



BOSTON CITY COUNCIL

Committee on Government Operations
Ricardo Arroyo, Chair

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REPORT OF COMMITTEE CHAIR

February 8, 2023

Dear Councilors:

Docket #0100, message and order for your approval, ordinance establishing the Office of Participatory Budgeting, amending the City of Boston Code, Chapter V, was referred to the Committee on December 14, 2022, and sponsored by Mayor Michelle Wu. The Committee held a hearing on January 30, 2023 where public comment was taken and a working session on February 7, 2023.

Summary of Legislation As Filed:

Docket #0100 would establish the Office of Participatory Budgeting (“Office”) with a Director and an external oversight board (“Board”). The purpose of the Office is to further public engagement and involvement with the City’s budget process. The Office working with the Board will create and oversee an equitable and binding decision making process open to all Boston residents by FY2024 consistent with M.G.L. c.44, §53. Both the Director and the Board will be appointed by the Mayor. The Board will consist of nine Boston residents with experience and expertise in participatory budgeting, community investment and development, public finance, open space, urban planning, community organization and outreach, affordable housing, public education, public health, environmental protection, historic preservation, and a history of local community civic involvement. Board members must reflect the diversity of the City of Boston, must be Boston residents, and serve without compensation but are entitled to reimbursement for reasonable expenses. The proposal outlines the powers and duties of the Board and the Office including the requirement to establish a Rule Book which shall define the policies and procedures of the Participatory Budgeting process. The Rule Book would be required to be a standard set of rules and operations that will include but are not limited to: outlining project solicitation; project nomination; project proposals; project submission; and other processes appropriate for the Rule Book. The proposal expressly states that the policies and procedures of the Participatory Budgeting Process must align with the City’s goals of achieving and embedding equity and inclusion in City practices. The Office shall annually review the Rule Book and update the City Council. The board must plan public hearings to maximize citizen attendance. Participatory budgeting proposals are limited to one-time, non-recurring programs, and shall not include the creation of permanent positions

Information Gathered at the January 30, 2023 Hearing:

The Committee discussed the provisions of the docket and heard testimony from the Administration and advocacy organizations. The following individuals participated on behalf of the Administration: Jim Williamson, Director of the Office of Budget Management; and, Henry

Santana, Director of Civic Organizing. Director Williamson reviewed the intent of the legislation by referring to the purpose clause and explaining that the proposal will further public engagement concerning city spending. Director Williamson reviewed a Powerpoint presentation that provided an overview of the Participatory Budget process that explained the objectives and structure of the Office, the Board, and community engagement efforts which included listening sessions, workshops, and a *Moving Through the Budget* collaboration with New Urban Mechanics. Director Santana talked about the Office of Civic Organizing and its outreach efforts to proactively increase public participation and accessibility. Director Santana highlighted the Love Your Block Clean Ups, Civic Engagement Grants, and the City Hall To Go trucks. Director Santana explained that the Office of Civic organizing and the Office of Budget Management have been meeting monthly with participatory budget advocates since March 2022 to set objectives for the Office and to establish roles for the Office and the External Oversight Board.

The Committee heard testimony from various organizations and individuals that support participatory budgeting. The following individuals participated:

- Aaron Tanaka, Executive Director of the Center for Economic Democracy;
- Francesco Tena, Founder of Pipeline to Power;
- Kristania De Leon, Co-Executive Director of the Participatory Budgeting Project;
- Mallory Hanora, Executive Director of Families for Justice as Healing;
- Eliza Parad, Director of Municipal Democracy, of the Center for Economic Democracy;
- Sashi James, Director of Reimagining Communities, for the National Council for Formerly Incarcerated Women and Girls and Families for Justice as Healing;
- Andres Del Castillo, Director of Development for City Life/Vida Urbana;
- James Vamboi, Chief of Staff, for Community and Culture, Ujima Project Boston;
- Johnny Shively, Masters Student of Urban and Environmental Policy and Planning at Tufts University.

