



EQUITY & VOICE IN LOCAL GOVERNMENT BUDGETING

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ABOUT THE SOUTHERN ECONOMIC ADVANCEMENT PROJECT (SEAP)

SEAP is your partner and resource. We amplify the efforts of existing organizations and networks that work towards broadening economic power and building a more equitable future. Broadening economic power brings attention to how race, class and gender intersect social and economic policy in the South.

We explore policy ideas designed to directly address these connections. SEAP focuses on 12 Southern states and marginalized/vulnerable populations within the region and is a fiscally sponsored project of the Roosevelt Institute.



SECTION 1: OVERVIEW AND MAIN LESSONS

Budgets are about priorities, and the voices at the table set those priorities. Many groups ask for change—and the budget is one of the most important pathways. A past president of the [National League of Cities](#) asserted: “We believe that every elected official would say that the budget is the single most important policy document that a local government adopts.” Or as one organizer more candidly put it to us: “Anything any politician says doesn’t mean s#*t unless it comes through at budget time.” As additional federal money for Covid-19 response and recovery becomes available, local budget advocacy will be crucial to ensuring dollars reach those most in need.

Even as individuals and organizations recognize the magnitude and importance of local budgets, they can find the budgeting process closed off and unwelcoming. From our listening sessions and interviews, we heard about local government community input sessions that are difficult to attend or so late in the budgeting process as to be meaningless. Budget documents scatter spending across departments and line-items so that residents cannot see the total amount spent on areas of interest.

LOCAL GOVERNMENT BUDGETS ADD UP:
Among the 12 Southern states we study, there is \$275 Billion in state revenue and \$230 Billion in local revenue, according to Census data.

Communities are using a range of strategies to prioritize resources and expand civic voice in the budgeting process. Participatory budgeting brings direct democracy into the process as residents vote on projects of interest. In 2014, Greensboro, NC became the first Southeastern city to enact [participatory budgeting](#). While important, participatory budgeting efforts are often small and confined to capital projects rather than ongoing services. In Greensboro, for example, residents vote on how to spend \$500,000 within the city budget that totals about \$600 million.

In other communities, nonprofit organizations and community organizers are driving change in the budget process and budget priorities without participatory budgeting. They are organizing around issues like housing, transportation, and early childhood education, and using tactics inside and outside the system to push for change. Finally, some local government officials and administrators themselves are expanding voice in the budgeting process.

We draw on insights from nonprofit advocates, community organizers, and local government officials who changed processes and made funding gains on transit, gun violence interventions, early voting sites, child care, affordable housing, and more:

- Social movement building in St. Petersburg, FL
- City-led equity framework in Austin, TX
- Advocacy coalitions in Buncombe County, NC

We offer their stories to illustrate a few ways that Southern groups are seeking and winning change in their communities through the budget process. We do not include participatory budgeting since there are ample resources through the [Participatory Budgeting Project](#).

LESSONS LEARNED

The main audience for this report is organizers and nonprofit advocates, but there are lessons for city and county leaders, funders, and scholars as well:

For Organizers and Nonprofits

- **Be Informed.** Know the context and the basics of services and funds. Stay alert to revenue opportunities. Understand competing priorities. Frame requests in terms of staff time and support, not just dollars of funding.
- **Be Timely.** Know where, when and how to most effectively influence the budget plans.
- **Be Tactical.** Demonstrate your depth of knowledge with data, surveys/polls, and testimony. Push for changes in the process, not just spending changes. Find a champion in government and a lead organizer outside of government. Consider targeting multiple local governments' budgets – city, county, and school district.
- **Be Engaged for the Long-term.** Stay in the game year-round by seeking ways to return to city and county leaders to report results. Present a list of near-term, current budget goals coupled with longer-range investments and goals.

For Local Governments

- **Open up the process.** Create commissions and committees to bring in citizen voice early in the process.
- **Make equity a priority in budgeting.**

For Funders

- **Engagement with local budgets requires organizational infrastructure and multi-year resources.**

