

## **Community Participation in the Budget Process**

*Excerpted from Manual for Participation in the Budget Process, Office of Community Board Relations, Office of Management & Budget, Office of the Mayor.*

### **Summary of Community Board Participation in the Budget Process**

Under the City Charter, community boards are given a broad range of responsibilities for advising the City about local budget needs and priorities. The Charter mandates that the community boards consult with agencies on the capital and expense budget needs of the district, hold public hearings, prepare capital and expense budget priorities for the next fiscal year and react to the funding choices presented in the preliminary budget. To meet these mandates, a dynamic formal structure was created, which allows the City's communities to make their needs known to agency decision makers and the Mayor. This assures that local neighborhood opinion is considered when the City allocates its resources and services.

The Office of Community Board Relations within the Office of Management and Budget (OMB), oversees procedures that assure community boards actively and effectively participate in forming the City's budgets. The following outlines the essential feature of this process.

### **The City's Budget**

New York City's budget year begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>. The total budget consists of three components. First comes the *Revenue Budget*, which is the City's best estimate of how much money will be available during the fiscal year to support operating expenditures and capital improvement projects. These include all tax and non-tax funds expected to be received during the fiscal year.

The *Expense Budget* covers all the City's day to day operations, such as salaries and supplies as well as debt service. It is supported by City taxes, fees and other local revenues as well as state and federal aid. The *Contract Budget* lists categories of contractual services.

The *Capital Budget* covers the cost of the City's long-term construction program, purchases of land and large equipment. Reconstruction of streets, sewers, parks and buildings are examples of capital projects. Capital budget items are financed by the sale of municipal bonds as well as by state and federal grants.

The *Community Development Program* allocates federal money for long-term physical improvements, public services and related activities that chiefly benefit low- and moderate-income persons.

### **An Overview of the Community Board Budget Process**

As representatives of local communities, boards are most concerned with City Spending that affects the quality of life for residents and workers in their districts. The process by which the community boards participate in formulating the City's budgets has six major elements, which represent a real opportunity for boards to impact the decisions that are made about projects and programs for their community.

*1. Consultations between the community boards and City agencies that deliver local services.* From May through early October, community boards have two formal opportunities to consult with agency officials about budget needs and the funding of programs and projects. The agencies that formally consult with the boards are the Department of Aging, Buildings, Business Services/Economic Development, Administration for Children's Services, Environmental Protection, Fire, Human Resources Administration, Homeless Services, Housing Preservation and Development, Parks Police, Sanitation and Transportation. Consultations take place at the two levels described below. These formal meetings give both the agencies and the boards an opportunity to openly discuss the criteria used in making difficult spending choices.

*District Level:* In late Spring, district managers and committee members meet with the agency's local representatives to discuss the needs of the district, the current level of service delivery and the resources needed to meet those needs.

*Borough Level:* During September and early October, boards in each borough meet with agency commissioners to discuss long-range needs, important budget requests, operational issues, agency policy choices and fiscal constraints. Borough consultations let community boards present their needs and budget suggestions while at the same time letting top agency decision makers explain the difficult spending choices they must make in times of fiscal constraints.

*2. Public Hearings held by the Community Board.*

Community Boards hold at least two public budget hearings each year.

*September/October:* At the time the Board is developing specific budget priorities to submit to City agencies, the public has the chance to identify community district needs and the board gets community input.

*January/February:* An opportunity for the public to react to the policies in the just released Preliminary Budget. This hearing forms the basis for the community board's *Statement on the Preliminary Budget*, which tells City officials how the community feels about the City's budget choices.

*3. Formal Budget Submissions.*

By the date announced by OMB, usually late October, boards formally submit their budget requests to City agencies and OMB as the agencies begin preparing their next year's budget. Both the capital and expense budgets impact on community districts so community boards develop and vote separate priorities for up to 40 capital requests and up to 25 expense budget requests. Budget submissions consist of three components:

- i. Requests for funding in the *Capital Budget* for physical improvements to the City's infrastructure and public facilities, for land acquisition and major equipment.
- ii. Requests for funding in the *Expense Budget* for programs and personnel.
- iii. *Community Board Service Program Rankings* where boards indicate the general

importance of services to their community by ranking 85 programs provided by 26 agencies.

#### *4. Agency Review of Board Budget Requests.*

After community boards submit their requests, City agencies review them thoroughly. Agency funding recommendations are reflected in the City's Preliminary Budget and Departmental Estimates which are published by January 16<sup>th</sup>. Agency responses to each community board budget request are published by OMB in the *Register of Community Board Budget Requests for the Preliminary Budget*. Boards then have the opportunity to respond to agency decisions in their *Statement on the Preliminary Budget* which is due one month later.

#### *5. OMB Review of Board Budget Requests.*

For the Mayor's Executive Budget published on April 26<sup>th</sup>, these same budget requests are evaluated by the OMB. OMB funding recommendations are published in the *Register of Community Board Budget Requests for the Executive Budget*.

#### *6. Public Hearings at which the Boards Testify*

Testifying lets the boards try to advance projects which were not recommended by the agencies or the Mayor's Office of Management and Budget.

*February:* Hearings held by the Borough Boards prior to submitting Borough Board Budget Priorities and Borough President submissions to the Executive Budget.

*March and May:* City Council hearings on the Preliminary and Executive Budget.

*The Register of Community Board Budget Requests for the Adopted Budget*, which reflects the outcome of Community Board budget requests, is published after the City Council finalizes the budget.

### **Assessing Community District Needs**

Community board participation in the budget process is a year-round activity. Even before the budget is adopted, the simultaneous process of considering budget requests for the next cycle year begins.

