Texas State University's William P. Hobby Center for Public Service

The Budget Reform Movement:

How Local Government Is Leading the Way

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Introduction

Government fiscal problems have reached crisis proportions and will continue to plague this country until such time that the puzzling contradiction between increased spending, whether mandated or discretionary, and declining revenues is sufficiently addressed. While there is no doubt that politicians and scholars will debate the merits of this dichotomy far into the future, neither can deny the fact that effective budgeting is one of the most essential tools that leadership can have in its arsenal as attempts are made to bridge the aforementioned gap.

General budgeting processes are quite similar across all levels of government; however, unlike the federal branch, states and municipalities are legally required to balance their budgets--*no deficits*. Furthermore, even though the federal government collects the most tax revenue in terms of dollars, states and cities "have a greater range of revenue options for funding their budgets" (Hall). It is because of these dynamic, and in many cases, volatile sources (e.g., property tax, sales tax, fuel tax, user fees, alcohol and tobacco tax, etc.) that economic trending proves to be tremendously challenging, particularly at the local level. As cities become increasingly more subjected to both direct and indirect financial pressures, like growing health care costs and an aging population, they "…have been forced to find ways to respond to this era of limits and scarcity" (Tyer and Willand).

The question that remains: what is "effective" budgeting? Given that budgeting is an essential subfield of public administration, one answer calls specifically for the incorporation of newer, non-traditional methodologies because commonly-held strategies appear less and less to anticipate ever changing economic trends. The paper will discuss the origins of the budget idea, traditional and innovative budgeting approaches and several municipal budgeting cases.

Historical Context

As explained by Tyer and Willand, although it is difficult to imagine our government without budgeting, "unlike many other American institutions or practices…the concept of budgeting as we know it today did not come to the United States with the early colonists." Rather, it developed in the latter part of the nineteenth century with the public administration movement being born in the 1880s. Congress, states and local governments simply raised and voted on the money required to operate the country. Fearing a strong executive derived from the American colonial experience, budgeting resulted as the preserve of the legislative branch (Tyer and Williand).

From 1880-1920, a surge of immigration ensued due to the industrialization age. The corresponding growth of cities, and the associated spending on public services by their inhabitants, sparked the further advancement of legislative budgeting (Ross and Levine 150). By the end of the 1890s, three forms of municipal budgeting existed: a simple tax levy, a tax levy with detailed expenditure appropriations, and a tax levy with detailed estimates of receipts and expenditures (Tyer and Willand). The third scored incredibly high with the business community and middle class, who in turn led reform initiatives into the next period, otherwise known as the Progressive Era. This time brought about a desire to find one specific and calculated way to approach budgeting--"scientific management fit in nicely with the aims of the public administration movement and the urban reformers with its emphasis on efficiency and objective analysis of administrative or management practices" (Tyer and Willand).

Many reformers took a vested interest in this process, and they contributed to it via their professions, two of which were accounting and administration. The New York Bureau of Municipal Research, created in 1907, endeavored to study governmental finance and make recommendations concerning poor fiscal procedures, planning, responsibility, and standardization, all of which led to the establishment of a skilled pool of technicians (Tyer and Willand). Even more, "the municipal expert emerged as a central actor in 'political progressivism' to promote and produce a safe, clean and economically managed city (Schiesl 128).

By 1910, President Taft initiated the Commission on Economy and Efficiency, and that Commission presented its report entitled, "The Need for a National Budget," to Congress in 1912, thereby focusing national attention on budgeting and sound fiscal management (Tyer and Willand). These same proposals would eventually lead to a resemblance of today's federal cycle, in which the executive branch is required to submit a budget to Congress on an annual basis and so forth. Ironically, what the national government set out to mirror by way of the Taft Commission had already been underway in both state and local levels across many regions of the United States during the end of the century before (Tyer and Willand).

