

Budgeting Teaching Notes: Montclair, New Jersey

Class Use Objectives

Since the case itself does not provide much hard data on tax, township revenue and expenditure, it leaves lot of room for innovative class simulation and discussion, provided that students have had pre-class immersion into the case material and some basic concepts and skills in budget development and analysis.

Discussion Questions

1. Montclair had just introduced a program budget when the citizen-driven government project was first introduced. How do program budgets relate to performance measurement? What currently exists in the program budget that can help the township develop a performance measurement system.
2. Citizens in Montclair currently participate in the budget process by attending public hearings. Discuss this method of participation, both its strengths and weaknesses. What could the town manager and elected officials do to more meaningfully engage citizens in the budget process?
3. In the Montclair Performance Report we can identify areas that have room for improvement, for example public safety, roads and streets, recreation, library, garbage collection and recycling. How would you estimate the consequences of drastically or moderately improving any one of these aspects on the township's finance and tax burdens?

Possible Activities

Activity 1: In-Class Simulation of a Citizen Committee Meeting

Suggested time: brief mini-simulation 30 minutes or an elaborate one of an hour

Players: Mayor, council members, budget/finance director, budget analysts (2 or 3), citizen committee members (5 to 10), and voluntary participants.

Topic 1: Citizen initiative to improve or increase service(s)

(Can be any one of two of public safety, road and streets, recreation, library, garbage collectio and recycling, and business districts)

- Citizen committee members propose increased services.
- Budget analysts calculate and display increased expenditures and possible higher tax burden.
- Citizens review the calculations and offer their own tabulation of the items.
- Two sides work together on an alternative plan

Topic 2: Township initiative to cut expenditures facing the 2001-2002 recession

The scenario is that many New York commuters have lost their jobs; property tax collection rate is low and township revenue is at its record low after transferring 100 percent of the county and school district share of their tax levies.

- Mayor states that this is really a hard thing to propose but has no other choice.
- Citizen council disagrees, and
- Citizens advocate for a leaner township government.
- But mayor shows figures (from Citizen Satisfaction Report) that at 1.1 percent of the township population, it is already a very small government and during a time of downturn economy, the functions should be maintained.
- Budget director and analysts show graph saying that with union contracts in place, shrinking current township workforce does not reduce expenditures.
- Citizen committee, citizens and township officials come together to work out a plan which is...
- The performance measures for the working plan are ...

For Instructor: The budget crisis may turn out to be a drive for more active citizen participation, better understanding of the township's fiscal condition and cooperation between official and residents, and more efficient and open government with specific and more satisfactory delivery of public services that may be the best fit for the amount of tax burden and demand of services.

2. Out-of-class written analysis of budget consequences from demand for improved service of any category. This can be based on in-class simulation, in-class or out-of-class group discussion.

Suggested time and length of writing: About one week cycle from delivery of case to turning in the assignment. The analysis can be anywhere between 2 to 5 double spaced pages, with adequate estimated budgetary figures.

Suggestions for grading: Grades depend on degree of understanding and appreciation of financial consequences of citizen demand for public services.