



A Grassroots Advocates Guide to Influencing the Local Government Budget Process



*Influencing policy- making where you
live: at the city and county level*

**By Darold Johnson
Makani Themba-Nixon**



Influencing Budgeting at the Local Level

When spider webs unite they can tie up a lion — African Proverb

Introduction

To the casual observer of city council meetings it seems there is little debate because most legislation, whether they come from the public, city agencies or the Mayor are the subject of committee hearings and have been studied for sometime before the final vote. This is also true of the budget process. Unlike the state government that meets for a set number of days, local government meets throughout the year requiring advocates to maintain a constant vigil of local government budget activities.

Local government's budget decisions are influenced by a number of factors: fear of creating a precedent, department heads and executive priorities and the public opinion.

The budget process like other legislation is a political process. Too often the budget process is overlooked as a tool for progressive change. The fact is the budget document is a value-based document. The allocation of resources should reflect the community's values and resources -- though it often doesn't.

Some Acknowledgments

This guide was written by Darold Johnson with contributions by Makani Themba-Nixon and was inspired by local site work in the Grass Roots Innovative Policy Program (GRIPP). It was GRIPP's experience, as an initiative designed to advance progressive policy at the local level, that it was virtually impossible to affect local policy without attention to budget policy. This guide provides introductory information to help grassroots, community groups get started. An abbreviated list of resources and links are found at the end of this document below.

How to use this report

This report intended to help groups access the local government budgeting process. The participation section details how to obtain your local budget and what key local officials to meet. The essential points in this section are:

- 1) Start early in the budget process (usually three months after the new fiscal year begins).
- 2) Identify the political and policy context in which the budget is developed and ratified.
- 3) Talk with members of Council and the executive branch – City Manager, Mayors or County Executive -- directly about your budget priorities.
- 4) Don't be afraid to change the rules if the current ones work against you.

Public Participation

"The stakes are too high for government to be a spectator sport."

Barbara Jordan

How do I get started? How do I obtain a budget? How do I find out how much money is spent on areas like human services, economic development and police? Today, many jurisdictions load budget summaries on-line for resident review. A full text, annotated budget is often available from the local library, city or county clerk, or the Executive or Council's offices. These summaries are often loaded with descriptive text that provide staff and elected officials with "rationale" for the proposed budget.

Understanding a local budget is not easy, because budget program summaries cover wide areas and detailed budget books are huge. Further, budget books often detail information that is not very useful to organizers. For example, few budget sections let residents know how much money is spent in a certain community or if there are differences in services between communities within a jurisdiction.

It's a good idea to enlist the help of supportive local college professors, economists or former agency staff to help make sense of the information you gather. Next ask:

- What issues do you want to address taxes, health care, human services, transportation, job creation, overall equity in budget allocation?
- What agency handles the issue(s) of concern? Does the Agency's budget reflect the your priorities? At the state level, human services and health programs are operated at the county level with only larger cities having their own health and human service department. For example, if you want to influence housing budget policy, you want to look at the housing and/or economic development departments.
- Is the funding for programs and line items of interest increasing or decreasing?
- What revenue streams are used to fund these areas?
- Are there "clients" or "consumers" using services currently funded by the jurisdiction that could afford to pay a larger share? Are there taxpayers who have no (or limited) access to services funded by the jurisdiction? For example, a large corporation could be receiving subsidized water and road service while providing few jobs. On the other hand, a community will pay taxes but not have any access to street cleaning.
- Is your issue a local issue? City and County government provides direct services but it has limited ability to raise funds or set benefit levels. For example, local government can set a minimum wage higher than the national minimum wage but it has fewer ways to generate money than the Federal Government.

Making a Political Map

The first step in the process is identifying who has the power to make the decisions you want and the opportunities available to influence those decisions. Plot each step of the process by

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interviewing staff and others who are knowledgeable and develop an organizing timeline to advance your initiative.

Identifying the People, Process and Institutions

What	Who
Give us information to develop our timeline	
Pinpoint department(s) we need to target	
Assesses/evaluates current budget in the targeted department	
Develops recommendations for proposed budget	
Approves targeted budget area before it goes to council committee	
Management committee that puts proposed budget together for council	
Help us analyze proposed budget/develop alternatives	
Key staff that guides the council process	
Councilmembers who will be likely allies	
Councilmembers needing pressure/lobbying	
Councilmembers who will be likely opponents	
Staff responsible for managing public participation in the budget process (clerks	

who set agenda, meeting, etc.)	
Media that regularly cover the budget process	

Once you identify the people, agencies and institutions in the process, consider:

- Who must you get to first before those listed above? Be specific.
- Who is appointed? Elected?
- How do you have power/influence with them (as voters, consumers, taxpayers, etc.)?
- What is the self-interest of each?
- Who would have jurisdiction if you redefined the issue (e.g., turned an economic development issue into a youth services issue)? Does this help you?