Types of Traditional Budgeting Methodologies

Due to the continual pursuits of zealous pioneers and activists, budget reform efforts reflected over a century of changing public support and opinion for the proper role of government in American society (Kelly). And because of these differing ideas about the proper role of government, each ensuing period encompassed a specific emphasis on budgeting that in turn drove varying methodologies. As noted below, these traditional budgeting styles can be identified as follows: line-item, performance, program and zero-based (table 1).

Table 1
Budget Reform Stages

Period	***Budget Idea***	***Emphasis***
Early 1900s	Line-Item Budget Executive Budget	Control
1950s	Performance Budget	Management Economy Efficiency
1960s	Program Budget Planning, Programming, Budgeting System (PPBS)	Planning Evaluation Effectiveness
1970s & 1980s	Zero-Based Budget (ZBB) Target Base Budget (TBB) Balanced Base Budget (BBB)	Planning Prioritization Budget Reduction

Modified from: Tyer, Charlie, and Jennifer Willand. "Public Budgeting in America: A Twentieth Century Retrospective." *Journal of Public Budgeting, Accounting and Financial Management* 9.2 (1997): n. pag. Web. 1 Sep. 2013.

One may recall that the primary purpose of budgeting in the early 1900s was to obtain strict control of estimated revenues and expenditures at all levels of government. Barring haphazard lump sum budgeting that was utilized prior to, line item budgeting dominated the first half of the 20th century due to its simplicity and ease of use. Performance budgeting came next. Although line item budgeting was politically attractive because it did not focus on policy preferences, attention began to shift to management efficiency. Leadership found it much more important to consider how government conducts itself as opposed to what it purchases. Regrettably, workload measurements would soon prove "no more meaningful than those in line-item budgets," and they lacked the ability to deal with long-range problems (Miller 95). To contend with these issues, officials turned to program budgeting, therefore relying heavily on planning and effectiveness aspects while concentrating intently on strategic programs fashioned to accomplish defined fiscal objectives. This would last well into the 1960s. Once revenue growth slowed and budget constraints became commonplace, the introduction of zero-based budgeting sought not just to restrain spending, but to reduce it as well. In addition to the emphasis attached to each traditional budgeting approach mentioned above, the four basic models have relative advantages and limitations.

Line-Item Budgeting

Line-item budgeting remains the most widely applied method in government. It generally takes a historical approach in terms of evaluating trends and defines detailed levels of expenditures, such as overtime pay, fuel, postage, etc. Moreover, these details can be collapsed into more broad categories (e.g., personnel, operating, maintenance, capital, etc.). Advantages include extreme flexibility with regard to the control established over the use of resources. Preparation is systematic and precise, and this methodology is extremely familiar to those involved in the development process. The most severe downside or criticism to line item budgeting is that it provides the least amount of useful information on a macro level and unwittingly welcomes micro-management by governing boards and administration.

Performance Budgeting

Performance budgeting is generally viewed as being superior to line-item budgeting. It makes useful information available to key decision makers for study, and to the public for scrutiny. Narrative descriptions accompany each program or activity, and the overall budget is organized into measurable estimates of costs and accomplishments. Based on a CPM handout from Randy Moravec, "efficiency measures reflect the relationship between work performed and the resources required to perform it (Moravec). Typically, efficiency measures are presented as unit costs, but they can take other forms as well" (Ammons 12). Advantages include easy identification and measurement of activities and outputs as well as the introduction of innovation with regard to process improvement. On the other hand, an enormous limitation is that this tactic does not allow for the proper evaluation of a program's effectiveness in relation to leadership's overarching goals or quality of services.

