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106 N. Bronough Street (32301-7723) ♦ P.O. Box 10209 (32302-2209) ♦ Tallahassee, FL ♦ Phone: 850/222-5052 ♦ Fax: 850/222-7476

## **IT'S NOT THE AMOUNT OF MONEY IN THE BUDGET. IT IS THE MEASURABLE VALUE ADDED TO FLORIDIA AND FLORIDIANS.**

Roger Kaufman, Ph.D

*Roger Kaufman is professor emeritus, Educational Psychology and Learning Systems and was the director of the Office for Needs Assessment and Planning, as well as Associate Director of the Learning Systems Institute at the Florida State University (1975-2003) where he also received the Professorial Excellence award. He is also Distinguished Research Professor at the Sonora Institute of Technology, Senora Mexico. Kaufman has served as Research Professor of Engineering Management at the Old Dominion University as well as the New Jersey Institute of Technology and associated with the faculty of industrial engineering at the University of Central Florida. In addition, he is Director of Roger Kaufman & Associates.*

It is the season; the budget season. This year, the same arguments for and against individual and collective spending, continues as it has for decades previous. From DC to Florida, budgets are being submitted, argued, sliced, diced, and compromised. And the demand for more money here and less there continues unabated.

Deciding on whether or not we should spend more or less money seems both wasteful and silly under current ground rules and budget processes. Why? Because it is not the amount of money allocated but rather about what value-added—societal value-added—we get for the money.

### Conversations about results.

Results matter. Budgets have consequences. Shift scenes for a moment. You are sitting, with your significant other, in the cardiac surgeon's office and the surgeon is explaining what the \$28,450.00 for the recommended procedure is for. Concerned, if not alarmed, you ask about what will this money buy (and not being dissuaded by "insurance will pay for it...so what it costs doesn't matter to you) you press

the questions. The surgeon then reveals the type of surgical instruments that will be used, the credential she brings to the (operating) table, the qualifications of the surgical team, the credentialing of the hospital, how many times she has done this kind of surgery, etc. You keep asking "will the operation be a success and when can I resume my normal life." And the answer comes back, "we really should charge more money because the amount allocated is not enough." The surgeon wants to talk about means—dollars charged and delivery methods—and you want to talk about survival and quality of life.

Let's shift to another venue. You go to talk to your child's teacher about how well your offspring is performing and if he is learning what will be required for life and work. The teacher then talks to you about the costs of learning materials, the expenditures for fixing up aging classrooms, the hours she must work each day and week, the stresses of the job, and standardized testing requirements, busing, and the availability of a classroom aid and curriculum consultants. You keep asking about how well your kid is doing and you are told that it takes more money for a "decent education" to be made available. They talk about funding and you

are talking about your child's academic and later in-life performance.

### Missing performance criteria.

That confusion of means (how much we spend and use) and ends (what measurable value was returned) is the root of the dilemma in considering any budget request. What value will the dollars bring to you, your family, your neighbors, and Florida? Budgets now only speak to expenditures in classic operational areas and the existence of (often requested but never delivered) valid and reliable performance indicators are missing. Performance criteria that link and align what we use, do, produce, and deliver with societal value added (I call that the Mega level of planning and results, and references are at the end of this article) can and should be developed. For those who might aver that such indicators are not possible only has to look at a study I did with Florida TaxWatch a few years ago when we derived some decent return-on-investment indicator for job training and other associated research studies (referenced below).

Florida, at one time, was on track to require measurable performance criteria for planning (and thus evaluation). These were seen in Chapter 2006-146, House Bill No. 1123, section 216.013, F.S.; providing requirements with respect to performance measures and standards identified as part of long-range program plans and in Performance Measures and Standards, Approved by the Legislature for Fiscal Year 2006-2007. While the indicators never completely linked measurably to the survival and quality of life of Florida residents, there was at least some precedence for measurable performance criteria. Those efforts have seemed to have fallen by the wayside but the practical and ethical requirement for such still remains.

Ending the turf battles over budgeting.

It still seems only rational for government to ask and answer "what citizens and taxpayers will get out of what government spends, uses, does, produces and delivers." To argue that such indicators are not "measurable" leaves one in an unenviable corner,

for they seem to be saying "the more we spend the better the results...trust me." That is the kind of silly argument that would be made that "my Ford Fusion is better than your Ford Fusion because I spent more money on mine." It isn't the dollars, stupid; it is the societal return on investment that we get for monies spent.

A simple decision rule could help with budget planning, budgeting, implementation, evaluation, and continual improvement: Will this, if implemented, bring us closer or further away from the survival, self-sufficiency, and quality of life for Floridians?

If we don't plan and then evaluate on the basis of requirements for measurable societal value-added, what do we have in mind? Just spend, spend, spend? Or just cut, cut, cut?

### Recommended Action Steps

1. Re-establish the Florida Accountability Act and the requirement for measurable performance criteria
2. Require that all budgets be submitted that identify what each funding item will deliver to Florida and Floridians in terms of measurable value-added to residents, the Agency, and all associates
3. Performance formal periodic evaluations for each agency, each program, and each funding item on the basis of closing the results gaps between current societal impact and required societal impact.
4. Publish yearly the results and make those results part of each subsequent budget request.

## Key References

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### *Florida Statutes:*

Florida Accountability Act, Chapter 2006-146, House Bill No. 1123

State of Florida, Performance Measures and Standards, Approved by the Legislature for Fiscal Year 2006-2007

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