



ICMA

RETHINKING BUDGETING

BREAKING THE LAW OF TRIVIALITY

How to architect a budget process that focuses on the truly important things



For more information, visit gfoa.org/rethinking-budgeting



ABOUT THE AUTHORS

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ABOUT GFOA

The Government Finance Officers Association (GFOA) represents over 21,000 public finance officers throughout the United States and Canada. GFOA's mission is to advance excellence in government finance. GFOA views its role as a resource, educator, facilitator, and advocate for both its members and the governments they serve and provides best practice guidance, leadership, professional development, resources and tools, networking opportunities, award programs, and advisory services.

ABOUT THE RETHINKING BUDGETING PROJECT

Local governments have long relied on incremental, line item budgeting where last year's budget becomes next year's budget with changes around the margin. Though this form of budgeting has its advantages and can be useful under circumstances of stability, it also has important disadvantages. The primary disadvantage is that it causes local governments to be slow to adapt to changing conditions. The premise of the "Rethinking Budgeting" initiative is that the public finance profession has an opportunity to update local government budgeting practices to take advantage of new ways of thinking, new technologies, and to better meet the changing needs of communities. The Rethinking Budgeting initiative will raise new and interesting ideas like those featured in this paper and will produce guidance for state and local policy makers on how to local government budget systems can be adapted to today's needs. We hope the ideas presented in this paper will spur conversation about the possibilities for rethinking budgeting. The Rethinking Budgeting initiative is a collaborative effort between the Government Finance Officers Association (GFOA) and International City/County Management Association (ICMA).

To learn more, visit gfoa.org/rethinking-budgeting.

BREAKING THE LAW OF TRIVIALITY

How to Architect a Budget Process that
Focuses on the Truly Important Things

PARKINSON'S LAW OF TRIVIALITY

The time spent on any item of the agenda
is inverse of its importance or dollar value.

Parkinson's Law is not limited to local
government budgets. Many people have
been frustrated across time and disciplines.

However, we can break this law!

Cyril Parkinson first illustrated the Law of Triviality with a committee responsible for approving the plans for a nuclear power plant. The committee spends little time on weighty issues like the design of the reactor and more time on the design for the property's bike shed. Parkinson's Law of Triviality is also known as "bike-shedding".

Nuclear Plant
\$28,000,000
Discussion 2.5 minutes

Bike Shed
\$1,000
Discussion 45 minutes

Agenda & Meeting Design



Place important items near the front of the agenda. The group can tackle important items when energy is high and before time runs out.



Timebox discussion items. Allocate specific time to discuss different items. When time runs out, it is time to move on. Allocate less time to less important items and more time to high-value items.



Staff can provide a menu of high-quality options for elected officials to choose from. This provides a basis for discussing important items.



Agree to rules that limit discussion on items below a certain dollar amount. It may be possible to put less important items in a meeting "parking lot" for later discussion, delegate them to a subcommittee, or hold another meeting for those topics.



Consider preparation. Anyone who is feeling ill-equipped to discuss controversial issues might prefer to discuss other issues instead. Materials that are distributed before the meetings should have a one-page summary that states the crucial and important facts, breaking down the complexities.



Large numbers are abstract concepts. It may be difficult to appreciate the scale differences between the trivial and consequential. Help people appreciate the difference in scale by translating large amounts to scale people can appreciate.

For more on this topic:

<https://www.gfoa.org/materials/fiscalfluency>

*To download visit: <https://www.gfoa.org/materials/triviality>



Many budget officers have had an experience like the following during budget deliberations with the governing board: The governing board spends what seems like (or may be) hours discussing the line item for office supplies (“Can we reduce it by sending more emails and using printers less?”) and then afterward passes a multimillion-dollar capital project budget with little discussion.

This phenomenon is not limited to local government budgets. It is so common across time and disciplines that it has a name: **Parkinson’s Law of Triviality**. The originator, Cyril Parkinson, said that the “time spent on any item of the agenda will be in inverse proportion to the sum involved.” Parkinson illustrated with an example of a committee responsible for approving the plans of a nuclear power plant. The committee spends little time on weighty issues like the design of the nuclear reactor and more time on issues like the design for a bike shed that will be on the property (“How big will it be?” “What materials will it be made of?”). Parkinson’s Law is also known as “bike-shedding.”

Bike-shedding wastes the precious resource of time, leaving less time to discuss what really matters. The result is lower quality decision-making.

Budget officers have a responsibility to design the budget process to increase the chances of producing savvy and wise decisions. The design must, therefore, find a way to break Parkinson’s Law of Triviality.

