

# Local Government 2030

## TACKLING APPROACHES TO BUDGETING

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**L**ocal Government 2030—an initiative organized to address the 12 “Grand Challenges in Public Administration” identified four years ago by the National Academy of Public Administration—is working on three important projects, with plans to convene again in Phoenix, Arizona, in January 2024 to assess progress and to make plans to continue this work in the years to come. These projects are:

- **G.R.O.W. a Resilient Workforce.** This initiative reexamines pipelines of recruitment, retention, and development in local government to ensure that the workforce is supported and prepared to address the Grand Challenges and more.
- **The Art of Public Service: The Communication Continuum.** This initiative seeks to develop a toolkit for new strategies of emotionally intelligent communications from governments to their residents, visitors, and employees, revolutionizing the way public servants convey information and deliver services across disciplines.
- **Promised Pathways.** This initiative recognizes the role that governments have played in causing harm through the criminal justice system, seeking to connect people who have had such experiences—along with their families—with skills training and resources to prepare them to fill vacancies in the public service workforce.

Throughout the Local Government 2030 experience, delegates continued to fall back on a key theme—that the challenges facing our profession require us to break down the silos among our disciplines and geographies. In addition to continuing the work of the three strategic initiatives, delegates are bringing back the lessons to their jurisdictions and exploring ways of carrying the spirit of the convening into everything they do.

### MEETING THE MOMENT

At a 2019 meeting, The National Academy of Public Administration (NAPA) called public servants to come together to address the pressing issues of our time. These challenges highlight the complex realities facing governments today, and in their call to action, NAPA argued that new ideas

and enhanced collaboration among all sectors will be critical in meeting the moment. This argument inspired Wally Bobkiewicz, the city administrator for the City of Issaquah, Washington, and others to help meet the call. These conversations led to partnerships with more than 25 professional associations to create an initiative called Local Government 2030 ([localgov2030.com](http://localgov2030.com)), which brought together 51 delegates, all under the age of 40, from across the nation to review the Grand Challenges and propose targeted ways for local governments to address them.

The work of Local Government 2030 began soon after delegates were notified of their selection. Delegates were sorted into one of seven groups based on discipline, including general



On November 4–5, 2022, the Local Government 2030 convening brought together 51 practitioners under the age of 40 from cities, counties and regional councils around the United States on the campus of the University of Nebraska, Omaha.

administration, finance, public works, administrative services, community services, public safety, and planning and development services. These groups, in collaboration with the 16 superdelegates who served as mentors to the delegates, analyzed the Grand Challenges and wrote papers exploring the challenges in the context of our work in preparation for a national meeting hosted by the University of Nebraska-Omaha (UNO). The diversity of roles within each discipline group highlighted an important lesson as delegates saw that our individual challenges were shared by others, regardless of role or geographic location.

Upon arriving in Omaha in November 2022, the delegates, superdelegates, and professional organization representatives convened on the UNO campus to discuss the discipline papers and develop ideas to address the identified challenges, modeled after the Minnowbrook Conference of 1968.<sup>1</sup> Using the Pecha Kucha format of presenting,<sup>2</sup> each of the seven discipline groups shared information about how the NAPA Grand Challenges were affecting their fields of work, while presenting arguments about which of the challenges should be prioritized as a focal point throughout the meeting. Consultants helped with multi-day conversations about the challenges, reorganizing the delegates into groups based on geographic region. Each group developed nine potential initiatives to address the Grand Challenges before ultimately pitching three initiatives to the broader body of delegates. After a few rounds of voting, the body of delegates and superdelegates identified three initiatives that combine the shared experiences of the delegation with areas of public service the group felt passionate about (G.R.O.W. a Resilient Workforce, The Art of Public Service: The Communication Continuum, and Promised Pathways).

## BREAKING DOWN THE SILOS OF FINANCE—TOMORROW IS NOW

The federal government's response to economic and social disruption caused by the COVID-19 pandemic has been largely anchored by the concept of "Build Back Better," a public reinvestment framework focused on stabilizing the American

economy with a series of historic stimulus packages aimed at financing sustainability initiatives, workforce development efforts, infrastructure improvements, and opportunities to improve the quality of life for lower-income and middle-class families.