For Scholars

- **When equity becomes a priority, how do budgeters respond?**



SECTION 2: THREE SOUTHERN CASES

Social Movement Building in St. Petersburg, FL

Led by the Florida Public Services Union, the People's Budget Review (PBR) began as a social movement in St. Petersburg in 2012 to push against austerity measures. A diverse set of allies, including the League of Women Voters, NAACP, Sierra Club, small business owners, and neighborhood groups, crafted a statement of principles around democracy, economic inequality, and the budget process. PBR conducted surveys on budget cuts, millage rates, and services (receiving 6,000 responses) and organized 200 volunteers to attend budget hearings with a consistent message to deliver. City leaders reversed course and committed to preparing a budget that did not include cuts to services. The movement won a millage rate increase in its first year to stave off services cuts and significant investments in poverty-alleviation programs in year two. *[Note: For a full description and discussion of the People's Budget Movement, see: Nissen, B. and Smith, R. A Novel Way to Represent and Reframe the Interests of Workers: The People's Budget Review in St. Petersburg, Florida. Labor Studies Journal. 2015;40(1):84-102. A copy of the article is available from one of the co-authors; simply send a request to brucenissen@gmail.com.]*

KEY LESSONS

An anchor organization is necessary in the short and long-term. One key element to early success was an anchor organization (Florida SEIU) and two staffers within the organization who were dedicated to this effort. The momentum ebbed and flowed after initial wins. Reflecting on this, one movement leader noted,

“We put all this effort into mobilization and not organizing to build lasting organizational infrastructure. After year one, leaders began to drop off. We weren’t particularly focused on leadership development and building an infrastructure that would carry on. In some ways that’s logical. We need to move \$2 million in next year’s budget, so you’re going to focus on the tactical questions rather than strategic questions. Spending some money on building out infrastructure would have made a difference. It would have slowed progress but might have been better to do that. None of us were the kind of people who go looking for grants. That’s not what we were focused on. Put on the list – find someone to raise money.”

There were also tensions between keeping a multi-racial, multi-class coalition together in the long-term and going after short-term wins that were less broad-based: “If we devoted time to formalized structure, it might have lasted longer but would have accomplished less.” The tensions arose on how to prioritize issues between different groups.

Do polls, door to door interviews, and email list swaps to reach the hard-to-reach.

They polled throughout the city, but recognized that underserved areas were not answering the polls. Thus, they shifted tactics and combined the polls with canvassing to ensure more voices were included. Shared email lists formed a 50,000-person list to mobilize on budget issues.

“Impossible to overstate the degree to which witnessing this – that shock of City Council that people were showing up and demanding and having polls to back them up.”

You must get out of the austerity mindset. They reframed the center of discussion and debate from cutting taxes to fulfilling needs. The push against austerity brought the City Council to raise the millage rate in the midst of recession—one of the key victories of the movement. This reframing away from austerity has been a lasting transformation:

“That’s a political result that has stayed with us. Those things have stayed with us and an understanding still that you can intervene to get things accomplished for your community. Working group on community wealth (food dessert), education, living wage which has accomplished most of what it wanted, ban the box, and an ongoing initiative for CBAs for any developers. Those are all ongoing things that are all being pursued by the New Deal for St. Pete.”

Aspect of education at every meeting. Every year they started with a “How the city dollar should be spent” exercise to educate on how important the budget process is and who is responsible. Movement leaders found these exercises to be one of the lasting impacts: “That has lasted. People remember that. How people think about the budget is different. We did well on that – you’re not powerless here, here are the people who make the decision.”

Electing people isn’t enough. You must hold them accountable. Some members of the movement dropped off once more progressive leaders were elected; however, other members of the movement remained committed:

“The people who approached organizing from an electoral politics point of view, we lost them once the elections occurred. They thought, we elected these people to office and they’ll take care of it. I don’t have to go to that meeting because I have a mayor or council member that has our interests.”

There is often a tendency of city staffers to want to sit down in private with a few leaders, thus the social movement must get around the “interest group politicking.”

This is possible! On the duplicability of this effort, one leader affirmed: “This is very doable and should be possible almost anywhere. I don’t know if we got an accurate account of how much money was moved in the budget over 3 or 4 years, but it was millions of dollars. The idea that you can organize around budget issues and turn that into a popular movement and have some impact is totally true.”

City-Led Equity-Based Budgeting in Austin, TX

The City of Austin shifted to a new form of city council starting in 2015, from council members elected at-large to a district-based council and at-large mayor. During this transition, 10 out of 11 council members were newly elected and made new priorities of economic security, environment, and health. Additionally, in 2018, the Council passed the first city-wide strategic plan and equity was a component with a newly established Equity Office, equity assessments across departments, and equity commissions in the budgeting process.

Prior to the shift towards equity, the city manager would present the budget to the City Council, and various citizen commissions would have six weeks to react. To center equity, the city flipped the process and engaged citizen commissions first, including nine equity commissions focused on African Americans, Asians Americans, LatinX/Hispanics, LGBTQ residents, Immigrant Rights, Human Rights, Seniors, Women, and People with Disabilities. Now, these commissions make recommendations before departments submit their requests to the city manager.