Assessing community needs is one of the most important and useful activities performed by community boards in determining the district's service and budget requests. This should be an on-going activity which requires the involvement of each board member and committee. Personal observations, published surveys, public hearings, discussion with local service chiefs and the use of community records as minutes from the District Service Cabinet and the other district office complaint log can help in identifying patterns or areas of problems within the community.

The board can then determine if the identified problem can be addressed by reallocating existing resources or through a request for capital or expense budget funds. Throughout this process, an

understanding of overall City and agency funding priorities and constraints will help your board as you match board budget proposals to available funds.

The board's long-range needs are presented to City decision makers in the *Statement of Community District Needs*, which is published by the Department of City Planning within a framework of information detailing demographics and community facilities.

### **Geographic Information for Community Boards**

The more the boards know, the more effectively they can participate in developing the City's budgets. To this end, OMB publishes expense budget and service information sorted two ways – by agency and by district. The first gives the Citywide picture for the agency and the second shows community and borough allocations of money, people and equipment. Boards can find out the number of people assigned to their district, what they do, how much they are paid, the equipment assigned to the district and contract services for agencies which provide local level services. Indicators of agency performance are also included. This information is found in the *District Resource Statement* and the *Geographic Reports for the Expense Budgets*.

OMB also publishes several forms of geographic capital information so that community boards know which projects are being funded in their districts, how much they will cost and when implementation is planned for each phase of the project. The *Geographic Reports for the Capital Budget* are published with the release of each budget phase. The *Capital Commitment Plan* details the projects planned for the next four years. The *Geographic Capital Project Detail Data Report* breaks down each capital budget project into its component parts. The Planning timing and the cost of each phase of a project is available to the community boards.

Combining formal budget participation mechanism with increased availability of geographic information gives the community boards the opportunity to influence agency and OMB budget decisions about the allocation of scarce resource.

### **Budget Process Timeline for Community Boards**

#### ***June - November: Needs Assessment / Budget Preparation***

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| June 5        | City Council adopts Budget for fiscal year beginning July 1 <sup>st</sup>                                   |
| June – August | Community Boards review district needs – Boards assess community needs to prepare District Needs Statements |
| June – July   | District consultations take place between local service chiefs of City agencies and Community Boards        |

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| Early July   | Reservations for Borough Consultations are submitted by all Community Boards to OMB's Office of Community Board Relations (OCBR)   |
| Mid-July   | Agendas for Borough Consultations are submitted by all Community Boards to OCBR  |
| By Late July                                       | Agency policy statements are submitted to OCBR   |
| August   | Budget consultation materials are sent to Community Boards and agencies; District Needs Statement are submitted to City Planning   |
| Early September                                    | Budget request forms and instructions are sent to Community Boards   |
| September – Early October                          | Borough consultations take place between Community Boards and agencies   |
| September - October                                | Public hearings are held by Boards in their communities on budget requests and district needs  |
| Late October                                       | Final budget requests with priorities are sent to OMB at least 30 days prior to departmental estimates due date.   |
| <b><i>November – March: Preliminary Budget</i></b> |  |
| Early November                                     | Budget requests are sent to agencies by OMB for evaluation as part of the departmental estimates   |
| November, first week                               | Public comment period for proposed Consolidated Plan (includes Community Development, Emergency Shelter grants, AIDS housing, and the HOME program) held by City Planning Commission |
| By November 15                                     | City Statement of Facility Needs distributed; Community Boards and Borough Presidents may respond within 90 days; Consolidated Plan sent to US HUD                                   |

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| Mid-December   | Budget requests are returned by agencies to OMB with response   |
| January 16   | Distribution of Mayor's Financial Plan and Preliminary Budget includes agency departmental estimates; Register of Community Board Budget Requests are sent to the Boards. Includes agency funding recommendation for Community Board requests |
| February   | Agency heads write to Boards to explain negative responses to budget requests   |
| By February 15                                       | Public hearings are held by Boards on the preliminary budget; Statement on the Preliminary Budget (letter of comment) is sent by Boards to Mayor, City Council, Borough Presidents and Borough Boards   |
| By February 25                                       | Borough Board public hearing on preliminary budget; Statement of Borough Board Priorities submitted prior to Borough President's executive budget submission  |
| By Late February                                     | Community Board operating budget is prepared by Board and submitted to OMB  |
| By March 10  | Borough President's Capital and Expense Budget Allocations are submitted (5% share) to Mayor and City Council for inclusion in the executive budget; Borough Presidents' recommends changes to the preliminary budget                         |
| By March 25  | Public hearings on the Preliminary Budget are held by the City Council  |
| <b><i>April – July: Executive/Adopted Budget</i></b> |   |
| By 2 <sup>nd</sup> Week of April                     | Public hearings on the needs and priorities of the next Consolidated Plan year and prior year performance - held by City Planning Commission  |

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| April 26   | Executive Budget released by Mayor;<br>Register of Community Board Budget<br>Requests (including OMB Budget<br>recommendations sent to the Boards;<br>Proposed City Fiscal Year Community<br>Development Program budget it sent to the<br>Boards |
| May 3      | Borough Presidents modify executive<br>budget borough allocations (5% share) when<br>necessary   |
| By May 6   | Borough Presidents modify Executive<br>Budget Recommendations when necessary   |
| By May 25  | Public Hearings on the Executive Budget are<br>held by the City Council  |
| May - June | Mayor writes to Boards to explain negative<br>responses to budget requests   |
| June 5     | Budget is adopted by the City Council  |
| July 1     | Fiscal Year begins   |
| July       | Mayor updates Financial Plan, 30 days after<br>adoption  |
| August     | Borough President may propose reallocation<br>of personnel and resources   |