

# Participatory Budgeting

## THE PROBLEM

Too often, democratic practices in America are inaccessible and unresponsive to the public. This leads to inequitable distributions of government funding and disillusionment with the political process. Many residents also feel powerless, facing obstacles to political engagement related to age, race, financial resources, criminal histories, and immigration.<sup>1</sup>

## THE SOLUTION

Participatory budgeting is a grassroots democratic process in which community members directly decide how to spend part of a public budget. It enables residents and taxpayers to work with government to make the budget decisions that affect their lives. Participatory budgeting has been used to distribute city, county, state, school, university, housing authority, and other agency budgets. Participatory budgeting can create more equitable public spending, greater government transparency and accountability, democratic learning, and increased levels of public participation, especially by low-income and politically marginalized residents.<sup>2</sup>

Participatory budgeting builds power over real money by letting people make actual decisions over spending. This empowers communities, especially because participatory budgeting processes can be designed to target politically marginalized groups. It increases civic engagement and trust in government by opening up government and changing how people engage in democracy. Community mobilization over budgeting rebuilds the relationship between government and the people and increases general civic engagement in local politics. Participatory processes also allow fewer opportunities for corruption, waste, or costly public backlash and increase cities' responsiveness to public priorities.

It addresses inequity in politics and political spending by giving everyone, including marginalized individuals, an equal voice. The process can be designed to allow all to participate,



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— Participatory Budgeting Project

regardless of age, immigration status, experiences with the criminal justice system, and financial resources. In addition, underrepresented groups may be targeted in the mobilization process by partnering with local organizations that are already engaging in community organizing. The inclusivity of the process leads to fairer and more redistributive spending that is responsive to community needs.

## POLICY ISSUES

**VARIATIONS IN PARTICIPATORY BUDGETING:** There are significant variations in the institutional design of the different models of participatory budgeting that have spread across the country and the world.

The most inclusive and transformative models give residents decision-making power over the entire municipal budget and are based on neighborhood assemblies where all residents can participate and vote on priorities. Providing a budget for outreach maximizes potential for broad participation.<sup>3</sup> These models produce the best poverty reduction, declines in corruption, and extensive participation from local residents.<sup>4</sup>

Smaller scale processes, as are currently instituted in many American cities, give citizens decision-making power over a small portion of the budget or some of an individual Councilor's “discretionary funds.”<sup>5</sup> For example, in **New York**

**City**, participatory processes are used to allocate \$30 million of the city's total \$100 billion budget and thus far have been restricted to capital expenditures.<sup>6</sup>

Local councilmembers may unilaterally decide to engage by using participatory budgeting to spend their discretionary budgets, as officials have done in **Chicago** and **New York City**. Since officials are allocating individual discretionary capital budgets, no new legislation is required.

Alternatively, **Vallejo, CA** enacted a resolution to institute participatory budgeting at the city-wide level to allocate revenue from the city's sales tax. With help from several Council Members and the Participatory Budgeting Project the city created a Steering Committee that established clear eligibility guidelines. The city also allocated \$200,000 for administration to ensure robust engagement.<sup>7</sup>

**EXAMPLES OF LOCAL PARTICIPATORY BUDGETING:** In **New York City**, individual city councilors agreed to allocate a portion of their discretionary capital funds to be decided through participatory budgeting.<sup>8</sup> Over 17,000 residents in ten Council Districts have engaged in participatory budgeting, funding everything from laptops for schools, installation of security cameras, playground improvements, solar-powered greenhouses, transportation for seniors, and a community resource center. The participatory budgeting process has involved a higher percentage of low-income residents (40%) than have local elections (29%), as well as a higher percentage of people of color and residents whose primary language is not English. Funds distributed through participatory budgeting have also often been more likely to go to projects in low-income areas than traditional discretionary funding allocations.<sup>9</sup> This year, nearly half of the city's 51 council districts will be engaged in participatory budgeting.

Currently, over 1,600 residents of three wards in **Chicago** decide each year how to spend \$3 million of their aldermen's "menu money" that can be used for capital projects.<sup>10</sup> Communities in Chicago have elected to construct new street lights, repairing cross-walks and bike lanes, and redevelop a community garden and playground.<sup>11</sup>

The city of **Vallejo** established the first city-wide participatory budgeting process in the U.S. through a City Council Resolution. Through participatory budgeting, over



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– Fortino (2013)

4000 community members decided how to spend \$3.2 million. Projects could be implemented by a city department, a non-city agency, or a local non-profit.<sup>12</sup>

In **Boston**, the city launched a participatory budgeting process to engage youth directly on how to spend \$1 million of the city's capital budget. Over 2000 youth have participated.

In **San Francisco**, after a city Supervisor learned about PB through the Local Progress national convening, three districts participated in PB and 1500 participants allocated \$100,000 of discretionary funding for capital projects in each district.

## LANDSCAPE AND RESOURCES

The **Participatory Budgeting Project** empowers people to decide together how to spend public money. It supports local elected officials and local organizations to create participatory budgeting processes that deepen democracy and make public budgets more equitable and effective.

### NOTES

1. See The Participatory Budgeting Project, [participatorybudgeting.org](http://participatorybudgeting.org).
2. Participatory Budgeting Project, "Mission & Approach," available at: <http://www.participatorybudgeting.org/who-we-are/mission-approach/>.
3. Ellyn Fortino, "The Votes are In," *Progress Illinois* (May 10, 2013).
4. Melisa Mark-Viverito, "Participatory budgeting in year two," *Huffington Post* (January 28, 2013).
5. See: <http://pbny.org/content/about-new-york-city-process>.
6. See "New York City Council Discretionary Funding Policies and Procedures: discretionary funding," available at: <http://council.nyc.gov/downloads/pdf/budget/2014/14budget.pdf>.
7. See Participatory Budgeting Project, "Participatory Budgeting at the City Level" (November 2013).
8. Soni Sangha, "Putting in their 2 cents," *New York Times* (March 30, 2012).
9. Mark-Viverito 2013.
10. Josh Lerner and Megan Wade Antieau, "Chicago's \$1.3 Million Experiment in Democracy," *Yes Magazine* (April 20, 2010).
11. Fortino 2013.
12. See Vallejo's Participatory Budgeting Rule Book: <http://www.ci.vallejo.ca.us/common/pages/DisplayFile.aspx?itemId=51615Id>.
13. See PBP's website (<http://www.participatorybudgeting.org/>).

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