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Local Budgeting and Public Participation: Contextual Predictors of State Laws Mandating Public Input

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Abstract
This paper examines the political, economic, and institutional variables associated with the presence of state laws that mandate the use of public input in local budgeting. The results show that political and institutional variables can help explain the presence of such laws, but the relationships between variables of interest shift depending on whether laws aimed at cities or counties are the focal point and on which types of public input methods are under consideration. The implications for both theories of public participation in budgeting and intergovernmental relations are discussed within.

Keywords: comparative methods, intergovernmental relations, local budgeting, public participation, state policy

Introduction

Direct public input into budgeting at the local level has been a topic garnering sustained attention over the years. Theories of public budgetary input point to the normative aspects of increasing the level of input into public decision making on this topic (i.e., it is desirable in a democracy to increase public participation), to suggest that public budgetary input can provide officials with important insights on policies (Ho and Coates 2002), and can increase political support for and public knowledge of decisions regarding public budgets (Ebdon and Franklin 2004).

Two lines of research have attempted to increase our understanding of the factors that predict whether local governments employ public input techniques. First, because public input can be solicited by localities on their own without state requirements mandating they do so, researchers have examined the structural factors that predict whether localities work to secure public input on budgetary decisions (e.g., Ebdon 2000). Second, as states use their authority to legally require cities and counties to use formal methods to foster public participation in budget decisions, researchers have begun to classify the various public input methods required by states (e.g., Berner and Smith 2004).

The purpose of this paper is to integrate and extend both lines of research by exploring the factors that predict the extent to which states legally require localities to engage the public

when making budgeting decisions. Specifically, this paper seeks to identify the contextual state-level factors that predict: (1) the presence of state laws regarding public input and local budgeting and (2) the types of public input methods that states require cities and counties to use in this policy domain. This is done by drawing upon the work of Berner and Smith (2004), who reviewed the legal requirements for incorporating public input into local budgeting for each of the fifty states. Using their measure of state-level requirements for public input into local budgeting as a dependent variable, and by taking advantage of the comparative approach to the study of state laws (e.g., Jewell 1982; Miller 2004), this paper explores the political, economic, and institutional factors that explain the variation in the numbers and types of state laws that place public input requirements upon local governments.

As such, the results of this inquiry highlight the intergovernmental links between state and local levels, as they pertain to local budgeting issues. Because public input into local budgeting is most consistently achieved when state laws mandate its use (Berner 2004), the findings of this analysis constitute a modest, yet important, contribution to theories of public participation in budgeting (e.g., Ebdon and Franklin 2006) by providing evidence regarding which state-level variables predict whether states mandate direct public input into local budgeting decisions. More broadly, because local budget decisions are only one of many important local policy decisions that are conducive to public input (see Daley 2008 for another example), this paper may also provide information about the factors that are associated with broader state efforts to foster public input and transparency in government at the local level.

Public Input into Budgeting Decisions

There are a number of ways in which public input can be gathered at the local level on issues of public importance (Arnstein 1969; Kathlene and Martin 1991), and as Roberts (2004) notes, the use of direct public input into administrative decisions has increased in recent years. In the realm of public budgeting, a range of techniques have been cited in the literature as methods that are typically employed outside the purview of state laws. Locales, either through self-imposed laws or through more idiosyncratic approaches, have utilized public hearings, citizen panels, and open meetings to gain the public's insight into budgeting decisions (Berman 1997). While not traditionally considered within the realm of public input activities, public opinion surveys have become a commonly used input technique, with a small body of research developing around the analysis and use of such surveys (see Miller and Kobayashi 2000; Van Ryzin and Immerwahr 2004, 2007). More recently, cities have taken advantage of technological advances to engage the public in budgeting decisions through interactive Web activities (Robbins, Simonsen, and Feldman 2008).

But while locales have taken the initiative on a number of different public participation fronts, public participation into local governmental budgeting is achieved most consistently and systematically when required by state law, as very few localities make efforts to elicit public input above the levels required by state laws (Berner 2004). Within the domain of such laws that require localities to obtain public input for budgeting, there are a number of commonly required approaches. In their review of the laws, Berner and Smith (2004) identified six different types. The six are: (1) placing the proposed budget on file for public inspection; (2) notifying the public that the proposed budget is available for inspection; (3) publishing the proposed budget and/or its summary; (4) providing notice of a public hearing on the budget; (5) holding a public hearing on the proposed budget before final action; and (6) publishing the final budget after adoption.