The first step is to understand why the phenomenon of bike-shedding occurs. Solutions can then be designed accordingly. There are several reasons:

- **It is easier to grasp simpler topics than more complex ones.** Decision-makers do not want to appear uninformed, so they gravitate toward topics that are easier to understand.
- **Decision-makers want to make an impact.** This is related to our point above. Decision-makers feel they must make a substantive contribution during budget deliberations, even if it is on a minor point.
- **Some topics might be more engaging.** Topics that are small in dollar amount might have other features that make people eager to talk about them. For example, perhaps the issue is novel or inherently interesting; or it has emotional appeal beyond its dollar value.
- **Discussing small topics could be a way to avoid the hard issues.** Perhaps the bigger dollar items are challenging, contentious, or uncomfortable. Discussing trivialities could be a way to put off the hard conversations.



Let's move on to the solutions, starting with the most basic, which can help with any source of bike-shedding: *agenda and meeting design*. We begin with two design principles to help counteract the Law of Triviality:¹

- **Put important items at or near the front of the agenda.** This way, the group can tackle the items when energy is high and before the meeting time runs out. It is OK and even advisable to have short “warmup” agenda items to get a meeting going, but don't leave too much opportunity to veer into the trivial before getting to the important stuff.
- **Timebox discussion items.** Allocate specific amounts of time to discuss different items. When time runs out, it is time to move on. Allocate less time to the less important items and more time to those high-value/high-dollar items.

We may also need to consider **advanced** meeting design strategies. For example, some decision-makers may not adhere to time limits on discussion in the typical meeting format. Recently, a council that one of the authors, Dr. Maria Church, worked with had a tough time getting through their council meetings efficiently and effectively (minimum four-hour meetings). Dr. Church and her team pulled the council together into a retreat to decide how to be more effective with the meetings. Dr. Church had the decision-makers agree on time limits as well as the rules of engagement. Your decision-makers may agree to rules that limit discussion on items below a certain dollar amount. Ideally, this can be done when the board members are onboarded or at their annual retreat. Include a discussion on the Law of Triviality (your decision-makers may not be conscious of this phenomenon). A reminder of these rules of engagement should be included with each council packet. Review meeting effectiveness regularly.

Advanced meeting designs might be important if bike-shedding arises from a desire to avoid challenging or contentious issues. Consider preparation—which is a critical but often underappreciated aspect of meeting design. If elected officials feel ill-equipped to discuss controversial issues, might they prefer to discuss trivial issues instead? So for big-dollar and more complex budget items, a work session or two with staff/budget officers could be held. Materials that are shared before the work session and board/council meeting should have a one-page summary that states the crucial key facts about this big-dollar item, breaking down the complexities. It is said in the world of sales, “A confused mind never buys.” Translated to bike-shedding, “A confused mind never buys into understanding.” Eliminating the confusion on the front end and helping elected officials increase their [fiscal fluency](#)² gives everyone involved, especially the decision-makers, a chance to save face and make a smart, well-informed decision with true understanding.

As we saw, though, some agenda items might have special appeal beyond their dollar value. Since these items do not have a big impact on the budget, perhaps put them in a meeting “parking lot” for later discussion, or delegate them to a subcommittee, or hold a special meeting for that topic. The idea is to provide the time and space to talk about these issues at some point, while preserving focus in the here and now on the most consequential decisions for the budget.

Be clear about each budget item’s relationship to the strategic priorities. If an item is not aligned with the priorities, indicate so. When the priorities are well-defined (and reminded), it is easier to distinguish between the important and minor matters.

On the topic of strategic priorities, a desire to make an impact might be a source of bike-shedding. Make it easier for elected officials to make an impact on the substantive issues. For example, staff can provide a menu of high-quality options for elected officials, where choosing any of the options will have a meaningful impact on the issue at hand. Imagine a budget deficit needs to be closed. Staff could provide three to five packages of revenue enhancements/ expenditure cuts for elected officials to pick from.

Eliminating the confusion on the front end and helping elected officials increase their fiscal fluency gives everyone involved, especially the decision-makers, a chance to save face and make a smart, well-informed decision with true understanding.

Finally, the finance officer should consider how people understand numbers. For most people, large numbers, like those found in a budget, are abstract concepts. So they may not appreciate the scale differences between the trivial and consequential. The finance officer can help by translating these dollars into some other quantity people can easily appreciate. For example, at one city with a \$250-million operating budget, the council would spend an excessive amount of their (and staff’s) time each year debating a \$10,000 contribution to a local

nonprofit. In cases like this, the finance officer has cause to redirect the conversation to something more important. This would be a good opportunity to translate money to time: “The amount we are discussing is equivalent to two months of a single patrol officer’s time. In the meantime, we have another issue on the agenda that is equivalent to the time of six patrol officers...for an entire year each.”

We don’t know what we don’t know. Making decision-makers aware of the Law of Triviality and the agreed-upon strategies to avoid it can help to curb this phenomenon with your board.

ENDNOTES

¹ Weinberg, G. & McCann, L. (2019). *Super thinking: The big book of mental models*. Penguin Random House, LLC.

² Kavanagh, S.C. (2023). *Rethinking budgeting: Fiscal fluency made easy*. Government Finance Officers Association.



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