Program Budgeting

Program budgeting, often used synonymously with Planning, Programming, Budgeting System (PPBS), strives to apply elements of long-range planning, goal setting, program identification, quantitative/cost benefit analysis and performance evaluation (Burkhead 139). It refers to a variety of different budgeting systems that base expenditures on broad programs with less line-item detail, and unlike performance budgeting, links fundamental objectives with the activities of each corresponding program. Major advantages are that long-term costs are projected, along with identification of different alternatives that may be considered with regards to overarching goals. Plus, program budgeting may be used in tandem to supplement other traditional budgeting models to increase informational value. Feasibly, the most frustrating limitation to this type of budgeting is the potential lack of consensus on overarching goals and/or fundamentals objectives.

Zero-Based Budgeting

In the words of Shayne C. Kavanaugh, Senior Manager of Research for the GFOA's Research and Consulting Center, zero-based budgeting "…builds a budget from the ground up, starting from zero" (1). Sound simple? No, not at all. Of all the traditional budgeting methodologies, ZBB has probably had the most controversial history in the public sector due to the sheer amount of time, energy and paperwork involved in completing such an undertaking. The 1980s witnessed public outcries for lower taxes, reduced social services support and more attentiveness on personal responsibility. This method fell perfectly in line with these changes. The basic tenant is that every activity and service must be justified annually during the budget development process. The organization is divided up into "decision units," with each appropriate manager preparing a detailed description and evaluation of all activities it performs, including alternatives to current service delivery methods, and the spending plans necessary to achieve the decision unit's goals (Kavanagh 3). Each decision package is ranked by importance in reaching overarching goals and objectives, and then leadership inevitably relies on this ranking as a basis for making allocations. Advantages include the engagement of lower-level management, a rational and comprehensive means for cutting budget, and the availability of various service levels to decision makers. Apart from the extensive effort needed to complete ZBB, the two main disadvantages are that it does not have a separate planning process apart from budgeting, and efficiency gains are not systematic.

Traditional Budgeting Examined

As stated by Rubin, emphasis depends upon the "time and circumstances in which the budget is drawn up." Furthermore, "…too often budgeting is considered a technical process removed from other ideas and forces current at a given time" (112). So, what time, circumstances, ideas and forces currently exist and need to be contemplated? Sustainability in the midst of scarcity; increasing demand coupled with decreasing supply. And in light of the most recent recession, it is quite prudent for a reasonable person to infer that fiscal crises will continue, and matters may conceivably become worse.

According to Bill Schlachter, the two most direct challenges facing cities are 1) the difficulty of balancing local budget realities with decreased revenues, increased service demands and the costs of unfunded state and federal mandates, and 2) the dramatic cost of infrastructure and associated outlays. "Income, sales and property taxes have decreased significantly in many cases due in part to the increase in unemployment, and the decrease in consumer purchasing demand. Additionally, increased numbers of foreclosures contribute to a decrease in assessed value of properties, which reduce property tax collections" (Schlachter 3).

With this in mind, public leaders must recognize that the broad budgeting tools that governments have traditionally relied upon to manage in the past will no longer suffice given today's periods of severe instability and upheaval, particularly if a local community is already financially distressed. Therefore, the remainder of this paper will review the literature on newer, non-traditional budgeting techniques, and how their integration into municipal culture enables local governments to be adequately equipped and remain abreast of competing economic changes in what has been labeled by one authority as "the new normal."

Types of Non-Traditional Budgeting Methodologies

Local governments have been the focal point for budget innovation and change. More remarkably, they have and continue to do so against a backdrop of fiscal constraints and widespread gridlock at state and federal levels. In an effort to face the uncertainty of future decades, many cities across the nation have chosen to employ non-traditional budgeting approaches to successfully navigate economic storms. Although line-item budgeting continues to be a staple of American government, leadership has come to recognize and appreciate the validity of engaging additional newer methods, either in tandem or as a supplement to their current practice. While not exhaustive, these newer, non-traditional budgeting methodologies consist of the following: new performance, multi-year and priority/price based.