The authors found wide variation in the numbers and types of laws that exist in each state, as well as variation in whether those laws are aimed at cities or counties. Florida, for example, has the highest overall number of requirements for cities, as it requires cities to use all six public input techniques. In contrast, California, Delaware, Maine, Massachusetts, and

Table 1. Crosstab: Number of States and Frequency of Public Input Requirements[a]

	Number of state requirements for public input						
Number of states with each number of requirements[b]	0	1	2	3	4	5	6
City public participation laws	7	2	5	13	12	9	1
County public participation laws	3	4	5	13	13	11	0

a. Adapted from Berner and Smith (2004).
b. City information for Hawaii and County information for Rhode Island was not included in the analysis because each was left out of Berner and Smith's analysis.

Missouri have no (0) requirements that cities engage the public regarding budgetary issues. With regard to laws aimed at counties, zero states require that counties use all six methods, though eleven states require that counties use five of the six techniques. Three states have no (0) public input requirements for counties (See Table 1).

The considerable variation in numbers of requirements placed on localities by the states in this particular context begs the question, ''What variables can help explain the propensity of states to adopt public participation laws for local budgeting?'' As noted above, Ebdon (2000) has examined the contextual factors at the local level that are related to public participation techniques. But currently, there is little in the literature that would provide a strong theoretical basis for identifying such variables as they relate to state laws mandating public participation into local budgeting. As a result, scholars are not in a position to say whether the adoption of such laws is due to political, economic, or institutional factors, and are, therefore, prohibited from developing theories to explain why states adopt public participation laws aimed at locales. To address this gap in the literature, an effort to identify the factors related to state public participation laws is undertaken here.

Data and Method

There is a long tradition in political science research that has taken what some researchers have termed the ''policy-adoption research'' (Daley 2008). Typically, this research has relied upon a comparative approach (Jewell 1982) to help explain state-level policy adoption through the use of internal determinants, or has relied upon policy diffusion to explain policy adoption across states (Nicholson- Crotty 2009). The research focusing solely on the internal state determinants has shown that variation in a wide variety of state-level policies can be explained by institutional factors, political factors, and economic factors within states. Drawing upon this analytic approach, this paper employs regression techniques to explore the factors that help explain why states have requirements that localities attempt to gather public input into local budgeting decisions, as well as to explain the factors that predict which types of public input are required.

Dependent Variables

Berner and Smith measured the presence of state public participation laws during the years 1999–2000. Using this information, a pooled time-series data set is created that uses the Berner and Smith classifications as the dependent variable. In particular, the dependent data from 1999 to 2000 is extrapolated to the years 2001–2006 to provide for an analysis that spans eight years for each of the fifty states (n = 400). While extending the analysis through 2006 increases the variation in the variables of interest, it also calls into question whether there have been major changes in state laws from 1999 to 2006. While this is an apparent weakness of this approach, it is only problematic if state laws have become less restrictive in their requirements over this period, which is unlikely in light of the general nation-wide movement toward the use of public input for policy decisions. Further-

more, an effort was made to identify whether states had repealed public participation laws on the books. Using LexisNexis, as the primary search tool, it appeared that no such laws were repealed during this time. With the state-year as the unit of analysis, then, the Berner and Smith classification scheme is used to develop two types of dependent variables.

The first dependent variable represents the number of public participation laws required of cities and counties in each state across each of the eight years under consideration. Recall that Berner and Smith's (2004) classification ranges from 0 to 6 where ''0'' represents the absence of state requirements that locales employ public input techniques and ''6'' represents a situation where a state requires localities to use all of the tools Berner and Smith identified. Florida, for example, requires that its cities use all six types of public input identified by Berner and Smith. In the Florida case, the dependent variable for the model predicting legal requirements for cities is scored as a ''6'' across each of the eight years in the data set. Florida counties are required to use five of the public input methods. Therefore, in the model predicting the number of laws aimed at counties, the Florida county dependent variable is scored as a ''5'' across each of the eight years.

The second set of dependent variables represents each of the six types of public input laws that each state requires of its cities and counties. These models are developed since each of the six types of public input laws required by states is qualitatively different from the others. For example, state requirements that localities simply notify residents of the availability of the budget are considerably different than requirements that localities hold a public hearing. Once again, in this set of models pooled time series data sets are used with the state-year as the unit of analysis (again, fifty states across eight years). For each year, a state is coded ''1'' if a particular type of public input requirement exists; it is coded ''0'' if it does not exist. Thus, twelve logistic regression models are developed (six predicting the presence of the six types of city-specific laws and six predicting the presence of county-specific laws) to estimate the impact each of the independent variables has upon the presence of each type of public input law. The results of these analyses will supplement the analyses described above and will provide a greater understanding of how each of the predictor variables is related to various types of public input requirements for cities and counties.