These individuals testified in support of participatory budgeting as a way to advance racial equity and social justice, and economic justice. The advocates also emphasized the importance of the City partnering with community organizations and putting the decision making in the hands of City residents. The advocates expressed concern with the legislation as filed and offered suggestions to the language. The advocates expressed support for changing the legislation as follows: dedicating 1% of the City's Operating Budget to Participatory Budgeting expressly in the ordinance; expanding the Board to 18 members; mandated stipends; recognize, partner with, and fund community organizations; require that decisions be binding; and, that the public make the nominations to the Board. The advocates explained that increasing the membership to 18 allows for two representatives from each district, allows for a working Board, and allows for further independence from the mayor. Advocates also opined that allocating a specific percentage in the ordinance is necessary in order to have an effective process and investment. The advocates expressed that allocating a specific percentage of the budget in the ordinance did not conflict with state law. Advocates also made suggestions about stipends and the necessity of stipends so that working class individuals can participate.

The Committee heard testimony from Senator Lydia Edwards. Senator Edwards provided context for the charter amendment explaining that the purpose of the amendment was to provide structural and fundamental change to the City's budget process. Senator Edwards explained that the charter amendment could not contain the 1% allocation because that was not constitutional and violated state finance laws. Senator Edwards also suggested language changes to the

ordinance which include a definition of participatory budgeting, conflict of interest provisions, and disclosure information.

Councilors inquired about allocating a percentage of the budget. Specifically, the committee asked the Administration if allocating a specific percentage violated chapter 44, section 53 of the General Laws. Councilor Louijeune suggested that language be included to ensure that the Board includes all interests across the City, particularly historically excluded groups. Councilor Coletta supported adequate representation and stipends for members. Councilor Anderson stated that the proposal as filed takes power away from the community and asked about the Administration's process and creating a platform to bring the community together. Councilor Bok inquired about what responsibilities would be designated for the Board and what pieces are designated for community organizations. The Chair inquired about the legality of allocating a specific percentage. The Chair referenced former Mayor Walsh's allocation towards art programs and asked how this is different from participatory budgeting. Director Williamson explained that the percentage towards art programs was a policy objective. The Chair discussed whether the Administration is committed to making participatory budgeting a policy objective a priority with a specific number allocation or is there a legal requirement that does not allow an ordinance to set a specific percentage. The Chair discussed paying people for being members in order to ensure equity. The Chair also asked if the funds will be used for City programs or nonprofits. Director Williamson explained that the Rule Book will provide for how the funds will be used. Director Williamson explained that the Board will be responsible for engaging the community and that nine members was parallel to the membership of other City boards.

The Committee heard testimony from the public. Public comments reflected support for a participatory budgeting process with community involvement and binding decision making. Public comments supported having a structure for programs and best practices for inclusive and equitable processes. The public expressed support for opportunities to evaluate the programs as well as strong community outreach and engagement efforts. Public comments also reflected support for allocating a specific percentage, expanding the Board members so that the Board consists of interests across the City, and compensation for the Board members.

Information Gathered at the February 7, 2023 Working Session:

The Chair and the Councilors reviewed the proposed amended language section by section. Ashley Groffenberger, Chief Financial Officer for the City of Boston, participated in the working session. The following individuals also participated: Aaron Tanaka, Director of the Center for Economic Democracy; Eliza Parad, Director of Municipal Democracy, of the Center for Economic Democracy; Kristania De Leon, Co-Executive Director of the Participatory Budgeting Project; Mallory Hanora, Executive Director of Families for Justice as Healing. Councilors discussed increasing the membership of the Board to 15 members in order to ensure a diverse membership and that all interests are included. The Committee discussed compensation for the Board members. The Committee agreed that the Board members should be compensated for their work. The Committee members opined that the Board will be active and will require a significant amount of time of its members. The Committee discussed language about community involvement, partnering with community based organization and focusing on individuals and communities that have been historically underserved. The Chair reviewed a legal opinion from Corporation Counsel explaining that a specific percentage from the City's budget cannot be allocated by ordinance because it would conflict with state finance laws.