New Performance Budgeting

During the 1990s, considerable attention was refocused upon the 1950s performance budgeting resulting in a "new" interpretation of performance budgeting (Tyer and Willand). Ironically and once again, local government has and is leading the way in transformational efforts. Both national and state governments pretty much concluded that renewal efforts did not significantly influence allocation attempts; thus, new performance budgeting has typically been incorporated for internal agency management use only. Because limitations have had the most impact on local governments, especially when combined with mandates from higher levels of government and existing restrictions on revenue raising capability, this non-traditional application underwent a paradigm shift and evolved into more of an entrepreneurial and adaptive practice (Tyer and Willand). Instead of solely concentrating on tasks, activities, inputs and measurements (efficiency), like the older model, this revised budgeting method now stresses outcomes and results (effectiveness). Effectiveness enables policy discussion and encourages these types of questions: how much of this service do we provide, did we achieve our target, how can we more efficiently achieve our goals, and how should we arrange our goals to achieve the best results for our community (end user)?

In an article entitled "Three Reasons Performance Management will Change in 2013," the author speaks to the very same notion--"traditional performance management programs have become organization wallpaper," and the key change for new performance is a shift in focus from process to outcomes (Vorhauser-Smith). The author goes on to say that people, technology, and the relationship between people and technology must also be seen as priority outcomes. People expect more involvement, accountability and transparency. Technology needs to be easily presented and provide immediate management insights. The relationship between the two must not only be "an agile, social and mobile work environment," but it has to provide for just-in-time and on-demand capabilities in terms of coaching, training, evaluation, etc. (Vorhauser-Smith).

Multi-Year Budgeting

The fallacy of budgeting in one-year increments is that leadership does so under the guise that government can adequately plan for, provide and maintain the appropriate level of service, quality of life, and public safety that they are accustomed to given resources that simply are no longer available as they have been in the past. The "new normal," which is riddled with hardship, now dictates that instead of viewing sustainability from an optimal standpoint, decision makers must now look at it through eyes of affordability. Annual budgeting simply does not allow leaders an appropriate amount of time or information to effectively plan, especially since the external environment is consistently changing and with rapid speed. Lynda Humble mentioned that by the time a yearly budget is adopted, in many instances, a good portion of it already may be out of date and out of sync--*the moving parts have moved*. What is more, by only considering one year at a time, government is hard pressed to determine exactly where these aforementioned moving parts have relocated.

To combat this, governments have instituted multi-year budgeting. One author observes that "local governments that budget on a multi-year basis typically employ one of the following variations of biennial budgeting: biennial financial plan, rolling biennial budget or classic biennial budgeting" (Jackson 24). Admittedly, national and state governments do this form of budgeting notably well because it is either legally required for appropriation and/or for greater projection purposes. In contrast, local government has much room for improvement. Unless required in a city's charter or by policy, many cities simply budget year to year. Relayed as a best practice, Randy Moravec, Executive Director of the Texas Coalition for Affordable Power, recommends that "a government should have a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions and that develops appropriate strategies to achieve its goals" (Moravec). The rationale behind multi-year budgeting is two-fold: expands the governing body's awareness and places short-term issues in long-term perspective. Likewise, it avoids deferring of costs and turning short-term solutions into long-term problems (Moravec).

Priority/Outcome Based Budgeting

Kavanagh affirms that "the philosophy of priority/outcome based budgeting is that resources should be allocated according to how effectively a program or service achieves the goals and objectives that are of greatest value to the community." After identifying strategic priorities, the government ranks programs and services through a "collaborative, evidence-based process" given how well they align to these priorities, and then allocates funding according to the ranking (1). Perhaps the most unique element in this structured, yet flexible step by step process, is the first stride--*identify available resources*. Unlike other traditional methodologies, it requires a fundamental shift in budgeting. Instead of initially identifying what amount of resources are *needed*, leadership must first determine what resources are *available* (5). Outcomes and results are indeed critical components; however, they only drive this process to the extent of affordability. Hence, leadership must prioritize, spend and accomplish within their means.