The Policies

Policies to Check For	Yes?	No?
Does your jurisdiction have "sunshine laws" that require public notice and participation in the process?	Ensure that the budget process is in compliance including committee meetings	Find out if there are applicable state laws and pressure the jurisdiction to get in compliance
Does the jurisdiction participate in the "Community Scorecard" program or similar that requires government agencies to rank its delivery of services and other criteria against other cities as well as poll resident/"customer" satisfaction?	Lobby to get data broken down by race, neighborhood or other more telling units of information. Leverage differences to apply more equitable policies	Identify existing methods of evaluation. Work with elected officials and department heads to develop evaluative methods that look at equity, outcomes at the neighborhood level
Does the jurisdiction break out expenditures by neighborhood or community development districts?	Match neighborhood data (you must first know what census tracks comprise each neighborhood from the city) with demographic data (race, age, income, percent of renters) all available through the US Census online at www.census.gov using the "1990 Look up Table"	Having this kind of detailed information can really help. Find out if relevant department staff can do a customized data run and/or work with a sympathetic councilmember to request the info and establish a <i>process</i> for tracking such data
Is there an independent budget office mandated to provide residents with analytical information on the jurisdiction's budget outside of the government framework?	Work with staff in your local IBO to provide analyses helpful to your initiative. Lobby that IBO reporting deal with categories of analysis that will be helpful to community groups.	Identify groups who publish "alternative" or "people's" budgets and work to get compatible issues included



Policies to Check For	Yes?	No?
What opportunities are there for public input in the budget process? How are they publicized? How much information is provided to residents in advance to support their participation?	If there are clear guidelines that are workable for the group, plot your organizing plan to maximize participation.	If guidelines are unclear, labyrinthine or worse, non-existent, identify areas for new policy that will encourage and support community input.
Has the jurisdiction enacted any ordinances or resolutions requiring certain, "high" standards of public performance or responsiveness to residents? Examples: Sustainability policies? Anti-racist/anti-discriminatory policies? Race, gender equity policies? Youth development policies?	Strategize how best to leverage these for your advantage. The basic question: Does the budget really reflect the values, mission, intent and/or desired outcomes laid out in these policies?	This is not a good sign. A jurisdiction that has not articulated any mission or policy framework to address any of these values may either not be aware of larger trends in governance or is uninterested. Unfortunately, the presence of such policies does not necessarily mean cooperation.
What state or federal mandates might hurt or your help your initiative?	Identify supportive state/federal agency staff or national organizations that can help you figure out how to apply or maneuver around them to benefit the initiative.	There are always some. If you can't find any, check again.

The Budget

Local government budgets are divided into two parts: the operating budget and the capital budget.

- The operating budget includes regular operating expenditures for City government. It is comprised of the general fund, enterprise funds, and other funds (e.g., energy conservation, health care, and risk management -- money set aside in case of unforeseen problems with investments or disasters, etc.).
- The capital budget is for transportation improvements, new buildings and projects of large scale. Examples include road construction, school buildings, and office building.

There are four ways to influence the budget process. These steps can happen in sequential order, or all four of these methods can occur simultaneously. The key is to provide as many points of influence as possible.

1. Contact a supportive councilperson as early as possible and engage them in your effort to have an impact on the budget. If you are seeking support for a certain program or policy, make sure to set a meeting with the Councilperson to discuss your initiative. Prepare copies of the initiative for the councilperson and staff and have examples of jurisdictions where similar programs have been implemented (if applicable) and the funding stream (taxes,

federal funds, or state funds) used to support the program where it was implemented. (i.e., there are specific federal grants available for local government which advocates can push council members and Department Heads to include in their budget).

2. Contact budget and management staff members. The budget and management staff are a part of the executive branch of local government and responsible for developing a preliminary budget for the local government. Your journey begins with a phone call. Call the budget office and ask to speak with the budget staff person who monitors the agency or issue you are concerned with.