Summary of Amendments:

Based on information gathered at the hearing and working session, the docket is amended from its initial filing as follows:

- A Definition Section is added as 5.1.11.1 to define the following terms: “Community Assembly”; “Community Based Organization”; “Participatory Budgeting”; “Technical Assistance Partner”; and, “Rule Book”.
- In the Purpose Section, 5-1.11.3, a provision is added at the end that requires the Office to work with community partners through the entire process of participatory budgeting. The new sentence is as follows: “The Office shall work with community partners on all aspects of the participatory budgeting process including but not limited to: holding and facilitating neighborhood assemblies, engaging in education, outreach and idea collection and resident voting processes.”
- The docket is amended in Section 5-1.11.6 to increase the membership of the Board and how the Board is appointed. The amendment increases the membership from nine to eleven (11) members with lived experiences and expertise in various areas relevant to participatory budgeting. Language is also added to include geographic diversity and to require that the Mayor prioritizes historically underserved communities. Language is added that establishes criteria that the Mayor must consider for the composition of the Board including having a resident of the Boston Housing Authority.
- In Section 5-1.11.6, changes are made as to how the Board is appointed. All members will be appointed by the Mayor as follows: five will be appointed from a public application process and six will be appointed from a pool of 26 applicants provided by the City Council.
- In Section 5-1.11.7, a change is made to have six members constitute a quorum.
- In Section 5-1.11.7, subsection (d) is amended so that the Board members receive stipends as determined by the Mayor. The new subsection (d) appears as follows: The members of the Board shall receive stipends as determined by the Mayor commensurate with their duties and shall be entitled to his or her reasonable expenses actually and necessarily incurred in the performance of their duties as board members, as defined by the Rule Book. These expenditures shall be paid from the budget of the Office of Participatory Budget.
- In Section 5-1.11.9, Powers and Duties of the Office, is amended in the last sentence of the first paragraph by adding language that requires consideration of community and community involvement through a community needs assessment, community assembly and deliberation, voting and evaluation. the amended sentence appears as follows: The Rule Book shall be a standard set of rules and operations that will include but are not limited to: the equitable division of Participatory Budgeting funds across neighborhoods and issue areas, community needs assessment, outlining project solicitation; project nomination; project proposals; project submission, community assembly and deliberation, voting and evaluation, in addition to other processes that would be appropriate for the Rule Book.
- In Section 5-1.11.9, Powers and Duties of the Office, a new provision is added at the end of the second paragraph that requires data collection and information sharing. The new sentence appears as follows: In addition, the Office will submit data gathered from Participatory Budgeting processes that reflect the needs and solutions of residents to the Mayor and City Council in a timely manner to affect the regular budgeting and policy planning outside of the annual Participatory Budgeting process.
- In Section 5-1.11.9, Powers and Duties of the Office, a new paragraph is added that requires the Office to partner with community based organizations that serve historically underserved Boston neighborhoods. The new paragraph four appears as follows: The Office shall seek to maximize resident involvement by partnering with community based

organizations that have established histories of serving historically underserved Boston neighborhoods. Community based organizations shall be adequately resourced through the Office of Participatory Budgeting operating budget to support activities that may include but are not limited to: resident engagement, outreach, education, meeting facilitation and design for district and city-wide assemblies throughout the participatory budgeting process as defined through the Rule Book. In addition, the Office may seek technical assistance partners to provide consulting services to ensure the success of the participatory budgeting process.

- In Section 5-1.11.10, Fiscal Accountability, subsection (a) is amended as follows to include language about grants: The Office's annual operating budget may fund the administration of the Office, the Participatory Budgeting Process, grants for Community Based Partners and Technical Assistance Partners, stipends for Oversight board members and the funding for projects that are proposed by the Board and Director based on the results of the Participatory Budgeting Process.