To further demonstrate the significance of the concept of living within one's means, David Osborne and Peter Hutchinson describe how a budget process that starts with a realistic understanding of how much (i.e., purchasing power) citizens are willing to pay for the government they desire, not spending programs, has been a springboard for transformation in governments at all levels. In The Price of Government: Getting the Results We Need in an Aga of Permanent Fiscal Crisis, the authors contend that there is no *right* price of government. "There is, however, an acceptable price, which may vary from one jurisdiction to the next depending on wealth, history, culture, and values" and "finding that acceptable price is the job of elected officials" (41). In order to aid in price determination, population and per capita income data can be tracked and used for estimating purposes. The principal message that Osborne and Hutchinson wish to convey…no matter the budgeting methodology used, build a budget constrained by price, where price of government measures government revenues in relation to the economy. Depending on prevailing trends or fluctuating circumstances, the prioritization of expenditures in terms of programs and service delivery can be modified or adjusted appropriately. Another noteworthy characteristic of priority/outcome based budgeting is the involvement of end users during the identification of priorities stage, otherwise known as participatory or civic engagement. By having a good grasp of the will of the people, not only are priorities widely agreed upon, but intended results are legitimized.

Non-Traditional Budgeting Example: New Performance Budgeting

The City of Sunnyvale was the inspiration for the Government Performance and Results Act of 1993 (GPR), and the Office of Management and Budget (OMB) has spotlighted it for its effective approach. In testimony before the Senate Governmental Affairs Committee in 1992, OMB stated the following:

> The City of Sunnyvale, California, stands out as the single best example of a comprehensive approach to performance measurement that we have found in the United States. One underlying reason for the success achieved by Sunnyvale is the fact that every program manager uses the system to plan, manage, and assess progress on a day-to-day basis. (Mercer)

Anticipating an era of limits and scarcity, Sunnyvale preemptively responded by becoming innovative and integrating numerous efforts, which embodied the contemporary interest in performance budgeting. As a city-manager led municipality of about 120,000 at the time of completion, its comprehensive management and budgeting system entailed a 1) a strategic plan that looked five to twenty years into the future, 2) a resource allocation plan, which is a ten year budget to implement the strategic plan; and 3) a two year performance budget that targets specific service objectives and productivity measures linked to the resource allocation plan. As a result of their progress, Sunnyvale experienced the following: 35% to 45% fewer employees deliver most services than do other cities of comparable size and type, lower per capital taxes, a budget in the low-end range, better paid personnel, increased citizenry satisfaction, and from 1986 to 1993, a 38% drop in its costs per unit of service (Mercer).

Non-Traditional Budgeting Example: Multi-Year Budgeting

In the spring of 2000, the City of Auburn took the plunge by converting to multi-year budgeting. At the time, Auburn had a population of approximately 43,000 and a general fund budget of $35 million. It did not have a separate budget department or even one individual dedicated to budget, yet the budget consumed an enormous amount of time for line staff. With the intent of better facilitating long-term planning, the city manager requested the finance director to prepare a classic biennial budget. The classic form is a two-year spending plan where twenty-four months of expenditures are adopted simultaneously. Since the introduction of change is quite a feat, this conversion also required the support of the governing body, chief executive, department heads and other key stakeholders. Once the city manager gained consensus from staff, he took his recommendation to Council for approval. It was well received. The greatest challenges during the entire process centered on schedule and data collection. As for impact, Auburn significantly reduced the line staff required to prepare and review the budget, extended its planning and management horizon, maintained major fund balances, introduced a number of process improvements and experienced additional time savings (Jackson 27).