A keystone program of this endeavor is the American Rescue Plan's State and Local Fiscal Recovery Funds (SLFRF), which provides local governments with a historic infusion of stimulus relief funding and a broad directive to address the broad disruptions caused by the COVID-19 pandemic. While presented with a unique opportunity to invest in transformative services and capital improvements, many municipalities have taken a narrow definition for their community, limited to their current residents. While each local government is accountable for addressing their residents' unique pandemic challenges and ensuring compliance with the U.S. Treasury's guidelines, the funding from the American Rescue Plan Act presents local government leaders with a historic infusion of federal funds that have flexible guidelines to shift resources toward their community's unique pandemic pain points. This directive is accompanied by the challenge for public officials to dig deeper and to think entrepreneurially about strategies that target entrenched economic and social inequities and set the stage to unlock new opportunities for public and private investment.

The Build Back Better agenda's commitments to transform America's social, infrastructure, and environmental conditions through enormous public investments are frequently compared to the Great Depression-era programs of the New Deal. This comparison sets the scene for the long-term impact that present-day local government officials can unlock through bold policy initiatives that take accountability for improving conditions for current residents and acknowledge the public servant's obligation to build a more equitable, resilient, and technologically advanced society.

To execute that pivot and unlock the potential of public investments as the catalysts of long-term community growth, government finance officers

need to break the silos that exist among the fields of public finance, urban planning, public works, human services, and general administration to take on a more multidisciplinary approach to local government. To reignite the public's faith in municipal officials as the stewards of the public's investments, government finance professionals must acknowledge their obligations to a broader pool of stakeholders by expanding their definition of community to include future residents and people that live in neighboring municipalities. Expanding the definition of stakeholders to embrace these groups can position local government officials with new opportunities to build a more equitable, resilient, and technologically advanced society.

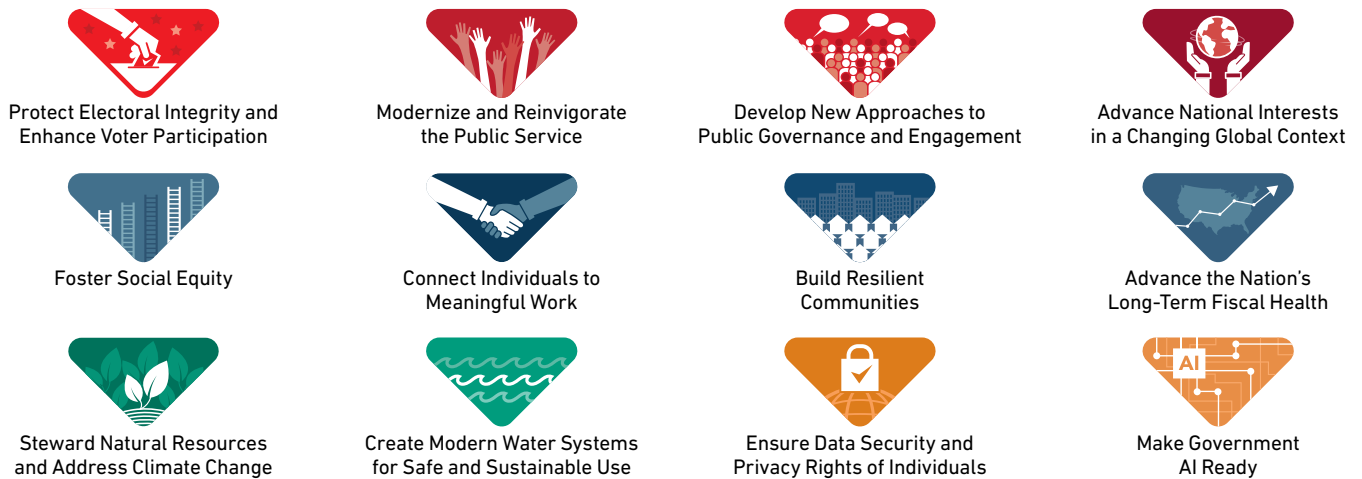
Below are four examples of breaking down silos to achieve success across many facets of the work of government finance professionals.

## PLANNING FOR THE FUTURE

The established method for measuring the fiscal impact of a public investment proposal takes an overly technical approach that standardizes results to key performance indicators and short-term time horizons. As an early effort to transform the public investment and budgeting processes, GFOA partnered with seven other state and local government organizations approximately 25 years ago to develop the National Advisory Council on State and Local Budgeting (NACSLB) as a guiding framework for informed and stakeholder-driven budgeting. One of the key characteristics of the NACSLB budget process is the importance of incorporating a long-term perspective in a way that evaluates community conditions and outlines options for responding to a range of economic, political, and environmental scenarios.