Political Variables

A number of political variables have commonly been used to predict the adoption and presence of state policies. For example, party competition and the partisan composition of state legislatures has generally been shown to impact policy adoption (Gray 1974; Garand 1985; Barrilleaux 2000; Holbrook and Van Dunk 1993), with more heavily Democratic states serving to adopt relatively liberal policies (Erickson, Wright, and McIver 1989). In the present analysis, a number of political variables are employed to control for this effect. First, a control for the Democratic proportion of state legislatures is introduced. This variable provides a general indication of the party makeup of the state government and has been found to be related to the adoption of public input laws in other policy contexts (Daley 2008). Second, party competition is examined. This measure is based on the Ranney measure of party competition (Ranney 1965). This variable is an index of partisan control of the governorship and legislature, the length of time each party controls each institution, and the proportion of time that party control has been divided between the two branches of government. With this measure, higher numbers represent higher levels of competition (see Bibby and Holbrook 2004 for complete description of the index). Because this variable is measured over time and covers both the governorship and legislature, it is distinct from the Democratic proportion variable described above; indeed the correlation is low and nonsignificant (r = .027, n.s.). Third, the proportions of African Americans and women in state legislatures are included in the models. Research has shown that both variables can help explain state adoption of various policies, with high proportions of both groups being associ-

ated with more progressive policy adoptions (Oreyet al. 2006). Finally, the commonly used Berry et al. (1998, 2007), measure of citizen liberalism is employed. Here, too, larger numbers represent higher levels of citizen liberalism.

Because relatively little research has examined the political factors that predict higher levels of public participation, it is unclear whether public participation laws are more likely to be in place in liberal or conservative states as it is not apparent whether such laws themselves should be considered liberal or conservative in nature. However, other scholars have posited that political culture can affect public participation requirements such that moralistic political cultures (e.g., Elazar 1966) are more likely to encourage public participation (Ebdon 2000). Drawing on this line of research, it is posited that states with more heavily Democratic legislatures will be more likely to have public participation laws on the books (though see Daley 2008) and that the presence of women and African Americans in state legislatures, in conjunction with a more liberal citizenry, will also positively impact the likelihood of such laws being in place.

Economic Variables

A number of economic variables have been found to influence state policy adoption in a variety of contexts (Sharkansky and Hofferbert 1969; Boehmke and Witmer 2004; Sapat 2004). Because state and local budgets are directly linked to economic circumstances, a number of economic variables are included in the models. First, to control for the overall economic health of a state, median income and per capita state gross domestic product (GDP) are introduced into the model. Median income is designed to control for individual wealth within states, and per capita GDP is intended to provide a general indication of the economic health of the states. Second, to capture the overall spending of states, per capita state expenditures are included. Finally, two measures of states' tax efforts are included. The two variables are state and local tax revenue as a percentage of personal income, and state and local tax revenue per capita. Since budgeting decisions are primarily driven by the revenues available to governments, it is reasonable to include both variables. Though the two variables are highly correlated (.629), each measures distinct aspects of taxation: tax revenue as a percentage of personal income measures tax revenues in relation to the overall economic health of families, while tax revenue per capita measures gross tax revenue relative to the state population. Because of the lack of extant research in this area, it is difficult to predict directional relationships between economic variables and the states' propensity to mandate public input at the local level.

Institutional Variables

Previous researchers have found that government structure may be related to public input for public budgets. Specifically, research has shown that cities with council-manager systems are more likely to employ such practices (Ebdon 2000). Because the present inquiry is focused on state-level factors that predict public input activities, and because state-level institutions do not vary in the same ways as local-level institutions, it is not possible to use a control for institutional design in the models. Nonetheless, it is reasonable to assume that state-level institutional factors will impact the likelihood of states having various laws in place.

Thus, two institutional variables are included in the model. The first variable, legislative professionalism, is borrowed from Squire (1988, 2007), who developed the measure based on three different dimensions of state legislative activity. The second institutional variable is gubernatorial institutional power. This measure is drawn from Beyle (1968), who measured overall institutional power based on governors' budget powers, appointment powers, tenure potential, veto power, and personal powers. Through both the legislative professionalism variable and the gubernatorial powers variable, one might expect a relationship between the institutional powers available to state-level actors and their willingness to place legal requirements upon localities in their own states. Specifically,

the professionalism of state-level institutions may lead to the professionalism of local institutions through mandates such as open meeting requirements and other laws that mandate systematic processes to be used for local budgeting.

Other Contextual Variables

Two contextual variables are included in the models. First, the population of each state is included in the models to control for the propensity of more populous entities to use public input activities for budgeting purposes. In her examination of the factors that predict the likelihood of local governments to use public input, Ebdon (2000) found that locales with higher populations are more likely to adopt procedures to ensure public input into public budgets. Therefore, it is hypothesized that more populous states will be more likely to have more numerous public input laws in place. Also, the turnout rates for state elections are included. Because voter turnout is a direct measure of public participation in regularly scheduled electoral events and greater voter turnout can serve as a proxy for civic engagement, there may be a positive relationship between a states' voter turnout and their propensity to have public participation laws on the books. Descriptive statistics for each of the independent variables and correlations between all of the independent variables are available from the author upon request.