Additionally, much of the city's public engagement now goes through the equity commissions. Rather than relying solely on geographically-focused or district-level public engagement events around the city, the equity commissions host events. While attendance overall has not altered dramatically, the diversity of attendees has increased and the content of conversations has changed, according to budget staff. The Commissions ask: How are city resource allocation and services equitable thru the eyes of _____? Commissions distill what they hear into a series of recommendations for departments as they craft their budget requests. These changes in the process have translated into real budget outcomes. There have been significant increases in programs on health and human service, job opportunity, affordable housing, and homeless services.

KEY LESSONS

It takes some years but can become part of the DNA of the budgeting process. The equity-based budgeting effort was a five-year journey, but has become “the DNA of who we are and how we budget.” Prior to this shift, the City used the same process as many other local governments—relying on a base budget and annual budget requests from each department.

Equity commissions see across departments and help identify gaps in services. Other commissions are focused on a specific department (e.g. parks and recs commission, public safety commission, library commission). These commissions tend to receive the department budget and wish list and pass a resolution saying they support the requests. Equity commissions are focused on issues being confronted by the African American community, for example, and their lived experience have been budget room for other priorities for years. The new council members wanted to challenge the status quo: Is ensuring public safety just about adding officers or are economic opportunity programs being counted as well and maybe even more effective?

“If you ask the department head for their budget needs, they often will focus on things other than equity. If you want equity budget processes, you need groups that cut across departmental boundaries and say if we’re really going to improve then we need to see these investments. Equity cuts across everything and sees gaps in service delivery and helps us prioritize needs in the city in a way that other commissions don’t.”

Priorities need to be weighed against each other and seen over the long-term. In the early years of equity-based budgeting, negotiations on a police contract came up against health services and affordable housing. The police contract negotiations started at \$80 million over five years and ended at \$35 million over five years. If the original contract passed, there would not have been budget room for other priorities for years. The new council members wanted to challenge the status quo: Is ensuring public safety just about adding officers or are economic opportunity programs being counted as well and maybe even more effective?

Training needs to occur across the city departments. They have an equity assessment tool and training to understand how to prioritize equity in their budget processes at the departmental level.

Child Advocates and Workers Rights Organizations in Buncombe County, NC

In Western North Carolina, a budgeting coalition has developed over several years to work collectively for changes to the county and city budget spending and processes. The most recent campaign was a five-year effort involving collaboration across three existing coalitions around transit, housing, and early childhood. The transit coalition spent four or five years studying the city budget around transit, organizing bus riders, creating a Bette Buses Together and People’s Agenda for Transit with 19 agenda points, and ultimately getting coalition members appointed to the local transit committee.

Just Economics, the nonprofit that organized the transit coalition, developed a Budgeting 101 workshop to train organizations and advocates on local budgeting processes. Each coalition did budget work on their own issue area and then merged to collectively push for budget changes. Each of the coalitions were digging into the budget to understand what was possible for funding and what was already happening. Organizations were willing to collaborate and untangle complex issues together—each taking different pieces of the puzzle to share or find out. The recent campaign brought the three coalitions together for a shared messaging strategy and shared ask to win investments from new tax revenue from the sale of a hospital system. An advocate described the moment: “We’ve got this opportunity to stake this out, and we should be working together so we don’t get pitted against each other. We had shared messaging and a signature ask across each coalition that felt fair.” The coalition’s requests resulted in new investments in the county and city budgets totaling \$4.5 million for their three issues.

KEY LESSONS

These are multi-year efforts of policy-learning and trust-building across organizations.

The campaign win was the result of multiple years of work diving into local government budgeting and figuring out how to win both policy change and budget allocations for three separate issues. “The budgeting coalition has been a multi-year process with shared learning and knowledge to demystify budgeting processes. The relational collaboration and shared learning kept making us smarter and better.” The multi-year nature helps to develop trust among coalition partners: “There’s still friction, but the relationships are so important to the story. We’ve shown up to be supportive of these efforts over time and have been working to share what we know.”

Government staff may need to change habits to help advocates understand the budget.

Different issue areas were more difficult to understand and navigate for coalition members. Housing funds at the city level were easy to identify, but not so at the county level where multiple line-items were being counted as affordable housing by county staffers. Transit spending was challenging at the city-level due to funds from various levels of government. The push to increase affordable housing funding drove the county to make their spending more transparent. The county created a spreadsheet to pull all affordable housing together for the coalition to track. “One lesson is – habits might need to change. The lack of information might not necessarily be out of malicious intent. It might always have been done this way, and no one has been asked to show how we’re spending on issue x.” You need to push staff and elected officials to show you how they account for spending in your issue area.