While the NACSLB's contributions to the public finance field provided a framework for distilling a universe of information into organized options that inform present-day decision-makers, the collection of best practices overlooks the government finance officer's obligation to advance bold and entrepreneurial initiatives that address the interests of future residents. In the quarter century since the seven organizations formally endorsed NACSLB, the quality of life and economic stability of American

## 12 GRAND CHALLENGES IN PUBLIC ADMINISTRATION



Graphics courtesy of National Academy of Public Administration

communities has significantly degraded because of overly cautious policymaking and the entrenchment of austerity as virtues of the public finance field.

Evidence of this failure to proactively advance policies that address the interests of future residents is documented in measures of America's quality of life from the U.S. Census, Government Accountability Office, and the Federal Reserve's annual analysis of the Economic Well-Being of U.S. Households. While the government is charged with an array of competing priorities for investing scarce resources, and public officials are obligated to minimize risk by carefully studying every policy design option, the tradeoff is a cumbersome and frustrating process that undermines the public's trust.

The critique that transformative policies employed 25 years ago could have offered a silver bullet for local governments to preemptively address Americans' present-day economic and quality of life concerns should be seen as an overly simplified and potentially off-putting sentiment. But the opportunity to invest in real solutions for the Grand Challenges of the 21st century presents the call to action for government finance officers to embrace a bolder and more fluid approach to budgeting that acknowledges the cascading risks from failing to act. This principle represents a significant pivot away from the established approach to public

financing by balancing predictability with the flexibility to deliver results.

### COLLABORATION IN FINANCE— NEW APPROACHES TO BUDGETING

In a common scenario, a city council has identified a strategic initiative to "improve the quality of life for all residents." This is hopeful and aspirational, but not very specific. After this lofty goal has been shared with the public, now it is up to the local government departments to determine what role they play in accomplishing it. Parks and Recreation decides they must build a new park. Public Works believes new roads and sidewalks will be more useful. Economic Development staff set their sights on finding a large company that will offer higher-paying jobs. Every department across the organization takes up the mantle and they all independently determine the best course of action and proceed to request the required funding in the upcoming budget.

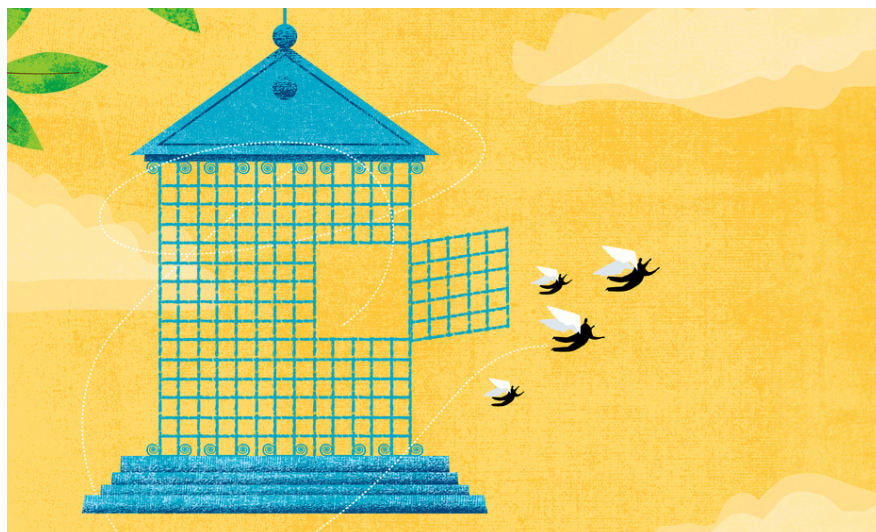
This scenario is all too common in local government. Departments often work independently of each other and end up competing for limited resources to accomplish the same goals. What's more, the functions don't usually collaborate with the budget office in developing plans for future spending to ensure that all cost elements and variables are considered, and efforts are not duplicated across departments. Without

collaboration, it is not usually apparent through the traditional budget process that increased requests for funding are even related to a new initiative.