Methods and Results

Predicting Number of Public Input Laws

Using a pooled time-series data set, Poisson regression is employed to predict the number of laws requiring public participation in city and county budgeting for each of the states. The regression results predicting state laws aimed at cities are presented in model 1 in Table 2 and the results of the model predicting laws aimed at counties are presented in model 2. Beginning with model 1, a number of interesting relationships immediately are seen. Most notably, the relationship between Democratic control and the dependent variable is negative suggesting that more numerous public input laws are more likely to exist in those states with fewer Democrats in the legislature. Based on the results, a 1 percent increase in the Democratic proportion leads to a .019 decrease in the number of public participation laws aimed at cities; thus, an increase of about 50 percent in Democratic proportion would reduce the number of public participation laws by about one. In contrast, the citizen liberalism variable approaches conventional levels of significance, suggesting that party control is more strongly related to the presence of public input laws than is the liberalism of citizens. Additionally, state partisan competition is a highly significant predictor in the positive direction.

Among the economic variables, per capita GDP is statistically significant in the negative direction. The two variables related to state and local taxation tell an interesting and somewhat puzzling story, as state and local tax revenue as a percentage of personal income has a negative coefficient, while tax revenue per capita is a positive predictor of state public participation laws. In particular, a $1,000 increase in tax revenue per capita leads to a .234 increase in the number state public participation requirements for cities, while a 1 percent increase in taxes (as weighed against personal income) leads to a .085 decrease in the number of public participation laws. Together, the two results suggest that higher tax revenues per capita are positive predictors of public input laws, but that higher tax revenues as a proportion of personal income are negatively associated with the presence of public participation laws for cities. Finally, in model 1, only one of the two contextual variables—voter turnout—is significant and negative, thus running counter to the expected relationships outlined above.

Moving to model 2 predicting the presence of state laws specific to counties, it is clear that the independent variables do a much better job at predicting county laws as eight of fourteen independent variables reach significance, compared to six variables that reach conventional levels of significance in model 1. Furthermore, the pseudo R^2 in model 2 (.095) is considerably larger than that in model 1 (.054), though both are relatively small.

Table 2. Poisson Regression Analysis Predicting the Number of State Public Participation Requirements for Local Budgeting[a]

	Model 1			Model 2		
	Count of city public participation laws			Count of county public participation laws		
Variables	*B*	SE	Sig.	*B*	SE	Sig.
Political						
Dem. Leg. proportion	–.019	.002	.000	–.012	.002	.000
Black proportion	.006	.005	.272	–.027	.004	.000
Women proportion	.003	.004	.451	–.011	.003	.000
Citizen liberalism	.004	.002	.054	.001	.002	.644
Party competition	.020	.004	.000	.017	.003	.000
Economic[b]						
Median income	–.008	.006	.157	–.001	.005	.770
State GDP	–.028	.010	.004	.021	.003	.000
State expenditures	.026	.027	.341	–.039	.022	.074
Tax revenue as % of personal income	–.085	.041	.040	–.060	.026	.023
Tax revenue	.234	.116	.043	–.041	.072	.574
Institutional						
Legislative professionalism	.002	.004	.501	.019	.002	.000
Gubernatorial institutional powers	–.043	.072	.547	–.301	.052	.000
Contextual						
Population	–.009	.007	.192	–.003	.004	.436
Turnout	–.005	.003	.046	.000	.002	.971
Intercept	1.856	.601	.002	1.736	.359	.000
Pseudo *R*2	.054			.095		
Likelihood ratio Chi-square	81.709 ($p < .001$)			135.699 ($p < .001$)		
N[b]	384			384		

a. All economic variables are chained at 1999 levels. State GDP, State Expenditures, and Tax Revenue are all measured per capita and reported in $1000s of dollars.

b. City information for Hawaii and County information for Rhode Island was not included in the analysis because each was left out of Berner and Smith's analysis. Further, Nebraska was not included in the analysis because of its non-partisan and one-house state legislature.

Again, the proportion of Democrats is negatively associated with mandatory public input laws for counties, though the coefficient (–.012) is not as large as in model 1. Unlike in model 1, however, the legislative proportion of Blacks and women is negatively related to the presence of public input laws for counties. For Blacks, a 1 percent increase in legislative proportion leads to a .027 decrease in the number of public participation laws for counties; therefore, just over a 30 percent increase in Black legislative percentage would lead to a one unit decrease in the number of public participation laws, holding all other variables constant. There is a similar effect for the proportion of women in a legislature, though the coefficient is not as large (–.011); here, about a 90 percent increase in the proportion of women would decrease the number of county-specific public participation laws by one unit. Once again, party competition is positively, significantly related to the presence of state public input laws applicable to counties. Among the economic variables, state GDP again reaches statistical significance. However, in this situation, the direction of the coefficient is flipped from model 1 suggesting that state GDP has the opposite predictive effect upon the number of county-specific laws as it does upon laws applicable to cities. Once again, tax revenue as a percentage of personal income is significantly, negatively related to the number of public input laws for counties.

