VI Issues.

- VII. RECOMMENDATIONS (Preliminary Brainstorming)
- A. Background
- B. Purpose
- C. Audience
- D. Trust
- E. General Preliminary Brainstorming Recommendations
- F. Specific Preliminary Brainstorming Recommendations To JO CO

The above portion of Chapter VII, **CI/CP PROGRAM & BUDGET PROCESS RECOMMENDATIONS**, was web published November 12, 2016.

- 1. 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
- 2. 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
- 3. Element 3. Citizen Participation Mechanisms In Budgeting Issues
  - Component 1. Public Meetings
  - Component 2. Advisory Committees
  - Component 3. Workshops
  - Component 4. Third-Party Intermediation
- 4. 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
    - Budgeting For Outcomes Commits To Goals
    - Addressing County Goals And Clearly Defining Program Purpose
    - Sustainable Plan for All Mandated and Essential County Government Programs
    - Budget Only for Mandatory And/or Self-Supporting Programs.
    - Mandatory & Essential Levels Of Service
    - Supporting Analysis Lacking/Transparency in Government
    - No Strategic Plans
    - Goals And Outcomes Not Monitored(?)
    - Goals And Outcomes Not Evaluated(?)
- 5. Element 5. Budgeting For Outcomes (BFO) Issues
- 6. Element 6. Monitoring, Assessments, Performance, & Audits Issues
- 7. Element 7. Transparency in Government Issues
- 8. Element 8. Government Finance Officers Association Budget Presentation Award Program Issues
- 9. Element 9. Action Plan Issues
- 10. Element 10. Public Mistrust In Government Issues
- 11. Element 11. Taxpayers Understanding Purposes of Budget Issues