The traditional approach to budgeting is centered on line-item spending for operations. This approach invites and encourages silos across the organization because the link between functions performed and services provided is unknown or disjointed. Each department functions as if it works independently of the overall mission and goals of the organization. The budget process and structure reinforce this misguided idea and encourage each unit to make less informed decisions that ultimately result in wasted resources—making it even more difficult to develop an organization-wide approach to accomplish strategic initiatives and to allocate resources in the most efficient manner. A GFOA report, "Why Do We Need to Rethink Budgeting?" (January 2022), discusses the idea that traditional budgeting is a zero-sum game in which one party wins and another loses. It goes on to say that "zero-sum thinking makes it difficult to address problems that require collaboration across participants in the budget."

Much more can be said about the inefficiency of silos in developing an efficient, effective budget that represents the strategic priorities of local government leadership, but it should be noted that silos disappeared during the Local Government 2030





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Convening [LG2030]. At LG2030, local government professionals representing all disciplines from across the U.S. gathered to discuss today's issues and to develop solutions addressing some of them. An individual's department mattered less than their knowledge and passion as it related to the final three initiatives chosen by the larger group. This approach can be applied to local governments by building special project teams across departments that collaborate to discuss ways of implementing strategic initiatives and developing the corresponding budget. The teams could even help formulate these initiatives with leadership.

A cohesive, collaborative work environment that functions across department lines is built from the top down. Departments do need to work somewhat independently to perform their unique functions, but the walls must come down to foster more cooperation around the use of limited resources throughout the organization. Management must set the precedent and institute measures to encourage and enforce these standards.

### ENGAGING THE WHOLE COMMUNITY—COMMUNICATION INNOVATION

Communication and collaboration with the community are essential to building trust and transparency, especially within the local budgeting process. We now have access to information we never had before, along with the much greater speed with which information can travel. This is a powerful tool that local governments need to channel and adapt in order to help build better connections with residents through engagement and, in turn, build trust and transparency with the community as a whole. Gaps in information and information-sharing can lead to mistrust in government. The need on the end of the government is to make information accessible and available to residents, whether online or in print. When it comes to where tax dollars are allocated and spent, reaching the whole community helps us build stronger relationships.

To channel the power of communications, local governments need to be "trendy." Local governments have historically struggled with building

strong communications connections with residents, especially after the death of the daily local newspaper. Previously, a municipality could place an ad in a local newspaper for a budget hearing and consider their outreach and engagement complete. This is not enough in the 21st century. Local governments must harness the power of social media and the Internet, while also building and improving on print materials, to reach the whole community. Communications must be multifaceted and accessible to be effective in building trust, transparency, and credibility with the community.

**Adaptation in action.** Each month, the Town of Shrewsbury, Massachusetts, produced an online newsletter that it made available on the town website and via social media, summarizing the key actions taken by the select board for residents to view. But the community still felt that information on the board's actions wasn't transparent enough. In addition to the newsletter, each meeting is live streamed on Facebook and cable television, and it is posted to the town's YouTube channel the following day.

But a multi-page, online newsletter wasn't meeting the needs of effectively communicating with the community or meeting the public's expectations of transparency for their elected public body. Since then, the town has started producing 30-second videos the morning after the meeting that summarize the board's actions and direct people to resources that will provide more information. It also transcribes the information from the video for those who don't want to consume the information in a video format.

This multifaceted approach has been well-received, and it aligns more closely with communications efforts in the private sector. This strategy can be applied to outreach related to local budgeting processes or project allocation. Local governments must modernize and have access to resources and tools to present and distribute information in a multifaceted way to meet the needs and expectations of the community in today's world. Building trust and transparency through communications makes us more effective and successful as public leaders, as well as builds trust within budgeting processes.

Our job as local government leaders is to make accessing information as easy

and streamlined as possible for our communities. It is not the residents' full-time job to be an expert on the community or the budget—it is ours. By enhancing communications, we are able to work more efficiently and effectively as an organization to build trust and transparency around the budgeting process in general, and not just through segmented factions of departments or the community at large.

## CONTINUOUS IMPROVEMENT MOVING FORWARD

The Finance and Asset Management Department at the City of Bellevue, Washington, seeks to break down silos within the department and across the organization through its continuous improvement program, which is rooted in a Lean management system.