The two institutional variables included in model 2 both significantly predict the presence of county-specific public input budgeting laws, though they move in opposite directions, with legislative professionalism strongly predicting the presence of public input laws and gubernatorial institutional powers negatively related to the number of such laws. As discussed above, it was expected that both institutional variables would be positively related the presence of public participation laws. Several possibilities for these observed relationships will be offered below.

Predicting Types of Public Input Laws

Next, the relationships between the independent variables of interest and the types of public input laws that are required of cities and counties are examined. Because the dependent variables in this analysis are the presence of each of the six types of public participation laws aimed at cities and counties, logistic regression is used. Table 3 contains the findings of the six regression models predicting the presence of each of the six public participation laws aimed at cities. To assist interpretation of the findings, each of the six types of requirements are arrayed, in general, from less restrictive on the left to more restrictive on the right. For example, placing the budget on file for inspection and providing notice of its availability is generally a simpler and less stringent task for local governments than publishing the budget, holding public hearings, or printing the final budget in a media outlet.

Immediately, the results show some similarities to the models examined in Table 2. Most noteworthy, perhaps, is the finding that Democratic legislative proportion is a significant, negative predictor of five of the six state public participation laws directed at cities: placing the budget on file for inspection, making public the notice of availability for viewing, publishing the budget or a summary, providing a notice of a public hearing, and actually holding a public hearing. Recall that in Table 2 Democratic proportion was a significant negative predictor of the number of both city- and county-specific laws. Thus, because in this set of models Democrats are negatively associated with the different public input laws, there exist convergent findings that again suggest that states with large percentages of Democratic legislatures are less likely to have public input requirements for cities.

Among the other political variables, the proportion of Blacks in state legislatures is also a significant predictor of individual laws; this finding diverges from model 1 in Table 2 where the proportion of Blacks was related to the depth of laws aimed at counties, but not cities. Here, the proportion of Black legislators is a positive predictor of laws that require cities to place the budget on file and provide notice of the budget's availability for viewing. However, there is a negative relationship between Black proportion and requirements for publishing summaries and final versions of the budget, as well as a negative relationship with requirements that cities hold a public hearing. Among the other political variables, citizen liberalism is a negative predictor of laws requiring cities to announce and hold public hearings, and publish final budgets.

Examining the economic variables in Table 3, three broad patterns emerge. First, unlike the political variables, the economic variables do a poor job of predicting whether states require cities to place budgets on file and to make notice of their availability; all five of the political variables predict this type of public input activity while only two of the economic variables predict this type of input law. Second, state GDP appears to be a consistently negative predictor of state laws that require cities to publish budget summaries and announce and hold public hearings; however, though the statistical relationship is weak, state GDP is a positive predictor of publishing the final budget after it has been approved. Third, the two tax variables again tell an interesting story. Tax revenue as a percentage of personal income is a negative predictor of each of the least restrictive requirements (placing budgets on file for inspection, notifying the public of its availability, and publishing a budget summary) while tax revenue per capita is a positive predictor of requiring cities to publish budget summaries and to publish the final budget.

Table 3. Logistic Regression Predicting the Type of State Public Participation Requirements for Cities

	On file for inspection	Notice of availability	Publish budget or summary	Notice of hearing	Public hearing	Publish final budget
Variables						
Political						
Dem. Leg. Proportion	–.050***	–.051***	–.023*	–.075***	–.069***	–.022
	.013	.014	.010	.013	.018	.016
Black proportion	.100***	.130***	–.049*	.008	–.068*	–.110**
	.024	.026	.021	.023	.028	.036
Women proportion	.037	.096***	–.033	.009	–.044	–.069**
	.020	.023	.018	.023	.029	.026
Citizen liberalism	.000	.044**	–.007	–.029*	–.084***	–.071***
	.013	.014	.011	.014	.020	.016
Party competition	.111***	.082***	.031*	.020	–.008	.030
	.020	.021	.016	.021	.029	.024
Economic[a]						
Median income	–.126***	–.067*	.031	.121***	.070	–.114**
	.032	.034	.028	.037	.047	.041
State GDP	.001	–.029	–.138***	–.157***	–.144***	.095*
	.032	.034	.037	.037	.042	.041
State expenditures	–.074	.117	–.179	.707**	.662*	–.689***
	.147	.191	.139	.256	.314	.206
Tax revenue as % of	–.505**	–.566**	–.522**	–.077	–.017	–.292
personal income	.193	.212	.174	.208	.268	.234
Tax revenue	.479	.114	2.052***	–.825	1.078	1.862**
	.540	.638	.545	.657	.828	.709
Institutional						
Legislative	.051*	–.004	–.008	–.003	–.013	.064**
professionalism	.020	.020	.018	.021	.025	.022
Gubernatorial	2.203***	.821*	–.495	–.395	.848*	.377
institutional powers	.425	.377	.314	.358	.420	.535
Contextual						
Population	.020	.023	–.082*	–.035	–.061	–.061
	.033	.033	.034	.033	.039	.040
Turnout	–.010	–.006	–.027*	–.049***	–.060**	.016
	.013	.013	.012	.015	.020	.016
Constant	–6.314*	–4.496	7.114	5.750	6.822	4.542
	2.767	3.070	2.482	3.066	4.169	3.407
Pseudo R^2	.278	.187	.161	.238	.251	.209
–2 Log likelihood	404.410	383.890	464.770	359.163	259.780	282.150
N[b]	384	384	384	384	384	384