Non-Traditional Budgeting Example: Priority/Outcome Based Budgeting

Some governments use traditional means to engage the community, such as citizen surveys, focus groups and town hall meetings. In the course of their journey to implement priority based budgeting, the cities of City of Chesapeake, Virginia and Walnut Creek, California capitalized on technology to solicit feedback from residents. Chesapeake asked citizens viewing a result-setting exercise on public access channel to participate online and share their thoughts in real-time on “what does the city exist to provide” (Kavanagh, Johnson and Fabian 7). Walnut Creek setup kiosks in city facilities and asked citizens to participate in a brief survey that helped validate the city council’s established results and to weight the relative importance of those results to the community. Both examples are reminiscent of the creative way that the City of Manor, Texas launched Innobucks--“a platform to encourage people to suggest fixes for city problems” (Newsome 13).

Future Considerations

In the formerly cited examples, each city found strategic and/or financial gains as a result of their transformation, and they illustrated how successful the incorporation of non-traditional budgeting methodologies can be in the mist of economic downturn and turmoil. Interestingly enough, and in this era of “doing more with less,” the role of the government finance officer must evolve as well. "The comfortable role of budget guru, bean counter, or numbers person surrounded by spreadsheets, trend graphs, and databases is quickly being replaced by a new role as the leading expert in terms of the organization's financial health and wellness (Johnson and Fabian 17). Officers have to account for the impact of external economic influences, incorporate long-term objectives and remain flexible enough to assimilate various elements into scenario planning (23). What better, more preemptive way is there to do this than by employing non-traditional budgeting methodologies, especially when one recognizes that traditional practices by themselves are not sufficient?

As a finance officer myself, I have found attempts to transition to non-traditional budgeting extremely challenging and time intensive. One could classify our current budget process as very basic, and quite honestly, lacking in useful information. Kennedale budgets on an annual basis, and we generally do not revisit it as if it were a living document tied to a greater overall purpose. Thankfully, we are in the process of moving to new performance budgeting, and eventually multi-year budgeting for the 2014-2015 fiscal year. Staff has incorporated initial performance measures through the establishment of the Balanced Scorecard, a strategic planning and management system. However, we have yet to link these key indicators to our fiscal budgeting process. It has taken management staff over one year just to assemble data and begin presenting metrics to council. And council required the better half of two years to review, update and solidify their mission, goals and strategic plans.

While I do not envision our city totally abandoning line-item budgeting, I do see us further enhancing our budget process through the simultaneous incorporation of the two aforementioned approaches over the next several years. I have no doubt that Kennedale will see dramatic increases in productivity, as well as an enhanced ability to repositioning itself given the national and global economy. We will be well-suited to respond to and deal with plaguing issues, such as our decreasing sales tax base and increasing capital and maintenance costs. The stakes are high and the sacrifice too great should Kennedale fail to move to non-conventional methods. Traditional budgeting is reactive in nature and does not leave room for change, modification or cost recovery. Notwithstanding an utter shutdown of operations, Kennedale and many other cities like it, stand to lose big if we continue with "business as usual" budgeting, to include insufficient cash flows, lower fund balance reserves, reduced bond credit ratings, loss of grant funding, decreased service levels, perplexing pension issues, poor public trust, general default, etc.

Although cities have led reform efforts over the last century, one would be remiss if the idea of other potential budgeting methodologies or prospects was not discussed. In an article entitled, "Does budgeting have a future?" Allen Schick believes that "the next two decades may bring more fundamental change than occurred in the two previous decades, possibly through broad political and trans-national developments rather than through frontal efforts to alter budgetary procedures" (9). The author puts forth several future methodologies, two of which are plebiscitary and class based budgeting.

Plebiscitary budgeting literally encompasses a direct vote by the electorate of a state, region or other on some question of importance. While residents vote for local elected officials, they usually do not do so directly on the actual budget, unless it surrounds a bond or rollback election. Local residents participate in budget and tax hearings, but Schick supports the concept of frequent, interactive polling, with successive rounds of questioning. Inquiries should begin with broad issues and then narrow to specific issues faced by budget-makers (29). This concept seems to mirror the participatory aspect of priority based budgeting. However, as opposed to just serving in an advisory role, a plebiscite can be an actual decider of budget decisions, in which case, the government is bound to implement voter preference. Through the use of advanced information technology on the internet, residents will literally experience and have access to the budget process at the same time that staff is coordinating it. Real-time. The public can make comments, ask questions, rank order priorities and respond right away to leadership and staff propositions.

