

# GROWING MINDS, GROWING BUSINESS

## How can I make performance budgeting work?

In today's fiscal environment, many public organizations are asked to do more with less, so it is essential for policymakers and citizens to think about how tax money is used and what results public organizations deliver.

Studies show that performance information can be used to enhance communication and align policy priorities, departmental actions, budgetary allocation, and results. Performance information also helps at the budgetary execution stage, where departments and the budget office attempt to manage programs more cost-effectively. In an ideal world, performance information would be an essential part of the decision-making process for members of Congress and other policymakers. Unfortunately, studies show that other influences such as partisan politics, interest group influence, and media publicity may outweigh the importance of program performance analysis in the appropriation process.



To make performance budgeting work, public officials have to invest in the administrative capacity of departments and the budget office so that they can collect reliable and credible data about program results. Also, performance measures need to reflect the core concerns of the public, whose input is needed to decide what performance measures to collect. Finally, performance budgeting should be integrated with departmental communication with the public. How can officials ask citizens to trust them with their tax money if citizens are ill-informed about how their taxes are spent and have no input in the process?