LEGITIMACY IN DECISION MAKING
Increasing Voter Approval of Municipal Bonds

BY Kwan-Lamar Blount-Hill
In the 2016 election, U.S. electorates not only chose a president and ushered in new state and local government administrations; they also approved dozens of bonds for new infrastructure projects. State and local administrators need to understand trends in voter approval of municipal bond measures because general tax revenues have increased slowly, if at all, and have declined in several jurisdictions. Declining revenues naturally reduce the “fiscal space” for governments to shift resources as necessary among agenda items (see Exhibit 1). When other funding sources prove inadequate, the ability to fund necessary projects through debt financing becomes increasingly important.

OBSTACLES TO VOTER APPROVAL

The process of municipal bond approval is, at its core, political. As such, outcomes are largely determined by the mood of the general public and citizens’ support for — or resistance to — the proposals of its government leaders. In the case of municipal bond approval, the natural difficulties of political decision making are complicated by the fact that citizens often see budgetary and financial matters as complex and hard to grasp. A natural reaction to confusion is to rely on heuristics, automated and habitual mental shortcuts based on previous experiences or perceptual biases. Automatic responses can be fatal to a bond initiative if the citizen is relying on his or her default position against government spending or debt. Even voters who are more or less in favor of government spending for public works are likely to avoid making the decision altogether if it seems too complicated. This means that bond measures can’t just count on a turnout of supportive voters, either.

POTENTIAL SOLUTIONS

Governments can address this situation by better educating their citizens about the municipal bond process, allowing them to feel comfortable making sophisticated voting decisions. But even policymakers have trouble understanding the full implications of one financing option over another, so the more reliable course may be to work on building legitimacy.

Legitimacy is the perception that an authority is entitled to the power it has — the belief that one can rely on and support the decisions of an authority figure. When government leaders are seen as legitimate, citizens are generally inclined to trust their judgment on fiscal matters. While the ideal of democracy demands efforts to educate the public on civic matters, legitimacy-induced trust makes the short-term job of getting support for complex actions possible. While noting the difficulty in creating bond packages that satisfy diverse voting bases, researchers have found that electorates will approve large bonds when skillful public figures marshal the trust and enthusiasm of their supporters.

FACTORS THAT INFLUENCE LEGITIMACY

A commonly used model of legitimacy includes four factors: 1) legality, 2) effectiveness, 3) procedural fairness, and 4) distributive fairness. It indicates that governments seeking issuance approval from the public should make sure that their actions are in accordance with the law, that they have adequately communicated the need for the building, and that the process and benefits to the public are fair and equal across constituencies.
Legality. Administrators must make sure that all legal requirements are followed (e.g., public notice and comment, construction and habitation standards, aesthetic or design restrictions). It is not uncommon for governments to grant waivers for themselves, but this should be avoided — citizens look to government leaders as models of acceptable behavior, even if they harbor negative emotions toward government (and especially if they do not). When rules are enforced against them, citizens feel more enraged if government flouts those same rules. Legality — and, importantly, the perception of legality — is critical to maintaining the legitimacy of government and sustaining positive feelings about additional taxes.

Effectiveness. Effectiveness is a powerful argument for generating support for granting municipal bond authority. The public has a relatively coherent position on government budgets — when asked, they tend to make consistent choices supporting the status quo, reducing or increasing financial outlays in one direction or another. A general perception of effectiveness increases the government’s legitimacy, making it more likely that the public will trust it when it requests approval of a bond. Governments also need to follow the critical elements of procedural justice: neutrality, transparency, voice, and respect. This means striving to avoid any appearance of impropriety, favoritism, or influence by any interest other than the public good; communicating often about what decisions are being made (and how, and why); and giving constituents the opportunity to weigh in on important decisions such as choosing the vendor to manage new construction, provide a new service, or reform an existing function.

As a practical point, the concerns of voters who are uncertain or have negative feelings about the issue shouldn’t be left to simmer until they fill out their ballots. Governments need to provide opportunities for residents to voice their concerns well in advance of the final vote, so officials can assuage those concerns. Doing so improves the likelihood that the bond issue will be approved, while conveying the general impression that government officials are engaged and communicative.

Procedural Fairness. Voters also base their decisions on the degree to which they feel that they’ve been treated with respect. Government officials must not only demonstrate that they’ve heard the public’s voice, but that they’ve been responsive to those opinions. This can be accomplished by investing time and effort in the notice and comment period. Governments should also explore different forums for addressing concerns or explaining why a suggestion might have been adopted or rejected.

Distributive Fairness. Finally, distributive fairness requires that project benefits be spread equally among community members. A bond issue usually requires an entire city to pay for a project — why should individuals accept the additional cost if they aren’t going to benefit? Governments must con-
vincingly convey how a particular project will benefit the entire city, even if most of those benefits will be indirect. For example, at a meeting held to gauge support for a bond issue (meant to raise funds for a new construction project in a small town in Utah), a group of voters indicated declining support for the projects as the range of constituents it would directly benefit narrowed. There was broad support for building a new recreation center, quite a bit less for a library, and little support for a senior center or a new city hall building.\textsuperscript{10} This isn’t surprising, as recreation centers provide services used by larger sections of the population.

The principle of distributive fairness presents perhaps the most daunting task in establishing a bond process that will be broadly viewed as legitimate and deserving. Governments must find ways to somehow demonstrate that projects are worth the associated costs, even if the benefits to many voters are indirect or diffuse.

**CONCLUSIONS**

Legitimacy plays an important role in building trust in government, and legitimacy and trust have been shown to move individual citizens along a continuum of cooperation where mere compliance turns to satisfaction, support, cooperation, and, ultimately, proactive engagement.\textsuperscript{11} Achieving significant levels of legitimacy to maintain and improve bond approval rates requires effort. It is not clear that legitimacy can be obtained on an event-by-event basis; research suggests that legitimacy judgments are cumulative. Thus, creating a legitimizing bond process is only one small part of a comprehensive strategy. I

**Notes**

10. Survey by MOCA, Inc., an owner’s representative firm. Blount-Hill’s research in this area is supported by MOCA.
Conference of the Asian Association of Police Studies, Huntsville, Texas.

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Blount-Hill’s research in the area of legitimacy is supported by MOCA, Inc., an owners’ representative firm that oversees building planning, design, and construction for landowners. MOCA funds research to improve public perceptions of public safety agencies.

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