You need to start early and engage year-round. For many local governments, the city and county budget process starts in the fall with departments charting out their budgets, but the process does not turn public facing until spring. If you wait until the public facing portion, you are too late to make meaningful changes. The organizers learned how to stay in the budget framework year-round by developing relationships with city and county staff.

“You need to know which staff members are in charge of what parts and how.”

Committees can drive change. In addition to budget allocations, the coalition advocated for the creation of a county affordable housing committee that will have monthly meetings. County commissioners said housing was a strategic priority, so the question becomes—how are you going to be strategic about it if you don’t have a place to unpack it and talk about it on a regular basis? That was the successful pitch they made to commissioners.

Champions are important. An organizer noted, “If you’re going to win a budget ask, you’ve got to have a champion on council or commission. If they’re not interested, then you’ve got a long way to go. We found champions for housing, transit, and early childhood that would push for special committees and additional funding.” They recommended examining why there isn’t already a champion for your issue: is it because no one knows about your issue yet or it’s not something anyone beyond your organization is saying is a key issue? You have to build the case, organize, and share stories. Get creative to raise the profile of the issue to get champion. For the transit work, they brought together elected officials who don’t ride the bus and gave them scenarios of those who ride buses. Their challenge was to get to their job across town without running late.

SECTION 3: TAKING ACTION

LOCAL BUDGETING & FINANCE BASICS

Cities, counties, school districts, and special districts have budgets, which are their plans for how they will spend money. Typically, they vote each year on a budget based on a process that involves government staff members, elected officials, and the public.

Local governments rely on a variety of funds—federal funds, state funds, and “own-source” funds. Their “own-source” funds, or funds they raise locally, are typically from property taxes, sales taxes, and fines and fees. In some cases, they set these rates themselves. In other cases, the state government tells them the tax rate or fee amount they can use.

Many local governments set a millage rate, which is the rate at which they will tax property. This decision—which is often open to the public—helps determine how much money will be spent in the coming year.

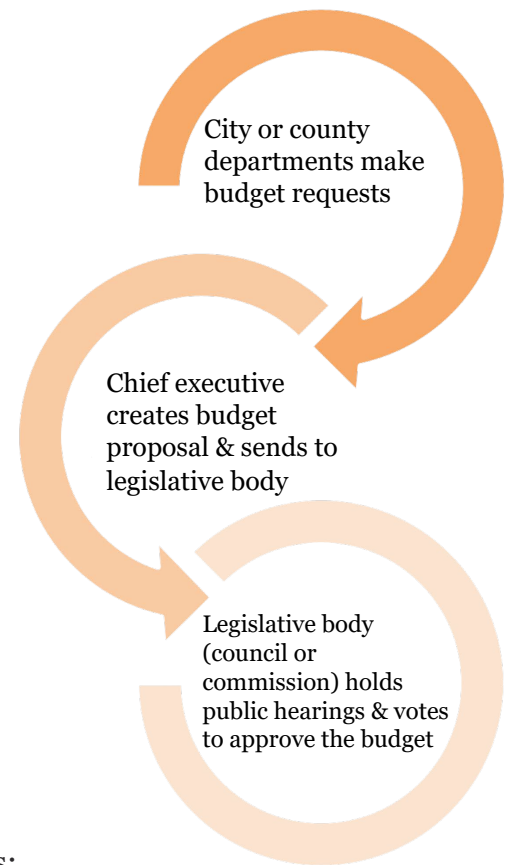
There are several types of budget formats:

- Line-item budgeting is the traditional approach that shows spending on each item such as salaries, equipment, supplies;
- Program-based budgeting focuses on program activities, goals and objectives;
- Performance-based budgeting looks at measures of effectiveness and efficiency across budget areas;
- Outcomes, Results, or Priority-based budgeting sets priority areas for the community and targets funds to achieve those results.

Some Key Questions on Process

- What type of budget document does your local government use? Does the budget show priorities, outcomes or results? Is equity a priority?
- What is the budget timeline? Who is in charge of the budget?
- Are there committees that provide input to the budget process? Can community members serve on those committees, and if so, what is the process for selecting community members? Is there a committee specifically dedicated to your issue area (e.g. Housing Committee or Commission)?
- How does your local government seek community input in the budget process? Do they track how much input they receive from different areas and groups?

