

Open Budgets Ho! The Way Forward for Online Budget Engagement

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In my [last post](#) I proposed a vision for open budgets and identified some of the gaps between that vision and the situation today. With the goal of increasing the legitimacy and effectiveness of public spending, I defined an open budget as one that is *created through a process that ensures that it reflects the values and priorities of the whole community and designed to make a clear connection between allocated resources and expected outcomes*. The post sparked a [lively discussion in the comments](#) that ranged from the serious obstacles communities face to some awesome tools and approaches.

In this post I want to reflect on how communities can make practical progress toward this vision. Rather than focus on specific tools or approaches, I will outline four guiding principles that I believe are critical to real progress. My hope is that they will spark further discussion about the best way

forward.

Principle 1: Make open budgets a means, not an end

One of my favorite comments came from [Kathy Pettit of the Urban Institute](#), who suggested using open budgets strategically to lay the groundwork for performance budgeting and management. I like the suggestion itself, but I especially like the connection to a high-value outcome beyond the budget itself.

[Participatory budgeting](#) provides another, somewhat different kind of example. While these initiatives typically only involve a tiny portion of the budget, they are also a powerful way to engage new people in local civic life.

Tying open budget efforts to specific goals helps keep project scopes narrow and provides a solid basis for assessment. Tying them to goals outside the budget itself make it much more likely that a successful open budget process will actually matter.

Principle 2: Make your inside look like the outside you want

How easy is it for internal users to access budget and spending information relevant to their work and planning, especially if it's not in their own department? How transparent is the budget planning process for internal stakeholders? If you're a typical local government, the answer is probably: *Not very*.

[Conway's law](#) states that "organizations which design systems ... are constrained to produce designs which are copies of the communication structures of these organizations." In other words, the *outside of your organization will tend to look like its inside*. That may not bode well for your efforts to be open and collaborative with your citizens!

But you can turn this law to your advantage. Any effort to make financial (and other) data easily accessible to those who need it and to support collaboration across silos can and should yield a double pay-off, increasing its sustainability.

This goes in both directions. If internal systems make it easy to get and share information, building citizen-facing applications and processes on top of them will be easier. Conversely, open budgets efforts can actually be a means for meeting internal needs. As Mark Headd notes in [a recent article](#), government-as-a-platform efforts over the last decade have taught us that governments themselves often become prime beneficiaries of their own open data services.

Principle 3: Start from the outcomes people care about

Much of the effort in open budgets has focused on making them more accessible and understandable. This is important, indeed foundational, but it's not enough. Yes, complexity is a barrier to engagement, but irrelevance is probably a higher one.

Let's begin by facing a basic truth: "citizens" will never engage with "the budget." They don't care. In fact, outside of a handful of staff and elected officials, *nobody* cares about the whole budget. Individual people care about particular issues and places and want resources going to support them.

So, if we want to engage more people in budget decision-making, that is how we must connect with them. Let them start from the specific places, issues and outcomes they care about and then *encounter the budget as the point where their concerns and interests meet the constraints of limited resources and the concerns and interests of others.*

Easy to say, very hard to do.

Approaches like priority-based budgeting can help center discussion on issues and priorities rather than departments. Tools like [Balancing Act](#) or those offered by [CommunityBudgets.org](#) can address pieces of the problem. But none of these alone is an answer.

[Keith Lane's comments](#) on the last post highlighted what is really needed. Good solutions require that we learn how to connect different approaches and different tools. They require that we get better at integrating open financial data with other datasets, connecting those datasets with models that let us explore the impact of different resource allocations, feeding back actual results in order to learn and improve our decision-making, and providing usable tools throughout the process. Much of this work is going on now and I expect this will be an exciting area to explore over the next few years.

Principle 4: Leverage the wider community

Budget staff face a daunting task with limited resources in charged environments that make experimentation risky at best. Indeed, significant progress toward the long-term vision is largely beyond the capability of an individual government alone. Governments must find ways to collaborate with and leverage external partners and stakeholders. I see three types:

Stakeholders in the local community. Few citizens engage directly with civic issues. They are more likely to track and respond to issues through proxies like local media, non-profits, advocacy groups, and civic organizations. Any open budgets initiative therefore needs to ask how best to engage these organizations. Answers could range from simply ensuring good communications channels with them to providing embeddable engagement and communications tools to offering analysis tools intended primarily for use by these organizations.

Other governments and government support organizations. A fairly strong culture of shared learning among local governments already provides critical support for progress toward our long-term vision. However, the recent emergence of cloud-based services opens up new possibilities. What role might multi-government associations and higher jurisdictions play in the creation and maintenance of shared government services? There have already been some interesting recent examples, such as the [County and Municipal Fiscal Analysis](#) tool built by the NC State Treasurer's office in partnership with the UNC [School of Government](#) and the [NC League of Municipalities](#). Another is Ohio's initiative in partnership with OpenGov.com to [allow all local governments in the state to post spending data on a common online checkbook platform](#), an effort that [may be boosted by a bill introduced in the state legislature](#). The recent NC bill on budget transparency (section 7.17 [here](#)) has the potential to offer similar benefits. I suspect that this will be an area that sees significant development over the next few years.

Producers of civic technology. The technologies that governments run on day to day can make open budgets quite easy or very hard, and so those that produce them – commercial vendors, civic tech volunteers, or internal IT staff – are critical to the effort. The key question here is about support for emerging standards. At the federal level, under the mandate of the [Data Act](#), work is taking place right now on standards for financial data representation and exchange. It's vital to extend this to the state and local levels and to demand that technology solutions use them. Why? Making data easy to extract and share between systems enables:

- Integration of independently developed tools or systems with minimal effort
- Less expensive solutions for smaller governments
- Easier bench-marking, information sharing, and analytics

So that's my attempt to help map the way forward.

What do you think? What principles have I missed?

What have I got wrong? If I'm on track, what's next?

Please continue the conversation in the comments below.