

# Promises of Participation:

Building Citizenship Through Involvement in the Budget Process

## Report Findings

There is a need to create a formalized process that systematically involves Los Angeles neighborhood councils in the city budgetary process. Budgetary input is one of the main means envisioned by the Charter to connect City Hall with local communities and level the playing field across neighborhood councils.

- **City's Progress.** The City's approach to budget involvement to date has largely emphasized informational forums, including Budget Day and other education sessions. Little has been done to institutionalize neighborhood council participation within the actual budget cycle. There is continuing confusion regarding the manner in which neighborhood council input will be incorporated into the budget.
- **Design Criteria.** There is a need for an institutional mechanism for budget participation that meets several core criteria. It must place community needs in a city-wide context; build collaboration and minimize conflict; educate neighborhood councils through their own participation in the process, and level the playing field.
- **Regional Budget Panels.** A series of regional budget panels can provide an institutional forum that gives neighborhood council members hands-on experience with the budget cycle, promotes equity across neighborhood councils, and helps communities identify opportunities for regional collaboration.

"We continue to work because of the promise that was given to us that we would have a voice in what goes on in our community."  
—Neighborhood Council Leader

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One of the most important vehicles for establishing city policy priorities is the municipal budget process. The allocation of budgetary resources has widespread implications for the level and quality of city-administered services and their equitable distribution. Neighborhood council involvement in budget processes can strengthen understanding of the governance process and of the need for compromise and collaboration.

This brief underscores the need to create a formal institutional mechanism whereby input from neighborhood councils is incorporated into the Los Angeles budget cycle. The experiences of other cities, studies of citizen participation, and our field research in Los Angeles, suggest that there is a need to design an institutional approach to budgetary deliberation that:

- ✓ Systematically involves neighborhood councils in the budget cycle and provides feedback on the outcome of the process
- ✓ Allows neighborhood council members to learn about the budget process through direct involvement
- ✓ Levels the playing field by involving all neighborhood councils in the same institutional procedure
- ✓ Includes a representative group of stakeholders
- ✓ Combines information from the community regarding its needs with expert information about City fiscal realities
- ✓ Provides a forum for regional deliberation regarding budgetary tradeoffs

The 1999 Los Angeles charter reform authorized neighborhood councils to make budget requests to the Mayor. This provision for budgetary input is consistent with models adopted by other cities with neighborhood councils, many of which provide some means for neighborhood council involvement in the budget process.

Prior to charter reform, the only structured opportunity for citizen engagement in budget decisions occurred at the end of the process, when the Mayor's budget was

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heard in City Council. For the most part, budget decisions were made by means of a complex, highly political and bureaucratized process that was largely invisible to the “ordinary citizen.”

There appears to be a general willingness on the part of the City to change the current budget process to incorporate neighborhood councils, coupled with general uncertainty about what to do next. This lack of progress appears to stem in part from diverging viewpoints regarding the appropriate means and content of budgetary input. For example, there is disagreement as to whether budget input should address citywide, local, or regional priorities, and whether it should be channeled through Departments, provided to the Mayor, or communicated to City Council members. There also appears to be general confusion at the neighborhood level regarding the types of services and policies that are appropriately addressed through the budget process. ❖

“The City cannot expect neighborhood councils to understand the complexity of the budget language. If the City could just explain the budget development process and give us information on what sections of the budget we can influence, that would be an effective method.”

—Neighborhood Council Leader

## City's Progress

The city charter reform did not specify the nature of neighborhood council involvement in the budget. As such, the City is still experimenting with approaches to budgetary participation. This experimentation has largely emphasized forums that provide information about the budget process and engage neighborhood leaders in general discussion regarding the budget.

**Budget Day.** The focal event, Budget Day in October 2002, attracted several hundred neighborhood stakeholders. Budget Day was primarily designed to give neighborhood councils a chance to interact with department representatives. The Mayor's Office also presented an outline of the budget process that included distinct steps for neighborhood input and mayoral action based on that input. While the outline suggests a structure for neighborhood council participation in future budget cycles, it did not detail the form of participation or the manner in which it would be acted upon.

Participants spoke directly to department personnel and submitted budget action priority lists to the appropriate department. The Mayor's office also circulated a budget priority survey. Mayoral representatives *continued on page 4*

## Design Criteria

Our research highlights the need to design a system for citizen participation in the budget that incorporates the following criteria:

**Place Community Needs in Citywide Context.** There is a need for neighborhood councils to place their local budget priorities in a context that acknowledges citywide issues and constraints. Understanding the fiscal realities of the budget process will help to prevent unreasonable expectations from arising. However, such understanding is unlikely to occur if the City continues to promote fragmented interactions with City departments. Neighborhood councils should be encouraged to understand the cumulative costs of neighborhood council requests and to confront the wide array of competing interests within budget deliberations.

