

**Mark Mack and Chris Adams, “Thick versus Thin how technology can improve public involvement in the budget process.”**

Unlike the federal government, state and local governments are subject to the constraint of a balanced budget (Willoughby 2014, 105-106). While the definition and the mechanics of how that balance is reached vary widely across the country, the result is that expenditure choices must be made (Rubin 2017, 148). As part of making these choices, many state and local governments look for ways obtain public input through engaging the public in the budget process (Willoughby 2014, 20).

To obtain public engagement in the budget process, there are five basic mechanisms including the use of budget simulations (Mack and Adams 2018, 21). The use of simulations not only allows for public input into the budget, but also for educating the public on the budget (21). In the 1990’s use of such simulations, while successful, was a labor intensive, time consuming manual process (22-23). However, the last 30 years have ushered in a plethora of new technologies that allow for streamlining and automating the inclusion and use of budget simulations (23-24). Today, the availability of such tools, including affordable cloud-based applications, provide several options for incorporating online budget simulations as a routine part of public engagement in the public budgeting process (24-25).

**Elizabeth Fu, “Forecasting Technology The State of the Market.”**

As noted by Willoughby, including a long-term, multi-year budget analysis is one of recommended “best practices” by the Government Finance Officers Association for financial management and public budgeting (Willoughby 2014, 315). Including accurate, transparent, and complete long-term budget forecasts is part of the foundation of good public budgeting (315-316). However, such forecasting of revenues and expenditures is not simple and it is subject to politicization (316). Having good tools available to facilitate forecasting, therefore, is essential for public financial managers (Fu 2014, 54).

Today, technology provides a wide variety of forecasting tools for public managers (Fu 2014, 54). Some of the technology tools such as Excel Analysis ToolPack are widely available for low to no extra cost and provide more common, basic forecasting tools (54-55). Other technology options including forecasting-specific solutions provide greater analysis capabilities (55-56). However, having good forecasting software is only part of fulfilling the public agency’s forecasting responsibilities (57). While the available forecasting technologies provide for a more efficient process, the public financial manager must also have accurate and sufficient data and a good understanding of forecasting and the tool being used (57-58).

**Betty Meyer, “Researching Efficiency in Local Governments.”**

Since the 2007 recession, many local governments have found themselves in a pressure cooker of reduced revenues and increasing expenses (Rubin 2017, 215-216). These two competing factors continually require local governments to find new ways to balance their budgets and close budget gaps (Meyer 2016, 23). One such way of gaining revenue and reducing expenditures is through improved efficiency and effectiveness (23). As Willoughby notes, this focus on efficiency is one of the four key principles for a solid tax policy (Willoughby 2014, 342).

In order to take advantage of improved efficiency and effectiveness, the public agency must be able to identify areas that could benefit from improvement (Meyer 2016, 23). Meyer, in her article, outlines five steps for governments to follow in researching how to gain efficiencies (24-25). The idea is that these five research steps may be applied to analyze a myriad of government service areas to make data-driven decisions on how to gain increased efficiencies and effectiveness at lower costs (23). The end result of such actions is to obtain a balanced budget and “a well-managed government” (26).

### **John P. Decker, “Reading Past the Executive Summary How Public Executives Can More Actively Engage Big Data.”**

Today, in the era of “Big Data<sup>1</sup>,” data is an ever-growing component of public financial management and budgeting (Decker 2016, 11). As Decker notes in his article, accessing and using such data allows for better financial management through better budgeting and forecasting (12). For example, this use of data as an integral part of financial decision making is shown in each of the three articles referenced above. However, much like using forecasting software does not automatically result better forecasting, having access to such large amounts of data does not, by itself, result in better financial management (Decker 2016, 13).

Big Data is a tool to be used by the public financial manager, but that manager needs to understand the tool in order to successfully make use of it (Decker 2016, 13). As the name of the Decker’s article implies, financial managers need to go beyond the summary of the data to analyze its source and understand the proposed analysis (13-14). Only by going beyond the summary and exercising judgment and expertise will financial managers be able to make sound decisions based on the data available (14).

### **Conclusion**

The above four articles show that public entities are continually trying to improve their budgeting process whether through improved public participation, better forecasting, improved efficiency, or better use of data. This desire to improve the budgeting process and efficiency is also repeated throughout the Willoughby and Rubin texts. Specifically, Willoughby’s discussion of the history of the federal budget process in Chapter 3 and the history of state and local government budget processes in Chapters 4 and 5 show the continual pressures and resulting budget changes throughout all levels of government (Willoughby 2014, 95-151). Rubin also includes the recurring issue of reform as one of the common budgeting themes throughout each part of the budget process (Rubin 2017, 301).

An additional common theme encountered during our regular class readings and three of the four articles is the role technology is able to play in providing better budgeting techniques and outcomes. However, the articles also make clear that while technology is a tool that can improve the budgeting process it is not, by itself, the solution to budgeting well (Fu 2014, 57; Decker 2016, 14). Financial managers must still use their expertise to understand how the technology works, its limits, and the data utilized (Mack and Adams 2018, 23; Fu 2014, 57; Decker 2016, 14).

As a transactional attorney focusing on technology contracting for various public entities the second theme stood out to me the most. I have seen examples where a public entity effectively used technology

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<sup>1</sup> “Big Data” is a generic term used to describe the extremely large and ever-growing amount of electronic information available from many different sources on many different topics ( Decker 2016, 11).

to provide a more comprehensive and efficient outcome. I have also seen examples where lack of understanding and expertise led to failed technology implementations.

## References

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