At the core of the program and management system are two principles: respect for people (emphasizing those who do the work in a process) and continuous improvement of customer value. These principles shape the department's strategy for collaborating with other departments to deliver on the mission and vision of the organization.

The success of continuous improvement initiatives in public finance hinges on putting ourselves in our customers' shoes and recognizing who requires goods, services, or information, and how. While many public servants would be quick to recognize a resident as a customer, most of us interact with other customers as well. Public finance professionals tend to serve as internal service providers, ensuring that other departments have visibility into budgets, processing invoices to pay vendors, or producing and routing contracts that support service delivery across a community. This means that the transportation project manager, the administrative assistant to the executive, and the recreation program manager are all customers too, and we should collaborate with each of them to deliver higher quality service in support of all who live, work, or play in your community. We will explore this through one of Bellevue's largest process improvement efforts—currently underway—which involves changes to the procurement process through a Lean model line.

**Reimagining procurement with a lean model line.** During the first convening of the Local Government 2030 initiative, five priorities were identified, including a revamping of our public procurement system to promote equitable, community-driven outcomes and support. Nine months before that conversation occurred, staff within Bellevue's Procurement team embarked on the journey to establish a Lean model line that, once built, would better equip the team as they work to deliver the very goal outlined in LG2030. A Lean model line is a closely connected series of processes that are the target of focused implementation of Lean principles, built so others can see a Lean implementation in real time and model their own efforts after something already built in an organization. This effort, which is still underway today, continues to highlight the importance of breaking down silos so we can deliver much-needed change to a process that very few people find easy or enjoyable.

The challenges associated with the procurement process are not unique to Bellevue, but they do provide an interesting case study about the role silos can play in limiting our ability to innovate. Customers hold conflicting perceptions of the procurement process: on one hand, they view it as being complicated and ever-changing, making it hard to keep up with what is necessary to successfully procure goods or services; but on the other hand, they view the process as fixed and immovable, and will navigate the process using the same rules they followed for procurements a decade ago. These seemingly polarizing views of the same process are exacerbated by the fact that, until recently, the average length of tenure for employees skewed longer than the average organization, with many staff members having a decade or more of experience working for the city.

To simplify these processes, Bellevue procurement staff are applying a Lean lens to their process improvement efforts. After mapping out a new future state for the process that we hope to grow into, the team has divided into small groups that work with customers across the organization to identify gaps in the current state, to brainstorm new ways

of achieving success, and to prototype new processes to identify the best way of doing things. This work is still very much underway, but a key lesson that everyone involved in this effort has learned is the same lesson that delegates to LG2030 took away: More often than not, we are all experiencing the same problems in our very different roles, and any path to successfully address and resolve those problems will require breaking down silos and collaborating to develop innovative solutions.

## BUDGETING INTO THE FUTURE

As we move toward a more modern local government, we, as leaders in our communities, must continue to challenge norms and to find new and innovative ways to tackle challenges our ever-changing world presents to us. We must tackle these challenges through collaboration, continuous improvement, communication, and engagement with our local communities. This multifaceted approach lends itself to every area of local government, whether that is budget development, asset management and procurement, or building trust and transparency in the fabric of our communities. We must strive to collaborate and solve the challenges we face now and in the future. ■

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<sup>1</sup> The Minnowbrook Conference, held every 20 years, is one of the most significant academic conferences in public administration in the United States. Minnowbrook I, which took place in 1968 at Minnowbrook, the Syracuse University conference center, marked the beginning of the "New Public Administration." Minnowbrook II, which took place in 1988, reflected on the impact of the New Public Administration. Both Minnowbrook I and Minnowbrook II resulted in significant, historic publications. You can read the best of Minnowbrook III, held in late 2008, at [esadepublic.esade.edu/posts/post/the-future-of-public-administration-around-the-world-the-minnowbrook-perspective](https://esadepublic.esade.edu/posts/post/the-future-of-public-administration-around-the-world-the-minnowbrook-perspective). Esade business school at Ramon Llull University.

<sup>2</sup> The PechaKucha 20x20 presentation format is a slide show of 20 images, each auto-advancing after 20 seconds. It's nonstop and you have 400 seconds to tell your story, with visuals guiding the way. PechaKucha was created in Japan in 2003 by architects Astrid Klein and Mark Dytham. The word "PechaKucha" is Japanese for "chit chat."