






Public Figures

Why communication and good interpersonal skills are essential for public finance staff

BY SANDRA EMERSON

A public budget is a means of *communicating community priorities* and a plan for guiding public administrators in executing discretionary decision-making and undertaking practical means for getting results.



Several decades of teaching in a Master of Public Administration program, where my students were typically employed in local, regional, and state government, have made two things evident. First, budgets are not clearly communicating community priorities—citizens and local legislators look at the reams of pages that comprise budgets and are hard pressed to discern what this document is trying to communicate. Second, it is neither obvious nor common sense just how staff should communicate the complexities of public budgets to a wide array of readers who vary significantly by age, education, and interest.

This experience has given rise to two emerging realities, which dovetail with GFOA's Rethinking Budgeting initiative.

REFRAMING THE BUDGET DISCUSSION

In *The Public Administrator's Companion: A Practical Guide* [see sidebar], we recommend that practitioners begin by systematically exploring what the public knows and wants to know about city expenditures and consequences. Most importantly, consider who the audience is for budget discussions. Unlike a classroom situation in which participants are roughly the same age with like educational experiences, the public looks more like a worship service with vastly different educational backgrounds and a wide range of ages. We are not suggesting hymns and responsive readings, but that less text and more graphics reach a broader, more diverse audience. In addition to who is in the audience is the question of why they are in the audience in the first place. What is the objective of this public budget meeting? Is the

objective to “educate the public about the budget” or to educate the finance staff about the public’s understanding of budget priorities, values, and issues?

What does the public need to know versus what is “nice to know”? Considerable space and time are dedicated to discussing and describing revenues. While this is an obvious topic regarding budgets, it is tangential. The decisions about what the taxes are, what the rates are, who collects taxes, where, and when are not up for discussion during the budget cycle. Revenue is at best a description of what is, not a decision to be made.

The budget discussion is about how to spend the money we have on the goods and services that are important to our community. In the late 1950s, scholar Richard Musgrave suggested that public budgets were like household budgets, with some notable differences. Our students rarely indicate that their households have a budget. Instead, they extensively use credit cards to account for expenditures and are less likely to “plan” expenditures than to “shop efficiently” to spend the least amount on what they want and need. The citizens’ model for economic decision-making seems to be “shopping.” Consequently, they are comfortable with comparing this brand with another, or this period of time’s expenses with a prior period. For a variety of reasons (too numerous to itemize in this short article) comparing one city’s services to those of another will be fraught with errors and misunderstanding.

WHAT ARE THE CONNECTIONS?

But some basis for comparison tends to drive citizens’ discussion and understanding of the budget. This is the challenge. Against what standard should a jurisdiction account for public safety services, quality of life, and infrastructure maintenance? There is no simple or easy answer, and this is the crux of what confounds the budget discussion. Given what the public pays in taxes, is this budgeted level of service the best residents can expect? To find this answer, one needs to delve deep into the public expression of the services it wants and the level of performance it expects.

Government outputs and outcomes that arise from public spending are loosely tied together to public budget documents or discussions. Unlike shopping, where one can unambiguously link what is gained and what is spent, the link in public budgets between benefits and costs is elusive and opaque. This unavoidable reality may give rise to public concerns about being transparent and ethical in the ways jurisdictions or public agencies operate. Therefore, an important area for the finance analyst is performance measurement. Some performance measures may be directly related to the government entity’s strategic plan or related to workload measures to monitor operations and staffing needs. Whatever the performance measurements are and however they are authorized, the link between what is provided and what it costs will remain an important part of the finance agenda.

For example, the discussion notes for the Claremont, California, budget development timeline for 2022 to 2024 reads:

In January, the city (Claremont) began a public engagement campaign to gather community feedback from residents and businesses on city council priorities. Staff and consultants facilitate three community focus group meetings and conducted a community survey that asked participants for their opinions on city programs and services, priorities for the city council, and suggestions for improving the city and its operations.

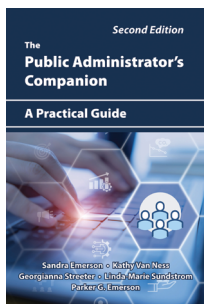
This is an example of defining why the audience has been assembled. They are to (1) provide information about city services and programs, (2) provide their perspective on the city’s priorities, and (3) make suggestions about improving operations. Isn’t this redundant? Doesn’t the city know what its services and programs are? Hasn’t the city council done its job and set city priorities? Aren’t the program manager’s improving program processes and operations? Yes and no.

From the perspective of city government and administration, they are doing, or have done, each of these tasks. What is missing is how residents and businesses understand the city’s programs. For example, citizen comments included:

- Where is the traffic signal at the intersection of the main road and side street leading to our local elementary school?
- Why does it take so d#%n long to get the city to repair a traffic light?
- I called the police department months ago and told them the streetlight on my block wasn’t working and it still hasn’t been fixed!
- I called the police yesterday about the vagrant asleep in front of my store. The vagrant left after the police came but he is back again today. Why haven’t the police kept him away?