The goal is to work with budget staff to develop a preliminary budget in what will, hopefully, be a long-term relationship. These conversations are informal meetings designed to help both sides understand future budget assumptions and the positive impacts of specific programs. Working with budget staff can help advocates formulate their case for an agency head because advocates will know what the budget assumptions are.

3. Meet with relevant agency heads. Agency heads set policy and funding priorities. Many times middle managers will not propose new programs if the Agency head or Mayor has not promoted such expansion. Agency heads can make internal transfers to reflect priorities. In fact, in some cases, agency heads need external pressure in order to rationalize new initiatives. Agency budget staffs don't need to be targeted as much as the agency head or elected officials.

Never meet with targets alone. Negotiations are tricky and always require at least one witness. Having others in the meeting also sends the message that this is a *group* action (not an individual one) and that you are accountable to the group for any session outcomes.

4. Build public support for your cause. Organize community support by identifying likely allies -- groups and individuals who share an interest in passing the initiative. Develop a media campaign to support your organizing effort (see www.arc.org/gripp for resources on developing a policy initiative and media planning).

Ways to Influence the Budget Process

Holding a site visit can build public awareness and momentum for your budget issue. Advocates in one city had City and County elected officials visit community-based programs to demonstrate needs and show programs that work. The tour also included leaders from faith communities, private, and non-profit, sectors, and the media. The trip resulted in the newly elected County Council Chair pledging \$10,000 to address some of the community's needs.

In another city, organizers hosted open citywide budget hearings to establish funding priorities. These meetings helped advocates build public support and show elected officials large numbers of people supported their budget requests. Positively, this action demonstrates the power that community organizations can deliver to hearings on -- and election day.

Use the media to bring attention to your issue. In some media markets, there are outlets that practice "advocacy journalism." Advocacy journalism is when a media outlet takes on an issue and holds public events or other mobilizing activities on certain issues. For example, some newspapers and televisions have begun using their power to spotlight issues like violence or breast cancer. When your issue can be linked to these initiatives, I can help lift these concerns above the din of other voices competing for dollars at the local level. Otherwise, it's old-fashioned media advocacy to get reporters interested and covering the issue.

Presentation of an alternative budget such as a children's or people's budget can help reframe budget fights positively. Instead of pitting an issue against other important community concerns, a people's budget helps to provide a more collaborative and holistic

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framework for addressing budget issues. Children's budgets can be easily developed using resources like Kids Count data (www.kidscount.org) The Women's International League for Peace and Freedom offers proposals to support issues and programs for women that are typically under funded at <http://www.voiceofwomen.com/articles/budget.html>.

An alternative budget should only address specific issues and should include expense and revenue recommendations. Of course, organizers need to engage a broad range of like-minded groups to develop an alternative budget that truly represents community interests. It's important to present this budget early in the process to have the most impact.

The Budget Making Process

The budget process starts nine months before it is submitted to council to reflect the most current information. There are three steps to the budget process:

- 1) Dissemination of budget guidelines for funding levels
- 2) Preparation of budget estimates
- 3) Review and approval of budget estimates.

The legislative budget is a request for funds and the approved budget is the management budget. Tax revenues drive local governments budgets. Local government budget usually appear in two forms: program and line item budgets.

- Line item budgets are not descriptive and are the more traditional format for a budget. A line-item budget focuses on expenses elements such as wages, supplies, vehicles and other resources.
- Program budgets focus on programs and program elements that represent activities the funds are to be spent. Program budget permit the decision maker to judge the appropriate amount of resources that should be allocated to a given activity.

Budget Formation

The following is an adaptation of Anthony and Young (1984) list of strategies used by bureaucrats during the budget process. It's important to look out for these strategies and either leverage them to your advantage or develop counter strategies.

Internal strategies for increasing funding for new programs

1. *Foot in the door* – Work to fund a scale down version of a program you desire and then work to expand the mandate of the program. A legislature was sold on the possibility of educating handicapped children. And later the definition of handicapped was expanded.