Rationale and Recommended Action:

Passage of this docket in its amended draft is reflective of the intent of the Participatory Budgeting Process and the charter amendment by establishing a direct community process and input as to how decisions are made. Increasing the membership of the Board will ensure diversity of voices and inclusion of historically underserved communities. Adding a definition section and express language requiring community involvement and partnerships with community based organizations will ensure that needs of individuals and communities are met through community interaction and collaboration with organizations that have expertise in relevant areas. Including stipend language will allow for middle and lower income working class individuals to participate on the Board and will allow for a greater range of public engagement. The docket in its amended form advances the participatory budgeting process by furthering equity and public inclusion and engagement through the establishment of a structure and procedures for public involvement in the budget process.

By the Chair of the Committee on Government Operations, to which the following was referred:

Docket #0100, message and order for your approval, ordinance establishing the Office of Participatory Budgeting, amending the City of Boston Code, Chapter V,

submits a report recommending that this docket **ought to pass in a new draft.**

For the Chair:



Ricardo Arroyo, Chair
Committee on Government Operations

NEW FAILED
NO MINORITY



CITY OF BOSTON IN CITY COUNCIL

5-1.11 Office of Participatory Budgeting

5.1.11.1 Definitions

I. Definitions

- a. Community Assembly - an event or series of events that enable Boston residents to gather in person and/or virtually to discuss community needs, develop and deliberate over participatory budgeting proposals, and vote on proposals. Community Assemblies may include District Assemblies, focused on each City Council District and Citywide Assemblies, in which any Boston resident can participate and focus on city-wide issues and project proposals.
- b. Community Based Organization - a not-for-profit organization that is driven by community residents, in which the majority of the governing body and staff consists of local residents, the main operating offices are in the community of service, priority issue areas and solutions are designed with residents, and program design, implementation, and evaluation components have residents involved in leadership positions.
- c. Participatory Budgeting - a binding, democratically governed process for assessing community needs, developing proposals and allocating funds according to the will of Boston residents that usually consists of issue setting, needs assessment, solutions creation, proposal development, and voting.
- d. Technical Assistance Partner - an individual or organization with experience around participatory budgeting and/or community assembly and voting processes that provides information and support to the Office of Participatory and/or the Oversight Board to ensure a successful participatory budgeting process.
- e. Rule Book - a document outlining the citywide and district participatory budgeting process that is equitable, inclusive, and open to all Boston residents, and edited on a yearly basis after evaluation by the Office of Participatory Budgeting and the Oversight Board.

5.1.11.2 Establishment

There shall be within the Finance Cabinet an office, known as the Office of Participatory Budgeting (“Office”). The Office shall consist of a Director, appointed by the Mayor pursuant to 5-1.11.4 and an external oversight board (“Board”), appointed by the Mayor pursuant to 5-1.11.6.

(Passed in City Council May 19, 2021, Approved by the Mayor June 7, 2021, Ratified by Voters by Ballot Initiative on November 2, 2021)

5-1.11.3 Purpose

The purpose of the Office is to further public engagement and direct democratic involvement, and to align with the City’s goals of achieving and embedding equity and inclusion into City practices, and building collective capacity on issues of racial and social justice. Participatory budgeting in city spending will provide an office point of entry for residents to contribute to the City’s budgeting process. To accomplish this purpose, the Office, in partnership with the Board, shall create and oversee an equitable and binding decision-making process open to all Boston residents by Fiscal Year 2024, consistent with M.G.L. c. 44 & 53 (“the Participatory Budgeting Process”). The Office shall build partnerships with other City departments and agencies, external organizations, and community representatives to promote year-round public involvement and engagement with the Participatory Budgeting Process. This Office shall establish an equitable and binding method of Boston resident engagement.

The Office shall work with community partners on all aspects of the participatory budgeting process including but not limited to: holding and facilitating neighborhood assemblies, engaging in education, outreach and idea collection and resident voting processes.