The residents’ experiences with the program or processes of city government in these cases are substantively different from the experiences of the city’s staff, public safety officers, and administrator. There are longstanding processes and rationale for how the city operates, but the reason for the focus group meeting was to

BY THE BOOK | THE PUBLIC ADMINISTRATOR’S COMPANION



Readers will find a more detailed discussion of public finance in the broader context of public administration in ***The Public Administrator’s Companion: A Practical Guide*** (Second edition), by Sandra Emerson, Kathy Van Ness, Georgianna Streeter, Linda-Marie Sundstrom, and Parker G. Emerson. (Waveland Press, 2023). *The Public Administrator’s Companion* examines the most important elements of public administration, helping readers understand how government works in ways that are useful for both students and practitioners of public administration. The book discusses governmental structure, human resources, and public funding. It delineates

administrators’ actions in strategic planning, consensus building, budget development, performance measurement, and public policy assessment and implementation.

understand the public's perspective, not to rationalize or justify city practices. The surveys and focus groups were to educate and inform the finance staff, not the public.

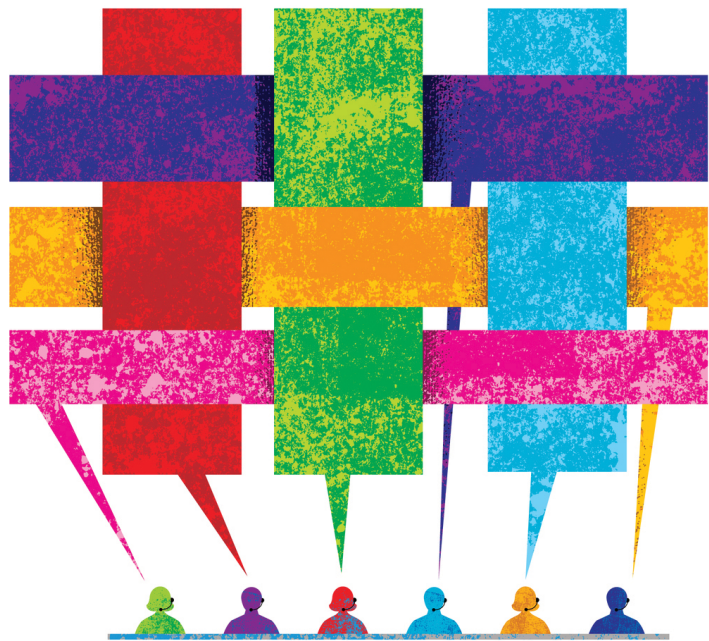
This brings us to our next observation. What exactly is a focus group, what survey was conducted, by which city employees, and of which residents? How might a city spokesperson respond to a resident's concern that "no one asked me"?

WE NEED MORE TOOLS

The need for and use of qualitative and quantitative means of measuring public opinion is not something the public sector has fully embraced. Rarely do texts in public administration or public finance raise the issue of marketing public services and programs. In part, marketing and public services are two concepts that are rarely found in the same sentence. In addition, legislators have largely served as the liaison between the public and government entities. The idea that finance staff should be out among the residents engaged in focus groups or surveys has not been embraced, and finance staff often say this is not their job. No doubt. But writing a document that informs the public about how its money is being used is the job of financial administrators and their staff.

The mandate to communicate with legislators and members of the public demands a broader array of tools. Public finance analysts need to be skilled communicators who have an understanding of psychology, marketing, language, and cultural diversity. Beside spreadsheets, public finance staff need to be skilled in writing narratives, developing professional presentations, and drawing persons into conversations rather than talking at the audience and providing "expertise."

Getting the data about the public's perception is part of the challenge. Interpreting what the data means and how it identifies gaps in understanding is the more important element of sharing budgets with those who are generally "budget-illiterate." Once there is evidence of where the gaps in understanding are, there needs to be a strategy for narrowing them.



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This means training and educating the community, and it also means having finance experts learn to communicate to the public in a manner that is best geared to what citizens want to know. Too often the response to the public's lack of knowledge is to educate them to be amateur finance analysts. Typically, this approach does not end well. This means that *how* one has a conversation about the local budget is more critical for including the public than focusing on the conversation about revenues and expenditures.

Finally, the specialized language and math employed in the budget need to be simplified and summarized so it can be better understood. We have spent time in more than one class explaining how a tax (Social Security, Medicare) can be labeled in a budget as a benefit. The students assume that either they don't understand what is meant by "benefit" or that we don't understand what a "tax" is. To an expert in finance, this is so obvious that it is not worth mentioning, but it is just this gap in understanding

that confounds meaningful inclusion of the public in budget discussions. One should not assume that these gaps are limited to students. We have watched new mayors and presidents of universities with advanced degrees trying to navigate their organizations' budget documents. The need for a focus on communicating spans wide sectors of the populations we seek to serve.

CONCLUSION

We conclude where we began, by recognizing the need for public administrators and staff to be armed with a broader range of skills. The new demands of those entering public service include an understanding of governmental operations and cultural diversity, and how to communicate to audiences with significant different interests and understanding of the public budget. ■

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