

Bob

Behn's Performance Leadership Report

An occasional (and maybe even insightful) examination of the issues, dilemmas, challenges, and opportunities for improving performance and producing real results in public agencies.



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On the complex political challenge of

Using Evidence to Make Budget Choices

It's official. Superstition is out. Evidence is in. The U.S. Office of Management and Budget has said so.

Jeffrey Zients, acting OMB director, has sent a **memo to U.S. executives** telling them, that, when they submit their budgets for Fiscal Year 2014, they should "demonstrate the use of evidence" and include "a separate section on agencies' most innovative uses of evidence and evaluation." OMB's budget, said Zients, "is more likely to fund requests that demonstrate a commitment to developing and using evidence."

Agencies should "use evidence and rigorous evaluation," writes Zients. "Where evidence is strong, we should act on it. Where evidence is suggestive, we should consider it. Where evidence is weak, we should build the knowledge to support better decisions in the future."

To federal executives, none of this should be a surprise. After all, in the "Analytical Perspectives" section of the FY 2013 budget, OMB uses the word "evidence" over 50 times. Only the clueless could miss the signals: If you want a funding increase—indeed, if you simply want to maintain your existing level of funding—you better provide some evidence that your program is producing results.

In reality, of course, budgeting isn't just about evidence. It is also about politics—"politics" in the best sense of the word. For it is through politics that we, as citizens, decide what we want government to do and how much we want to spend to do it.

Politics is messy—much messier these days than making sausage. Still, we aren't about to tidy it up by turning the decisions about how to use our taxes over to the doyens of evidence and evaluation.

Some public agencies can have a relatively quick impact. Others may take years or decades to produce results. A police department can drive down the crime rate within a year. But how long will it take for a health

department to produce evidence that its program to reduce obesity has actually driven down the rate?

Evidence isn't irrelevant. It can affect decisions at the margin. In fact, evidence can have an impact at a lot more than the margins.

Still, the evidence isn't just given to Max Weber's "modern judge who is a vending machine into which the pleadings are inserted together with the fee and which then disgorges the judgment together with its reasons mechanically derived from the Code."

For example, what should we do if a careful evaluation produces evidence that our local Fire Department is ineffective—that it does significantly worse than similar departments in similar communities? Such evidence could come from comparative data on lives lost per fire, or lives lost per population, or property value

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lost per fire, or There are multiple ways to compare the data.

Would this "evidence" mean, however, that we should shift funds from our Fire Department to our School Department, which has produced test scores, graduation rates, and college-attendance rates significantly above those of similar communities?

Of course not. The allocation of funds among various public purposes—fire protection, K-12 education, public transit—is a political choice that reflects citizens' priorities.

Certainly the "evidence" that our municipal Fire Department is underperforming is relevant. It suggests that someone needs to do something

significant to fix the Fire Department. Still, who should do what?

Fixing Fire may require a new leadership team. It may require a new fire-fighting strategy, or a new fire-prevention strategy. A traditional evaluation may not reveal who should do what. Determining exactly what to fix may require different evidence than the evaluation produced.

This evidence could reveal that improving our Fire Department's performance to a satisfactory level will require *more* funding. Or it could suggest all our Fire Department needs to do is reallocate its existing resources. Or the evidence could expose wasteful spending and uncover an opportunity to simultaneously reduce costs and improve performance.

Every evaluation begins with the question: "**Compared with What?**" But an evaluation that makes such a comparison (or comparisons) and finds an organization's performance lacking still leaves the operational question unanswered: "Who should do what to improve performance?"

Maybe the city council needs to fire the fire chief. Maybe our Fire Department needs new leadership. Maybe it needs a new fire-fighting strategy, or a new fire-prevention strategy. Maybe it needs new equipment. Maybe the firefighters need up-to-date training.

Only after the causes behind the poor performance are identified, can the city council, or the fire chief, or the budget bureau determine what different strategies could produce what improvements in results, and what each will cost. Then, and only then, can the messy political process decide which one to fund. **B**

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