Turning budget decision over to a plebiscite would have profound implications for democracy because voters will have a direct channel to express their preferences, but they would also have to be more consistent on budget matters (Schick 29). Not to mention, this type of interactive, on-demand budgeting will provoke interest groups, and the city budgeting process "would come to resemble a permanent campaign, in which the period between elections is filled with government-sponsored public opinion polls, year-round ad blitzes and other efforts to sway voter sentiment and budget decisions" (Schick 30).

Class based budgeting is exactly what it sounds like. In the future, socio-economic classes may become more concerned about whether they are getting a fair share of the budget (Schick 30). Out of this interest, sections will be compiled to reflect a "woman's budget" or a "children's budget," and they will ultimately become more than just supplementary info. They will become authoritative statements deeply intertwined with the budget process and budget itself. Governments will literally decide how much to spend on rich or poor, men or women, young and old, etc. (Schick 31). As an example of how just how worthy these types of classes will be, let us consider "the aging society." In the "Policy Forum: The Effect of Demographic Change on State and Local Government Budgets," the author contends that "the American public is becoming aware that the nation is aging, but doesn't seem to notice the many implications of this trend" (Dye). As policy leaders and financial officials, we cannot ignore the possibility that these implications most certainly will affect both the revenue and expenditure side of the budget. On the revenue side, we have to consider decreases to sales and property tax in terms of spending and homestead exemptions. On the expenditure side, we have to consider increases to retiree medical insurance, pensions and social services.

Conclusion

Budget reform is alive and well at the local level and without much fanfare. From a historical perspective, the emphasis for budgeting methodologies began with control and through the 20th century evolved into planning, prioritization and budget reduction. One could assert that the emphasis now and further into the 21st century will be accountability, efficiency, effectiveness, economy of scale, proactivity and adaptability. Non-traditional approaches, such as new performance, multi-year, priority/outcome based, or any budgeting combination thereof, are essential tools available to leadership to address and accomplish these conditions. It is critical that policy leaders 1) understand and support the fundamental processes associated with whichever non-traditional methodology they chose, and 2) be willing to carry out their decision-making responsibilities in a way that is consistent with that philosophy.

During her presentation to CPM students, Lynda Humble stressed over and over again the absolute necessity for local government to "do it better than the rest of government so as not to be seen as going along with it" (Humble). In light of the most recent federal stalemate, complete with its endless charades and antics, there is no wonder the average citizen believes that the system is broken. Unfortunately for cities, the animosity and indifference felt towards higher levels of government only seems to trickle downward. And on top of the vast array of direct and indirect economic pressures affecting municipalities, the "new normal" of declining revenues and increased expectations through spending is here to stay. Because of this, it is paramount that cities continue to lead the way as they have in the past by experimenting with and transitioning to non-traditional budgeting approaches.

It is important to recognize that the budgeting process is not solely for or about government--g*overnment's role: be the host, don't try to be the life of the party*. A party host, by contrast, is inside the experience (affecting and being affected), invested in the outcome, bringing people to the party and energy to conversations. The greatest danger in not doing so or in keeping with "business as usual" is figuratively a slow (or quick) death. Either way, it will not be painless. There is no wonder some cities have filed for bankruptcy and/or experienced mass desertion by their residents (e.g., San Bernardino, Stockton, Detroit, Town of Mammoth Lakes, Harrisburg, Central Falls). Many cities have already transitioned over to an "effective" budgeting process, and others are in the works. One can only hope that local leadership is visionary and remains steadfast during budget reform efforts, for change is not a one-time event. If anything, constant change is the "new normal" (Humble).

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