5-1.11.4 Appointment, Term of Director

The Office shall be under the charge of an officer, known as the Director, to be appointed by the Mayor. The Mayor may receive input from the External Oversight Board in the selection of the Director.

5-1.11.5 Duties of the Director

The Director shall have the power to appoint staff members, as appropriate, and shall be responsible for the daily management and operations of the Office and staff members. The Director shall administer the Participatory Budgeting Process consistent with this Chapter.

5-1.11.6 Composition, Appointment and Term of the External Oversight Board

The Board shall consist of eleven (11) Boston residents with lived experiences and expertise in various areas relevant to participatory budgeting, including but not limited to community investment and development, public finance, open space, urban planning, community organizing and outreach, affordable housing, public education, public health, environmental protection, and historic preservation, and a demonstrated history of civic involvement in their local communities. Board members shall reflect the diversity of the City of Boston, including geographic diversity, and the Mayor shall strive to prioritize board members from historically underserved communities especially formerly incarcerated people, youth (ages 16-25), working class people of color, and first or second generation immigrants. The Mayor shall strive for a majority of members from communities that suffer from disproportionate rates of racial discrimination, housing instability, poverty, policing and crime, environmental pollution, educational attainment, life expectancy, and a resident from the Boston Housing Authority. The Mayor, or designee, shall solicit applications for Board membership, which shall require a statement of interest from the applicant. Board members shall reflect the diversity of the City of Boston. All Board members shall be residents of Boston. Board members may not include City of Boston employees or City of Boston elected officials.

The selection of the eleven (11) board members will be as follows:

- All potential nominations must include an application of interest addressed to the Mayor or designee for review.
- The Mayor will appoint five (5) individuals to the oversight board from a publicly solicited pool of applicants, with opportunities for community based organizations to endorse specific applicants.
- The Mayor will appoint six (6) individuals to the oversight board from a pool of up to twenty six (26) applicants provided by the Boston City Council.

The Mayor shall appoint all members of the Board for two (2) year terms, and no Board member shall serve more than three (3) consecutive terms, provided that members may continue to serve until their replacement is appointed. Vacancies in Board membership shall be filled in the same manner in which members are appointed. If a vacancy should arise and a new member is appointed to serve a partial term of less than two years, that partial term shall not count against the three (3) year term limit.

The Board members shall be deemed to be Special Municipal Employees for the purposes of Massachusetts General Laws Chapter 268A.

5-1.11.7 Rules and Regulations of the External Oversight Board

- a. The Board by majority vote, shall elect two of its members as Chair and Co-Chair on an annual basis. In the event both Chairs are unavailable, the most senior member in tenure of the Board shall chair the Board.
- b. Six (6) members shall constitute a quorum for the purpose of convening a meeting and of conducting the business of the oversight board. The Board shall approve its actions by majority vote of the quorum.
- c. All records of the Office and Board shall be public unless an exception applies under the state's public records law.
- d. The members of the Board shall receive stipends as determined by the Mayor commensurate with their duties and shall be entitled to his or her reasonable expenses actually and necessarily incurred in the performance of their duties as board members, as defined by the Rule Book. These expenditures shall be paid from the budget of the Office of Participatory Budget.

5-1.11.8 Power and Duties of the External Oversight Board

- a. Consult with staff in the Office of Participatory Budgeting to create, formally adopt, and annually review, amend or update Boston's Participatory Budgeting Rule Book (the "Rule Book").
- b. Request and receive relevant information for the oversight of the Participatory Budgeting process from the Director of the Office of Participatory Budgeting as well as other city officials and employees.
- c. At the end of each fiscal year, create an annual review of the Participatory Budgeting process for review by the Mayor and City Council and accessible to the public.
- d. Review candidates and provide recommendations to the Mayor for appointing the Director of Office of Participatory Budgeting.
- e. Based on the outcome of the Participatory Budgeting Process, the Board in partnership with the Director, shall submit project proposals to the Mayor consistent with the legal authority of the City of Boston for public spending.