a. All economic variables are chained at 1999 levels. State GDP, State Expenditures, and Tax Revenue are all measured per capita and reported in $1000s of dollars.

b. City information for Hawaii was not included in the analysis because each was left out of Berner and Smith's analysis. Further, Nebraska was not included in the analysis because of its non-partisan and one-house state legislature.

* $p < .05$; ** $p < .01$; *** $p < .001$

Finally, among the institutional and contextual variables, there are few trends in the data. Legislative professionalism and gubernatorial institutional powers are both positively related to the presence of laws requiring cities to place the budget on file for inspection, and legislative professionalism is a positive predictor of publishing the final budget. And voter turnout, presumably a measure of political activity in a state, is negatively associated with laws requiring cities to publish budget summaries and hold public hearings.

Table 4. Logistic Regression Predicting the Type of State Public Participation Requirements for Counties

	On file for inspection	Notice of availability	Publish budget or summary	Notice of hearing	Public hearing	Publish final budget
Variables						
Political						
Dem. Leg. proportion	.008	.009	–.065***	–.256***	–.253***	.008
	.013	.015	.012	.043	.059	.019
Black proportion	–.045	–.001	–.080***	–.083	–.852***	–.032
	.026	.027	.023	.044	.177	.037
Women proportion	–.012	.038	–.046*	–.025	–.317***	–.118***
	.022	.024	.021	.049	.096	.036
Citizen liberalism	–.007	.077***	.023	.071**	–.138*	–.111***
	.012	.018	.013	.027	.058	.022
Party competition	.097***	.105***	.018	–.037	.023	.036
	.020	.025	.017	.040	.070	.028
Economic[a]						
Median income	–.035	.010	.042	–.140*	–.073	–.039
	.034	.037	.034	.056	.089	.046
State GDP	.163***	.120*	.028	.172	.398**	.068
	.047	.047	.039	.090	.140	.045
State expenditures	–.330*	.460**	–.325*	–.093	.963	–.562**
	.158	.173	.146	.375	.650	.193
Tax revenue as % of	.271	–.039	–.682***	–.434	–.620	–.388
personal Income	.198	.225	.195	.335	.561	.294
Tax revenue	–1.611*	–1.908**	1.042	–2.177*	–.721	1.435
	.642	.693	.578	1.040	1.344	.792
Institutional						
Legislative	.145***	.045*	.034	.308***	.020	.137***
professionalism	.031	.019	.019	.075	.058	.030
Gubernatorial	–.639	–1.797***	–1.804***	–.583	–3.078*	–1.124
institutional powers	.390	.445	.398	.687	1.206	.662
Contextual						
Population	.074	.069	–.045	.518*	.238	–.476***
	.054	.038	.031	.207	.163	.128
Turnout	.019	–.002	.015	–.044	.020	–.006
	.014	.014	.014	.027	.042	.020
Constant	–8.964**	–12.158***	10.638***	27.416***	40.228***	9.451*
	3.019	3.565	2.832	6.454	12.503	4.336
Pseudo R^2	.361	.352	.288	.470	.473	.259
–2 Log likelihood	357.760	322.280	396.070	126.650	72.860	204.010
N[b]	384	384	384	384	384	384

a. All economic variables are chained at 1999 levels. State GDP, State Expenditures, and Tax Revenue are all measured per capita and reported in $1000s of dollars.

b. County information for Rhode Island was not included in the analysis because each was left out of Berner and Smith's analysis. Further, Nebraska was not included in the analysis because of its non-partisan and one-house state legislature.