2. *Hidden Ball* – Conceal the nature of a program with negative impacts by hiding it within an attractive program. **Response:** break down programs so that such items become visible.
3. *Divide and Conquer* – Agency staff will deal with different members of Council hoping that one member will support the funding item. **Response:** Use this technique to your advantage when it works to your benefit. One way to prevent this from happening is to push for clear, public lines of responsibilities.
4. *Distraction* – Base a specific request on the premise that since an overall program has been approved additional, specific segments have approval as well. For example, a new building at a city community college might be promoted as an approved item when it has not been approved under a general allocation to the college. **Response:** Ask for specific budget breakdowns to expose hidden aims.
5. *Shell Game* – Use of misleading statistics. A community development director may want more money spent on health and education programs while the mayor wants more money spent on housing and new business development. Budget staff list in the following manner: Item: Health and education coming from federal funding sources and most of economic revenue coming from other sources. However, no one defined what the other sources of funding were.
6. *It's Free* – Someone else will pay for program costs. Local government decides to work on public works project but only factors in federal funding for construction -- not local costs of maintenance. **Response:** Require an analysis of long run costs, not merely next year costs.
7. *Baffle them with data* – Provide lots of numbers and data supporting current level of funding. The data is not always valid. An agency may submit 50 papers documenting the need for "vital" line items when it really is a "wish list". **Response:** Conduct an independent analysis of suspicious line items. If items is new, ask
8. *Arbitrary Cuts* – Reductions may occur across the board or in one division. **Response:** Challenge the reason for the cuts, but not specific items.
9. *I only work here* – Agency mid-level manager, agency head, or council -person says I can't do anything my hands are tied. **Response:** Take the issue to a higher authority; hold people accountable for their actions or lack of action. Also, begin efforts to influence budget staff at the executive or legislative level for the next cycle.

A Budget Calendar Action-Steps

Budget analysts begin preparing the budget three to four months after the fiscal year begins. Some city and county fiscal years begin in July 1 end June 30, others are October 1 through September 30, and finally some operate on a calendar year. The budget making process for the next ensuing year begins during the current fiscal year. Agency heads are provided with budget instructions and guidance for developing agency requests including a proposed funding level and general directions regarding the inclusion of new programs or the elimination of existing programs. Fall is the time of year to begin advocating for funding levels in the next budget.

Action Steps for a October 1-September 30 Fiscal Year

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January - March

Meet with Agency Department Heads and budget staff in the Mayor or City Manager’s office. The Budget staff will set spending limits for all Departments. It is important that you know staff in the budget office and council staff that participates in budget decisions for they are powerful influences behind the scene. Call the budget office or your councilperson’s office, and find out who handles the budget issue that concerns you. Invite budget staff to see programs and invite them to see conditions as they are and discuss your vision. Develop other budget items for an alternative budget.

April – June

Hold field hearings, and attend executive branch hearings. Present an alternative budget. Work with the media to create momentum for budget request. Use this opportunity to expose as many people as possible to gain independent knowledge of what’s really going on with the budget process.

July – September

The City Operation Budget

Six months after new Budget year

City agencies send their anticipated operating budget needs to the Department of Finance. Advocates begin meeting with council members, executive budget staff, and agency heads.

Seven months after the New budget year

The Mayor, Comptroller and other city leaders hold hearings on the proposed budget for agency heads. Advocates release an alternative budget and

Seven or eights month

The Mayor, City Manager hold a “Taxpayers’ Night” for final citizens input. Advocates must participate in every opportunity to express

Nine months

The City Council holds hearings on the total budget. Advocates review budget details to see if the budget reflects the values of advocates.

Eleventh Month

The City Council votes on the budget and sends it to the Mayor. Advocates must testify at hearings.

Twelfth month

The Mayor may approve total budget or disapprove some items and approve the rest.

New Fiscal year

A new budget year begins and the approved budget is monitored through the City's system of expenditure controls.

Local government budget cycles differ city to city. Some run October 1 – September 30 or operate on a calendar basis. Remember initial proposals are introduced three to four months in advance of the start of the budget year.

Web Connections

For more information on budget policy ideas and/or public participation in the budget process

Americaspeaks www.americaspeaks.org

National League of Cities: www.nlc.org

U.S. Conference of Mayors: www.usmayors.org

National Association of Counties: www.naco.org

Women's International League for Peace and Freedom

<http://www.voiceofwomen.com/articles/budget.html>

Center for Budget and Policy Priorities

Website: <http://www.cbpp.org>

OMB Watch

Website: <http://www.ombwatch.org/>

Center for an Urban Future

www.nycfuture.org

Center for Economic Policy Analysis

<http://www.newschool.edu/cepa/>

Center for Policy Alternatives

www.stateaction.org

Children's Defense Fund

www.childrensdefense.org

Citizens for Tax Justice

www.ctj.org

Russell Sage Foundation