TYPICAL BUDGET PROCESS



HOW TO GET STARTED

1. Figure out if you have a champion on the issue, either an elected official or staff person within the local government. If you don't, what are your strategies to build relationships so you can get them interested in your issue? More local governments have started holding annual "citizen academies" that invite community members to attend evening sessions to learn about the local government. These academies often involve a budget session and create opportunities for advocates to network with department heads and ask questions about the "behind the scenes" budget process.
2. Identify other groups that care about your issue to build a larger voice. Have an actionable request so community members can take action. Engage Miami, which builds voice and power among young people, targeted the budget process in coalition with housing advocates. They organized, made calls, held a press conference, and showed up at the budget meetings with 15 to 20 young people to tell their stories and make the case.
3. Learn the basics of your local government budget process, especially the timeline. As interviewees stated: "There's most likely a process behind the publicized process. The sooner you can learn who is responsible for the draft budget, the better." And: "We have to figure out how to intervene in the process before the mayor announces his budget because afterwards there's not a chance to meaningfully impact the budget." Read the budget documents from previous years, but also the Consolidated Annual Financial Report (CAFR).

WHAT ARE THE ASKS?

1. More money towards priority areas. This can be a shift in dollars within a department and/or across departments. Seek opportunities to report back on the impact of those funds throughout the year to prepare for next budget season.
2. More staff time or support towards priority areas. Local budgets are overwhelmingly spent on salaries. Thus, it can be hard to make major shifts of funds. In this case, consider asking for staff time to be shifted towards priority areas rather than more money being put to that priority area.
3. More money for the budget overall. Local governments can increase the budget pie through the millage rate, fees, and other sources.
4. A seat at the table. You can push for changes to the process with front-end public input and committees that focus on critical issues and/or under-served communities.
5. Better transparency, such as a public portal for budget data and a budget document that sets and tracks priorities. Check out the MRSC [Budget Document Scorecard](#) to see how your local government's budget stacks up.

SAMPLE BUDGET TIMELINE

WHERE WE ARE IN THE BUDGET PROCESS

The City's budget preparation process begins in February culminating with budget adoption by the City Commission in June.

Budget milestones will be listed below throughout the budget process.

February 19 & 26	Department budget requests due to the City's Manager's Office
March 1	City Commission adopts billing ordinance
April 1	Tax bill mailing deadline
May 17	Budget presented to City Commission and tentative adoption of 2021 millage rates
June 7	Work Session on Budget Public Hearing on Budget
June 14	Public Hearing on Budget and Millage Rates (<i>Tentative</i>)
June 21	Public Hearing on Budget and Millage Rates Adoption of FY 2021-2022 Budget and FY 2020-2021 Revised Budget Adoption of Final 2021 Millage Rates

In the infographic below, the Southern Economic Advancement Project (SEAP) and National Conference on Citizenship (NCoC) highlight why local budget advocacy is more important than ever. There are vital ways state and local governments can utilize COVID Relief funds, provided by way of the American Rescue Plan, and advocacy can guide how those funds are spent. The funds are essential now as state and local governments work to provide needed relief to citizens hit hardest by the pandemic's economic impact.

How will your community use its Covid relief money? A tale of two Georgia cities

Congress recently passed the new American Rescue Plan with \$350 billion for U.S. states, localities and tribes. In March 2020, Congress passed a \$150 billion Coronavirus Relief Fund to help state, county, local and tribal governments meet pandemic challenges — especially vital in Southern areas with high poverty rates.

Similar Circumstances

Total Population

~13K

In Poverty

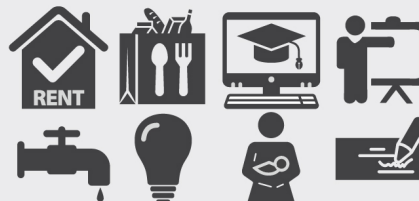


WAYCROSS



Public safety salaries

CLARKSTON



Housing, food, child care, water, electricity, internet, workforce training, hazard pay

Clarkston's needs going forward

For the next round, we want to (fund) job placement and workforce development, because **a lot of our residents are in industries that may not return.**

— Robin Gómez, city manager

Sources: US Census Bureau; Georgia Office of Planning and Budget; Atlanta Journal-Constitution

PANDEMIC to PROSPERITY

SOUTH

PandemicToProsperity.org



ADDITIONAL RESOURCES

[SouthStrong](#)

[MRSC Introduction to Local Government Budgeting](#)

[Government Finance Officers Association's Public Engagement in the Budget Process](#)



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