PUBLIC SPENDING, BY THE PEOPLE

Participatory Budgeting in the United States and Canada in 2014–15
Public Spending, by the People: Participatory Budgeting in the United States and Canada in 2014–15

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EXECUTIVE SUMMARY

Participatory budgeting (PB) is among the fastest-growing democratic innovations in the United States and Canada. Stakeholders across the political and civic sectors are keeping a keen eye on PB and what it could mean for democracy.

A total of 46 jurisdictions across 13 cities in the U.S. and Canada undertook PB between July 2014 and June 2015.¹ During that time, public officials allocated nearly US$50 million to PB projects.² Over 70,000 residents participated and more than 350 projects won public funding. Only six years earlier, just one council ward in Chicago and a large public housing community in Toronto were doing PB.

This report provides an unprecedented summary of key facts and figures of the 2014–15 PB cycle in the U.S. and Canada. It highlights the size and scope of PB in 2014–15 and illustrates substantial variability in how communities implemented and participated in PB. With this publication, we seek to inform and significantly further ongoing debates about and practices of PB in the U.S. and Canada.

How does PB work?

In current forms of PB in the U.S. and Canada, residents of a city or a city council district have the opportunity to directly participate in government decision making by deciding how designated parts of the public budget should be spent.³ PB typically progresses through four consecutive phases:

IDEA COLLECTION PHASE
First, residents submit project ideas through a series of public meetings and online.

BUDGET DELEGATE PHASE
Second, residents volunteer to work in groups to turn ideas into actual project proposals.

VOTING PHASE
Third, fully developed project ideas are put on a ballot for residents—including youth and noncitizens—to vote on.

IMPLEMENTATION PHASE
Fourth, projects that get the most votes, and fall within the cap of allocated funds, win. Government commits to implementing winning projects.

¹ This excludes a small 2014-15 process held by the District of Tofino, British Columbia, Canada that the Public Agenda research team unfortunately only found out about after the analyses were completed and the report written.
² For all analyses and reporting, we converted Canadian dollars to U.S. dollars to allow for aggregation and comparisons.
³ This report focuses on participatory budgeting processes that are implemented by a city council, a council member or a city agency. It does not include other types of PB processes, such as those implemented by colleges and schools. The Participatory Budgeting Project estimates that three public high schools and one community college in the United States implemented PB in 2014–15 to allow students to decide how to spend parts of the budget(s) of their schools and college.
Methodology in Brief

Findings in this report are based on data collected and shared with Public Agenda by local PB evaluation teams across the U.S. and Canada. Public Agenda has been collaborating with local evaluators since early 2015 to facilitate shared learning across communities and to collectively tell the story of PB across the U.S. and Canada.

Our data compilation was guided by a framework of 15 key metrics that Public Agenda developed based on the experiences of local evaluators and the advice of the North American PB Research Board—a group of local evaluators, public engagement practitioners and U.S.- and Canada-based academic researchers who have researched the effects of PB in other countries—along with input from the nonprofit organization the Participatory Budgeting Project. These 15 key metrics specify data points about PB implementation, participation and winning projects that are important for a better understanding of the current state of PB, the tracking of its immediate outputs and the clarification of its potential long-term impacts. To read more about the 15 key metrics for evaluating participatory budgeting, go to: http://www.publicagenda.org/pages/research-and-evaluation-of-participatory-budgeting-in-the-us-and-canada.
PART 1: WHAT HAPPENED?
FACTS AND FIGURES ABOUT HOW PB WAS IMPLEMENTED

How exactly did communities implement PB? How did communities differ from one another in their adaptation of PB to local needs and resources? And how successful were different council districts and cities in getting the word out and encouraging residents to take part?

Key findings:
- More than half of the 2014–15 PB communities were undertaking PB for the first time.
- Officials allocated on average $1 million to a PB process (nearly always capital funds only), ranging from $61,000 to over $3 million.
- In all PB communities, residents under 18 years old were eligible to vote. The minimum voting age was most commonly 14 or 16.
- More than 8,000 residents brainstormed community needs in more than 240 neighborhood idea collection assemblies. In communities that held more neighborhood idea collection assemblies, total participation across assemblies was higher.
- Over 1,000 resident volunteers turned ideas into viable proposals as budget delegates. Some communities did not offer residents opportunities to become budget delegates, and one reported as many as 75 such volunteers.
- Nearly all communities used online and digital tools to tell residents about PB. Far fewer did targeted person-to-person outreach. Person-to-person outreach was associated with greater participation of traditionally marginalized communities.
- 140 partnerships between community-based organizations (CBOs) and government formed to increase participation in PB. CBO outreach was associated with higher representation of traditionally marginalized communities at the vote.
- More than 70,000 residents cast ballots across nearly 400 voting sites and more than 300 voting days. Some communities brought out fewer than 200 voters, others more than 3,000.
- A total of 360 projects won PB funding.

