

Date: November 23, 2020

To: Thomas B. Modica, City Manager 

From: John Gross, Director of Financial Management 

For: Mayor and Members of the City Council

Subject: **Long Beach Budget Simulation Respondent Results**

With substantial costs associated with the City's response to the COVID-19 pandemic, coupled with the economic recession that followed, the City was tasked with solving a \$30 million shortfall for Fiscal Year 2021. As part of the budget development process, City staff, in collaboration with the Stanford Crowdsourced Democracy Team at Stanford University (Stanford Team), created an online Budget Simulation (Simulation) as an educational tool to help residents understand the challenge in making budgetary decisions to resolve a shortfall of this magnitude, while minimizing the impact on City services. The Simulation was live from August 4, 2020 to September 3, 2020.

The Simulation provided options to serve as an example of service adds and cuts that could help alleviate the budget shortfall. Given the limited options presented in the exercise, it should be noted that any analysis of respondents' choices only reflects the extent of these options and not the full scope of available budget decisions.

At the end of the Simulation, respondents were given the option of answering the question: "Is there anything else you would like to share with the City Manager or the Stanford Team?" Attachment A provides these responses. This is separate from, and in addition to, the annual Budget Survey, which is specifically designed to gather input from residents on various funding priorities.

While the Simulation was not designed as a survey or data gathering tool for the City, as part of Stanford University's own internal data analysis work, respondent information was collected during the Simulation's live period. Respondents were also prompted with an optional demographic survey. According to Stanford's summary, 621 people started the Simulation, 326 completed the budget section, and 270 completed the demographic survey. A more detailed demographic distribution of respondents can be found in Attachment B, which includes a summary report of the Simulation prepared by the Stanford Team. The summary report also provides a few tables and graphs that show different percentages of how likely respondents were to select an option to reduce or add to the budget and at what dollar amounts per service. Again, as the Simulator was designed as an educational tool and not designed to be analyzed, the summary report reflects general data points with limited usefulness in terms of take-a-ways. The intent of sharing this report with City Council is to disclose a report that will be going to participants of the Simulator. Respondents had the option to submit their email addresses if

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they wanted a compiled report of all participants' responses. These residents will be emailed the attached report from the Stanford Team.

Staff learned a lot from this exercise, including ways to improve it in the future, especially if more staff time is available to further refine the choices. We thank the Stanford Team for their assistance with this new endeavor.

If you have questions regarding any of this information, please feel free to contact me at (562) 570-6427 or Budget Manager Grace H. Yoon at (562) 570-6408.

ATTACHMENT A – RESPONDENTS' OPTIONAL COMMENTS

ATTACHMENT B – LONG BEACH BUDGET SIMULATION SUMMARY REPORT BY STANFORD UNIVERSITY

CC: CHARLES PARKIN, CITY ATTORNEY
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