

PARTICIPATORY BUDGETING

“PARTICIPATORY BUDGETING CAN CREATE MORE EQUITABLE PUBLIC SPENDING... AND INCREASED LEVELS OF PUBLIC PARTICIPATION, ESPECIALLY BY LOW-INCOME AND POLITICALLY MARGINALIZED RESIDENTS.”

—Participatory Budgeting Project

THE PROBLEM

Trust in government is approaching an all-time low. Too often, democratic practices in the United States are inaccessible and unresponsive to the public. This leads to inequitable distributions of government funding and disillusionment with the political process. Many people also feel like government isn't listening, and they face obstacles to political engagement related to age, race, financial resources, criminal histories, and immigration status.¹

THE SOLUTION

Create new structures for participation. Participatory budgeting (PB) is a grassroots democratic process in which community members directly decide how to spend part of a public budget. Residents and taxpayers work with government to make budget decisions that improve their lives. Participatory budgeting has been used to distribute city, county, state, school, university, housing authority, and other agency budgets.

Participatory budgeting builds real community power over real money by letting people make real decisions over spending. Engaging the community in budgeting builds trust and understanding between elected officials and their constituents.

Participatory budgeting can create more equitable public spending, greater government transparency and accountability, democratic learning, and increased public participation, especially by low-income and politically marginalized residents.²

Participatory budgeting addresses inequity in political power and spending by giving everyone, including marginalized individuals, an equal voice

while increasing civic engagement in local politics by training new leaders. The process is typically designed to allow all to participate, regardless of age, immigration status, experiences with the criminal justice system, and financial resources. In addition, underrepresented groups are often targeted in the engagement process

through partnerships with local organizations that are already organizing in underrepresented communities.

Participatory processes also allow fewer opportunities for corruption, waste, or costly public backlash. 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 general budget funds and enable all residents to participate and vote on priorities. Providing a budget for outreach broadens participation.³ These models produce the best poverty reduction, declines in corruption, and extensive and representative participation from local residents.⁴

Other processes give citizens decision-making power over a smaller portion of the budget or an individual Councilor's "discretionary funds."⁵ For example, in **New York City**, participatory budgeting is used to allocate \$35 million of City council discretionary funds.⁶

Local councilmembers may unilaterally decide to use participatory budgeting to spend their discretionary budgets, as officials have done in **Chicago, New York City, St. Louis, San Francisco, San Jose, and Long Beach, CA**. Since officials are allocating individual discretionary funds, no new legislation is required.

Alternatively, **Vallejo, CA**, City Council enacted a

resolution to institute participatory budgeting at the citywide level to allocate \$3.2 million in revenue from a new city sales tax. With help from Council Members and the Participatory Budgeting Project the city created a steering committee that established rules and guidelines. The city also allocated \$200,000 for administration to ensure robust engagement.⁷ City governments in **Boston, Seattle, Cambridge, and Greensboro, NC**, have also instituted citywide PB processes with general fund money. In **Boston and Seattle**, these processes have been designed specifically for youth, ages 11-25.

PB is also being used to allocate school funds in high schools in **Chicago, Phoenix, Sacramento, and San Jose**. In **New York City**, PB is being done for the first time (in the U.S.) with public housing funds through the New York City Housing Authority.

On the federal level, the Obama Administration included participatory budgeting as a best practice in its National Action Plan on Open Government, and the Department of Housing and Urban Development has embraced PB as a tool for enhancing public participation at the local level in the Community Development Block Grant (CDBG) program.

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.⁸ Over 167,000 residents in 28 Council Districts have engaged in participatory budgeting, funding everything from laptops for schools, playground improvements, solar-powered greenhouses, transportation for seniors, installation of security cameras, and a community resource center. Participatory budgeting 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.⁹

Currently, over 5,600 residents of seven wards in **Chicago** decide each year how to spend \$1 million of their aldermen's "menu money" for capital projects.¹⁰ Communities in **Chicago** have elected to construct new street lights, repair cross-walks and bike lanes, and redevelop a community garden and playground.¹¹

The **City of Vallejo** established the first citywide participatory budgeting process in the U.S. through a City Council Resolution. In Vallejo's first PB cycle in 2013, over 4000 community members decided how to spend \$3.2 million. Projects in **Vallejo** can be implemented by a city department, a non-city agency, or a local non-profit, and have included community gardens, small business grants, park improvements, a youth job training program, city clean-up efforts, and transitional housing for the homeless.¹²

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. **Seattle** is currently in its first cycle of a citywide youth PB process run out of the city's Department of Neighborhoods.

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. In **Long Beach, CA**, a Councilmember and Local Progress member started PB in his district with \$250,000 of capital discretionary funds, leading two other local Councilmembers to launch processes in their districts.

In **Greensboro, NC**, the first city in the South to do PB, residents are allocating \$500,000 for capital projects citywide.

In **San Jose, CA**, students, parents, staff, and teachers at Overfelt High School are deciding how to spend \$50,000 of the principal's budget. Smaller budgets are also being decided by high school students in **Phoenix, Chicago, and Sacramento**.

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 in creating participatory budgeting processes that deepen democracy and make public budgets more equitable and effective.

NOTES

- 1 See The Participatory Budgeting Project, 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=160934>.
- 13 See PBP's website (<http://www.participatorybudgeting.org>).



Co-authored by

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