



Memorandum

TO: MAYOR REED

FROM: Councilmember Sam Liccardo

SUBJECT: BUDGET DOCUMENT

DATE: May 8, 2013

Approved

Sam Liccardo
RH

Date

5-8-13

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: Participatory Budgeting -- Pilot Project

Amount of City Funding Required: \$1,050,000

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

The City shall allocate \$1.05 million from the Essential Services Reserve to fund a participatory budgeting pilot process in any or all of the ten council districts.

Anticipated outcomes include (a) more efficient allocation of very limited "Essential Services" reserve dollars toward projects or services that have the biggest impact, in the community's view, (b) equitable allocation of those dollars across council districts, (c) increased engagement and sophistication of community members in municipal governance; (d) community- and relationship-building across neighborhoods; (e) identification of creative and novel ideas to leverage scarce dollars, such as targeting dollars where participants match dollars with complementary volunteer efforts; and (f) better assessment of feasibility of expanded participatory budgeting program in future years.

Participatory Budgeting democratizes funding allocation decisions, engaging residents directly in the allocation of their own tax dollars. It constitutes a natural extension of the Mayor's efforts to host public budget exercises and to conduct surveys each year; this time, the consequences are more palpable. Participatory budgeting rejuvenate community-building efforts, but doing so citywide, without the geographic constraints imposed by the Strong Neighborhoods Initiative project area boundaries of the past.

Originating in Brazil, participatory budgeting has taken root within districts and wards of Chicago, San Francisco, and other American cities, broadening the group of residents able to engage in each city's governance.

For this pilot project, it is proposed that the community within each council district would have \$100,000 to allocate to one-time projects, or for discrete, defined supplemental services, in their district. If a Councilmember chose to participate in the pilot, the district would host a participatory budgeting process. If not, the Councilmember would allocate the \$100,000 she or he believes would best serve the district, or could partner with other council districts to jointly commit to larger projects.

Implementing this process will require modest funding. I've suggested \$50,000 for city staff time, consisting of no more than a fraction of an FTE from the City Manager's office to attend the neighborhood assemblies in each Council District, and to coordinate with city departments and the Budget Office to "cost out" participants' proposals for funding. The overwhelming majority of the workload must be underwritten by the volunteer energies of the community. In other words, this budgeting effort will be "participatory" as a defining principle.

We can mitigate financial burdens by leveraging the ready assistance of others. A non-profit organization, or a consortium of nonprofits, could manage this effort. The City of Vallejo, for instance, recently contracted with the nonprofit Participatory Budget Project for a small sum (\$2,000) to provide training to their council and staff about implementation, and their steering committee is working with university, foundation, and think-tank organizations.

Here in San José, the Knight Foundation has already expressed an interest in supporting a participatory budgeting process by sharing the extensive expertise it has garnered from other cities, and possibly by funding a portion of the initiative. Other organizations, such as United Neighborhoods of Santa Clara County or CommUniverCity could also play a prominent role, should they express an interest in allowing us to leverage their expertise, volunteer energy, and community networks.

Since the Essential Services Reserve provides the source of funding, this proposal may not dramatically alter the ultimate spending outcomes. That is, regardless of the process, we'd expect to see dollars from this fund flow to support neighborhood services and projects. Participatory budgeting will dramatically change who decides, however, and how. With this effort, we can embark upon a path to enable our residents to play a more prominent role in the decision-making of our City.

Funding Source

Essential Services Reserve (\$2 million)

Other (Program/Project/Fund):

Department or Organization:

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

Name:

Phone number:

E-mail address:

This change is:

One-time Ongoing

The City Service Area to which the change best relates:

- Community and Economic Development Services
- Environmental and Utility Services
- Neighborhood Services
- Public Safety
- Strategic Support
- Transportation and Aviation Services