* $p < .05$; ** $p < .01$; *** $p < .001$

Moving now to Table 4 predicting state public input requirements for counties, the proportion of Democratic legislature is again a negative predictor of three of the more stringent types of public input requirements: publishing a summary of the proposed budget, notifying the public about a public hearing, and actually holding a public hearing. In general, these findings are in line with what was seen in Table 3, where Democratic strength was a

negative predictor of various public input activities. In addition to Democratic strength, the proportion of Blacks and women in state legislatures together are negative predictors of publishing budget summaries and holding public hearings. Additionally, the proportion of female legislatures is negatively associated with requirements that counties publish final budgets after they are approved. Finally, there is a mixed relationship between citizen liberalism and the various public participation requirements for counties. In particular, higher levels of citizen liberalism are associated with the increased likelihood that states will require counties to provide notice of availability of proposed budgets and to provide notice of public hearing. However, the variable is negatively related to actually holding public hearings and publishing approved budgets. As in Table 3, party competition is positively related to state laws that require counties to place budgets on file for inspection and provide notice of the proposed budget's availability for viewing.

Upon examination of the effects of economic variables, no definite patterns emerge from the data. State GDP, unlike its relationship to city-specific laws, is a positive predictor of three of the six types of public input requirements for counties. State expenditures, while a significant predictor of four of the six types of requirements does not have a consistent directional relationship with the dependent variables as it is positively related to the presence of notice of availability, but negatively related to the presence of placing the budget on file, publishing the budget summary, and publishing the final budget. Finally, tax revenue per capita is negatively associated with three of the six types of public input laws aimed at counties.

With regard to the institutional and contextual predictors, we again see that legislative professionalism is positively related to the presence of four of the six laws that require counties to use public input in their budget determinations. Specifically, the variable is positively associated with placing the budget on file, providing a notice of availability, providing notice of public hearings, and publishing the final budget. In contrast, the institutional powers of governors are negatively associated with providing notice of availability, publishing budget summaries, and holding public hearings. In general, the positive relationships between legislative professionalism and county-specific laws, as well as the negative associations between gubernatorial powers and the various types of public input requirements for counties, are consistent with what was seen in Table 2 above. Finally, there are no strong relationships between the contextual variables and the various types of public input laws, though higher population is negatively associated with requirements that counties publish final budgets.

On the whole, the results of the analyses in Tables 3 and 4 tell a much more nuanced story regarding the relationships between the independent variables and the types of public input methods required by state law. In particular, Tables 3 and 4 show that the proportions of Blacks and women in state legislatures have statistical relationships with laws aimed at both cities and counties, unlike the findings in Table 2 that suggest these two variables only have relationships with county-specific laws. This same trend is observed with the institutional variables, where legislative professionalism and gubernatorial powers only had a statistical relationship with the number of county specific laws in Table 2, but more varied relationships with the specific types of public input laws, regardless of whether they are aimed at cities or counties.

But while there is much detail in the results, there exist a number of general trends when examining the results in Tables 3 and 4. First, the percentage of Democrats is a consistent, negative predictor of five of the six city-specific laws and three of the six county-specific laws. This finding is directly in line with the analyses presented in Table 2 and supports the conclusion that Democratic proportions are negatively associated with public participation laws in the budgeting realm. Second, the political variables used to explain variation in the types of public input laws appear to positively predict the less stringent requirements for cities, but negatively predict more stringent requirements aimed at counties. For example, two of the five political

variables positively predict the presence of laws that require cities to place the budget on file for inspection and four of the five variables positively predict the requirement that cities make a notice of availability of the budget. In contrast, the political variables tend to negatively predict the presence of laws that require counties to publish budget summaries, make notice of public hearings, and hold public hearings.

Discussion

The results of these analyses make it possible to come to three broad conclusions regarding the relationships between the political, economic, and contextual factors present in a state and the public input requirements for public budgeting that state governments place on localities. First, it is clear that the Democratic proportions of state legislatures are negatively related to both the numbers and the types of public input requirements that states place on cities and counties. Though this finding is consistent with Daley's work (2008) where she found Democratic strength to be negatively related to the presence of public input laws used for environmental purposes, this unexpected finding forces one to consider the possible reasons for why this may be. On one hand, it could simply be that, counter to the generally held perceptions, Democrats are averse to using public input in governmental decision making. On the other hand, it may suggest that Democrats are not averse to public input, but are instead averse to placing legal requirements upon cities and counties. Further, it may be that Democrats are averse to placing legal requirements upon locales only in this particular policy context. Alternatively, states with greater proportions of Republicans might simply be more likely to place legal requirements upon locales in general.

In addition to considerations regarding placing mandates on localities, there might be political considerations that lead state parties to adopt public participation laws. For example, states can require engagement techniques because of normative concerns about the need to involve the public in local governing decisions, or they require them because of procedural and political concerns such as the desire to mollify individuals by giving them the chance to be heard in a formalized way. Research has shown that providing the public with ''voice'' in important public decisions can lead to more satisfied individuals, which may increase the likelihood of decision acceptance (Lind and Tyler 1988; MacCoun 2005). Indeed, some have argued that Florida, in direct response to the fallout from California's Prop 13 vote that handcuffed revenue collection for locales in 1978, instituted the Truth-in-Millage Act that set requirements for low levels of public notification and public input in local budgeting decisions (Pajcic, Weber, and Francis 1980); these authors suggest that there may have been political reasons for the adoption of that policy. Indeed, it is possible that other states have instituted public input requirements for similar reasons, but here is currently little in the literature that would allow one to speak to this particular point. The present effort constitutes an effort to help provide this knowledge, and, when considered in conjunction with Daley's findings, suggests the need for further study between the links between political variables and the presence of laws that require public input.