5-1.11.9 Powers and Duties of the Office

The Office shall study the best practices for creating an inclusive and equitable participatory budgeting process in Boston and, in collaboration with the Board, work to produce the Rule Book. In doing so, the Office shall consult with Boston residents, experts, and other cities that have established participatory budgeting processes to incorporate the best practices and policies into the Rule Book. This Rule Book shall outline the policies and procedures of the Participatory Budgeting process, including measures that align with the city goals of achieving and embedding equity and inclusion into City practices, and building collective capacity on issues of racial and social justice. The Rule Book shall be a standard set of rules and operations

that will include but are not limited to: the equitable division of Participatory Budgeting funds across neighborhoods and issue areas, community needs assessment, outlining project solicitation; project nomination; project proposals; project submission, community assembly and deliberation, voting and evaluation, in addition to other processes that would be appropriate for the Rule Book.

The Office shall, annually review, amend, and update the Rule Book as needed, in consultation and with the majority approval of the Board. The Office shall annually update the City Council on the participatory budget process through an executive summary submitted at the end of the fiscal year. In addition, the Office will submit data gathered from Participatory Budgeting processes that reflect the needs and solutions of residents to the Mayor and City Council in a timely manner to affect the regular budgeting and policy planning outside of the annual Participatory Budgeting process.

Public hearings of the Board shall be planned so as to maximize citizen attendance including a preference to hold hearings in the evenings or off-site from City Hall, as well as ensuring language accessibility for Boston residents. Notice of all public hearings of the Board shall be posted publicly on the City website and published once a week for two (2) weeks preceding a hearing in a newspaper of general circulation in the City.

The Office shall seek to maximize resident involvement by partnering with community based organizations that have established histories of serving historically underserved Boston neighborhoods. Community based organizations shall be adequately resourced through the Office of Participatory Budgeting operating budget to support activities that may include but are not limited to: resident engagement, outreach, education, meeting facilitation and design for district and city-wide assemblies throughout the participatory budgeting process as defined through the Rule Book. In addition, the Office may seek technical assistance partners to provide consulting services to ensure the success of the participatory budgeting process.

Participatory budgeting proposals shall be limited to one-time, non-recurring programs, shall not include the creation of new permanent positions, must be feasible to implement, and shall be implemented by the appropriate City department or agency with jurisdiction for the project being proposed. Proposals that would require multi-year funding may make payments to special revenue funds and can accept and expend additional grant funds as they are awarded. Participatory budget proposals shall include cost estimates for implementation and be provided by the Board and Director in a timeframe that aligns with the City's regular budget process and are subject to appropriation.

Proposals with estimated costs will be reviewed in advance by an appropriate City department or agency and will be certified by the City's Chief Financial Officer. The Office may consult with appropriate City staff to support the development of proposals.

The Office shall regularly report on the uses of the funds, map the geographic distribution of funded projects, and study the economic demographic breakdown of benefitting areas. It shall make such analysis and the underlying data available on a City website on at least an annual basis in a public hearing held by the Oversight Board.

5-1.11.10 Fiscal Accountability

- a. The Office's annual operating budget may fund the administration of the Office, the Participatory Budgeting Process, grants for Community Based Partners and Technical Assistance Partners, stipends for Oversight board members and the funding for projects that are proposed by the Board and Director based on the results of the Participatory Budgeting Process.
- b. Funded projects shall be limited to one-time, non-recurring programs, and shall not include the creation of new permanent positions
- c. The Office can make payments to support multi-year projects in a special revenue fund and can accept and expend additional grant funds as they are awarded.

Filed in Council: February 8, 2023

Amendment was not accepted. Did not received a majority vote yeas 6; nays 4 (Baker, Flaherty, Flynn and Murphy); absent 3 (Coletta, Mejia and Worrell).