**Build Collaboration and Minimize Conflict.** By the beginning of the next fiscal cycle more than 70 certified neighborhood councils will exist in Los Angeles. Eventually, the system will include some one hundred neighbor-

hood councils. There is a potential for budget involvement to degenerate into a contentious political process of vying over limited City resources. The consequences might be disillusionment or anger on the part of neighborhood stakeholders. A regional approach to budgetary deliberation is one means to discourage parochial thinking and help neighborhood councils acknowledge collective concerns.

**Educate Through Involvement.** Both City officials and neighborhood stakeholders identify gaps in citizen knowledge and understanding about the budget process as a barrier to substantive neighborhood council participation. Budget-centered events reflect the City's assumption that expert knowledge of the complexities and nuances of the budget process is necessary in order to participate meaningfully.

However, we argue that citizen mastery of technical details is not required to communicate neighborhood needs. Rather, neighborhood councils need to be educated about the political realities of resource allocation, an *continued on page 4*

## Regional Budget Panels

We propose the creation of seven regional budget panels consisting of appointed members of certified neighborhood council boards. This Regional Budget Panels (RBP) model is designed to provide an institutional forum to educate neighborhood councils and their stakeholders regarding the budget, and for regional discourse and advice regarding City budget priorities in key service areas.

**Step 1:** Neighborhood councils with approved budget committees will be invited to appoint a member of the budget committee to sit on one of the seven Regional Budget Panels. These Regional Budget Panels could be structured to correspond to the Area Planning Commission boundaries, or to the boundaries of the service cabinets currently under development as part of the Mayor’s TeamWork LA plan.

*Budget Liaisons.* A liaison from the Mayor’s budget office will staff the Regional Budget Panels and will work with DONE staff to assist neighborhood council budget committees in developing budget priorities. These staff members will also provide an orientation to the City budget.

*NC Budget Committees.* To be approved for involvement in the Regional Budget Panels, neighborhood council budget committees will be expected to consult with community stakeholders in developing neighborhood council budget priorities.

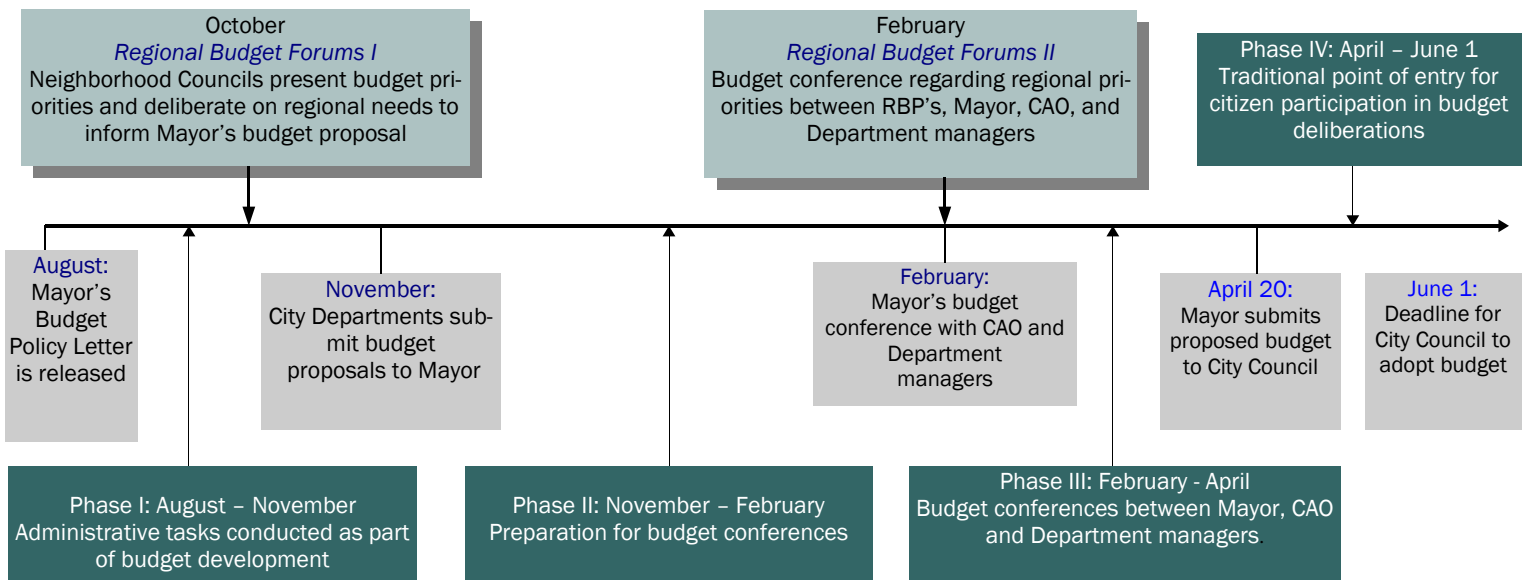
**Step 2:** Each Regional Budget Panel will hold two one-half day Regional Budget Forums during the City’s budget process, as illustrated below. The first would solicit input on neighborhood priorities, and the second would allow parties to confer around the proposed budget.