Second, the results show that we can explain more of the variation of laws aimed at counties than cities. For instance, in Table 2 the pseudo R^2 for the model predicting the presence of county laws (.095) is nearly twice as large as the pseudo R^2 for the city model (.054). In both cases, however, the amount of variation explained by the models is relatively small. A similar pattern emerges in the models presented in Tables 3 and 4. For the models predicting the laws aimed at cities, the R^2 ranges from .161 to .278, while in the models predicting county-specific laws, the R^2 ranges from .259 to .473. Taken together, each of these findings suggests that we are in a better position, at least with the models and variables considered here, to predict the presence of laws aimed at counties than laws aimed at cities. These results provide evidence that state factors are more likely to be related to the presence of laws that are aimed at counties rather than cities, likely because of the historical relationship between state governments and county govern-

ments where counties have traditionally served as administrative arms of the states.

Third, the results show that the measurement of the dependent variable can dramatically affect the results of the analysis. While Democratic strength was a negative predictor of both the numbers and the types of public input laws, for other variables the relationship between it and the dependent variable was different depending on how the dependent variable was defined. Furthermore, in Table 2 where the numbers of state laws were examined, the proportions of Blacks and women in state legislatures only significantly predicted the number of state laws aimed at counties. In contrast, when moving to examine the specific types of public input laws, these two variables had significant relationships to various public input requirements for both cities and counties. Similarly, legislative professionalism and gubernatorial institutional powers only predicted the presence of public input laws for counties when the dependent variable was simply a count variable. However, as Tables 3 and 4 show, the statistical relationships between these two institutional variables and the existence of various types of public input laws aimed at localities are much more nuanced than the results of Table 2 would lead one to believe.

Conclusion

Locales acting on their own can employ a wide range of techniques to engage the public in budgetary decisions and can do so for a variety of reasons. Likewise, states have a range of options available to them in terms of requiring locales to use public participation techniques in budget development. While this analysis does not necessarily allow one to make causal inferences regarding the adoption of such state laws regarding public budgeting—this work instead examines the statistical relationships between a range of theoretically valid variables and the presence of state laws mandating public input at the local level—the findings of this study provide evidence regarding a number of relationships concerning the variables examined here and the propensity for states to have laws in place that mandate public participation in budgeting for local governments.

As such, the results contribute to the development of theories related to public input for budgeting by identifying the specific factors that are related to the presence of state laws mandating their use and the various types of public input requirements placed upon cities and counties. As the research of Berner and Smith (2004) and Ebdon (2000) has previously shown, the number of state laws and the factors related to public participation both vary across states and localities in the United States, and efforts to develop theories of public participation (e.g. Ebdon and Franklin 2006) have taken such variation into account. However, extant research has generally failed to illustrate how state-level contextual and structural factors might relate to the intergovernmental mandate of public participation laws in the budgeting context. Because public input techniques are most likely to be achieved when state laws mandate their use (Berner 2004), this lack of research has limited our understanding of how and why governments interact in this important area of public governance and has kept researchers from truly understanding the use of public participation in this particular context. Thus, this study holds a number of implications for theories of public participation in local budgeting by providing evidence that (1) political and structural factors, most notably the absence of Democratic legislators, are predictive of the numbers and types of public input requirements that states place on cities; (2) intergovernmental relationships are more likely to be observed when predicting the legal requirements that states place upon counties; and (3) statistical relationships vary based on whether one is predicting the number of public input requirements or is predicting the various types of public input requirements.

While public budgeting itself is a critical policy area, the results of this analysis may also provide guidance for understanding public input requirements in other policy contexts. For instance, the results of this study align with Daley's (2008) finding that states with higher levels of Democratic Party control were less likely to require the use of public input techniques in the

development of state environmental policy. Together, the results of these two analyses suggest that more research is needed to better understand whether partisan control of state legislatures is related to the likelihood of the adoption of state public input laws, and, if so, whether the relationship shifts across policy domains. Furthermore, though it is not clear whether the use of public input truly impacts policy adoption (Irvin and Stansbury 2004), it is critical that a continued effort to understand which factors are related to state public participation laws in other contexts will help build our knowledge in this area of state policy adoption. And as governments at all levels move to adopt more public participation requirements in various policy domains, it will be imperative that researchers keep abreast of the development of such laws so that theories related their presence and adoption can be developed.

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