PART 2: WHO PARTICIPATED?
THE DEMOGRAPHIC PROFILE OF VOTER SURVEY RESPONDENTS

What do we know about the demographics of PB voters? How representative were PB voters of their local communities? How successful were communities in engaging groups that are often marginalized from the political process?

Key findings:
- **AGE**: Residents under 18 years old and seniors were overrepresented among survey respondents in many communities, while residents between 18 and 44 years of age were underrepresented. Overall, 11 percent of respondents were under 18 years of age.
- **RACE/ETHNICITY**: In nearly all communities, black residents were overrepresented or represented proportionally to the local census among voter survey respondents. Hispanics were underrepresented among survey respondents in most PB sites. Overall, blacks made up 21 percent of respondents and Hispanics made up 21 percent of respondents.
- **INCOME**: In most communities, residents from lower-income households were overrepresented or represented proportionally to the local census among voter survey respondents. Overall, 27 percent of respondents reported annual household incomes of less than $25,000 and 19 percent reported annual household incomes between $25,000 and $49,000.
- **EDUCATION**: Residents with less formal education were underrepresented among voter survey respondents in most communities. Just 39 percent of respondents overall reported not having a college degree.
- **GENDER**: Women were overrepresented among voter survey respondents in nearly all PB communities. Overall, 62 percent of respondents were women.
PART 3: WHAT GOT FUNDED?
BALLOTS AND WINNING PROJECTS

What kinds of projects made it on the ballot? What types of projects received the largest amount of PB allocations? And what kinds of projects were most and least likely to win residents’ votes?

Key findings:
• Parks and recreation projects were the most common ballot items overall, followed by school projects. But ballots varied substantially—some included no parks and recreation or no school projects.
• Overall, schools received the largest share (33 percent) of PB-allocated funds.
• Public safety projects were rare on ballots but had a high chance of winning.
• Public housing projects were rare on ballots and had a low chance of winning.

QUESTIONS FOR NATIONAL AND LOCAL STAKEHOLDERS

We hope this publication will stimulate national and local discussion about PB and its potential to positively impact individuals, communities and governments across the U.S. and Canada. The report therefore concludes with some important questions for national and local stakeholders who are debating PB’s current state and potential impacts, are working on refining its implementation or are conducting further research and evaluations. Following are these questions in brief.

Questions about PB’s potential to spread and scale:
• With an average of $1 million allocated in each PB community, what can be achieved?
• How do communities support and finance the implementation of PB, and how sustainable are these strategies?
• What community conditions facilitate or hinder successful implementation of PB?

Questions about implementation:
• What are the various goals local communities have for PB, and how are they communicated?
• What is the quality of deliberation—when and how do residents consider the trade-offs of various community needs and projects?
• How do online and digital tools for outreach and engagement affect who participates and what gets funded?
• As communities vary in voting rules and ballot design, how does that impact voting patterns?

Questions about participation:
• Why are some communities better than others at engaging traditionally marginalized populations?
• What are the characteristics and motivations of residents who submit project ideas and volunteer as budget delegates?
• How do PB participation rates and participant demographics compare with those in other types of local civic and political engagement?

Questions about ballot items and winning projects:
• What do we know about the processes by which projects make it on the ballot?
• How do money allocations in PB differ from those that are happening without PB?

Questions about long-term impacts:
• What exactly may be PB’s key long-term impacts on the health of U.S. and Canadian communities?
• Are there long-term impacts on the civic skills, attitudes and behaviors of participants?
• Does PB lead to more equitable distribution of resources?
• How does PB affect government decision making outside of the PB process?

To read this report in its entirety, visit www.publicagenda.org/pages/public-spending-by-the-people.
The North American Participatory Budgeting Research Board, 2015–16

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The Rita Allen Foundation invests in transformative ideas in their earliest stages to leverage their growth and promote breakthrough solutions to significant problems. It enables early-career biomedical scholars to do pioneering research, seeds innovative approaches to fostering informed civic engagement, and develops knowledge and networks to build the effectiveness of the philanthropic sector. Throughout its work, the Foundation embraces collaboration, creativity, learning and leadership.

Find out more at www.ritaallenfoundation.org/.

About the Democracy Fund
The Democracy Fund invests in organizations working to ensure that our political system is responsive to the public and able to meet the greatest challenges facing our nation.

www.democracyfund.org.

About the Kettering Foundation
The Kettering Foundation, established in 1927 by inventor Charles F. Kettering, is a nonprofit, operating foundation that does not make grants but engages in joint research with others. Kettering’s primary research question is, what does it take to make democracy work as it should? Kettering’s research is conducted from the perspective of citizens and focuses on what people can do collectively to address problems affecting their lives, their communities, and their nation.

More information may be found on www.kettering.org.

For more information about this study, visit:

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