**Budget Forum I.** During the first set of Regional Budget Forums, to occur in October, panel members will present and debate neighborhood council priorities. This forum will provide a structured opportunity for neighborhood councils to provide the Mayor early input, consistent with the Charter. The regional discussion will encourage members of neighboring councils to think beyond their community boundaries to discuss the coordination of regional priorities with local needs.

*Budget Forum II.* The second set of Regional Budget Forums, targeted for February, will convene various City officials to confer with neighborhood councils regarding their budget priorities. These forums will involve representatives from the Mayor’s office, key Departments, and the Chief Administrative Office. The main goal will be to engage neighborhood council members in discussing the broader City budget context, and in confronting the tradeoffs involved in establishing neighborhood service priorities.

**Step 3:** The City will then prepare a Neighborhood Budget based on the Regional Budget Forums and other deliberations. This Budget will be presented to the City Council along with other budget documents, at the April deadline.

*Stakeholder Feedback.* The neighborhood council budget committees will also report back to neighborhood council stakeholders and board members regarding the character of the regional deliberations and the Neighborhood Budget developed by the City. ❖



## WHO WE ARE

# Neighborhood Participation Project

**The Neighborhood Participation Project (NPP)** is a research initiative of the School of Policy, Planning, and Development at the University of Southern California. Since 1996, the NPP team has been researching neighborhood political participation in Los Angeles and has been documenting the growing neighborhood council movement. The Project's current activities are directed toward three main goals:

- Documenting and analyzing the design and implementation of the Los Angeles neighborhood council system;
- Analyzing how the early notification system is designed, and how it affects communications between neighborhood councils and the City; and
- Identifying and disseminating findings on best practices in neighborhood council organization.

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This brief summarizes the report *Promises in Participation: Building Citizenship Through Budget Participation*, which can be downloaded from our website:

[www.usc.edu/sc2/npp](http://www.usc.edu/sc2/npp)

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## City's Progress *continued from page 2*

indicated that the City would act upon neighborhoods' budget priorities if funds were available, yet it was unclear how the participants were actually helping to influence budget decisions. There was also evident confusion on the part of some City and neighborhood representatives over the nature and purpose of the event.

**Educational Efforts.** City efforts have also emphasized educating the public about the City budget process. Events sponsored by the Department of Neighborhood Empowerment (DONE) including "City Budget 101" training, Budget Day, and the Congress of Neighborhoods, have all featured presentations on how the budgeting process works. However, the sheer complexity of the process, combined with a lack of clearly defined options for how neighborhood councils could be incorporated into the budget cycle, made it difficult for participants at these events to make meaning of the budget process.

Lastly, the City is attempting to channel neighborhood council requests through City departments. For example, a Mayor's directive states that City departments must solicit input from neighborhood councils in developing their budget proposals. While Budget Day apparently was intended as a means of soliciting this input, the linkages to the budget were not articulated. ❖

## Design Criteria *continued from page 2*

education most effectively obtained through hands-on involvement in the entire budget cycle.

**Level the Playing Field.** Citizen involvement in budget allocations raises the concern that more powerful neighborhood councils and those with more resources by virtue of their location within wealthier communities will have undue influence in the budget process. The hope is that the neighborhood council system will allow traditionally disenfranchised groups to have a greater voice in city governance. Onerous requirements to learn complicated details of the budget process present significant barriers for budget participation by less advantaged councils. Hence, the City must find ways to simplify involvement in budget deliberations in order to make the process accessible to all neighborhood councils. ❖

"We need to create an equal playing field with neighborhood councils. I may be a Polly Anna in thinking this way, but success for neighborhood councils will be so different from one council to the next. How much empowerment to the truly underpowered will happen? For some citizens, the idea of having influence on the citywide budget is overwhelming for someone who was traditionally disenfranchised."

—City Official