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Robert Dennis Malarkey  
*Virginia Commonwealth University*

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THE INFLUENCE OF DIFFERENTLY  
FRAMED INFORMATION ON DECISION  
MAKING IN THE PUBLIC BUDGETING  
PROCESS: DOES BUDGET REFORM  
MEAN A DAMN?

A Dissertation submitted in partial fulfillment of the requirements for the degree of PhD.  
at Virginia Commonwealth University.

by

ROBERT DENNIS MALARKEY  
BA, Florida State University, 1966  
MA, Florida State University 1968

DIRECTOR: Blue Wooldridge  
Professor  
L. Douglas Wilder School of Government and Public Affairs

Virginia Commonwealth University  
Richmond, Virginia  
May, 2008

## **Acknowledgement**

As an undergraduate I understood clearly that you had to be brilliant to be a PhD. It wasn't until decades later that I learned you didn't necessarily have to be brilliant, but you did have to be persistent. Well, I'm persistent, and I'm a gifted teacher which provided the drive to sign on to make this journey.

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I cared.

-Dennis Malarkey

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## **Abstract**

Public budgeting has become a central artifact of American government – the principal means for establishing and implementing policy. Modern public budgeting was introduced in the early Twentieth Century as an adaptation of objects of revenue and expenditure budgeting used in commercial businesses. Since then - over a hundred years - a series of budget reform movements have sought to overcome a major drawback to this model: the lack of a direct link between revenues and expenditures and any measure of the quality or quantity of public benefits derived from budget allocations. While a number of major budget reforms have come and gone (or came and stayed), that provided additional information on government activities linked to allocations, little research has been done to assess whether this new information has actually been used in the legislative budget decision making process, and if so, whether it influenced final budget decisions. Framing theory holds that information about a problem presented in different ways will be perceived as a different problem by decision-makers. Using framing theory as a theoretical basis, a laboratory experiment was conducted, where groups using budgets differently framed budget documents deliberated over an identical budget scenario. It was found that the nature of the debate did vary based on type of framed budget, but that the final allocations were not significantly different.

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## **CHAPTER 1 Introduction**

### **Development of the Problem**

In American Public Administration of the Twenty First Century, public budgets and public budgeting is central to the mental framework by which we perceive governance. Virtually all government activities have budget implications, and the venue of budget debate is where the course and direction of much policy is set (Schick, 1990, p. 1). Budgeting is about resources (Lee & Johnson, 1983, p. 2) – in this paper, chiefly financial resources: how they are gathered, how uses for them are proposed and how rationing decisions are made about which uses will receive how much funding.

As a formal process distinct from other political processes, modern budgeting was introduced at the beginning of the Twentieth Century, one of a number of government and social reforms brought about by the Progressive movement (Burkhead, 1956, p. 3) (Clow, 1901, p. 693). Since then, American government has seen five major reforms, each one advocated as improving the process. The five – Line Item, Performance, Program or Program Planning and Budgeting (PPB), Zero Base and Program-Based budgeting – each present material for decision making in different formats. Line Item or Object-of-Expenditure budgets formats present fiscal information grouped by accounting classifications: how much is proposed for Personnel, Equipment, Supplies, etc. (Potts, 1978). Performance Budgets present information framed in management, cost-per-unit-of-

output terms. The PPBS or “Program Planning and Budgeting System” frames information in terms of goals, objectives and outcomes (Novick & Rand Corporation., 1965; Schick, 1966). Zero-Based budgets provide information in terms of “decision packages” – what a program of work will cost at various levels of funding (Draper & Pitsvada, 1981; Moore, 1980; Pyhrr, 1977; Schick, 1978). Finally, Performance-Based Budgets, currently in vogue at the Federal level, are a composite of Performance and program budgets (Kong, 2005; Moynihan, 2006).

A great deal of research has been done by academics and budget innovators on how budgeting *should* be done, but it has always been forward-looking and prescriptive. While there have been histories of budget reform written, it is argued here that little research has been done to evaluate the changes that came about in terms of whether the new decisions made under the new patterns were more effective – or even much different - from the old ones.

So far as I know, the traditional budget has never been compared systematically, characteristic for characteristic, with the leading alternatives. (A. Wildavsky, 1978, p. xxxiii)

Wildavsky (1984, p. 140) argues that it does, but presents no empirical evidence. In writing about changes to the Defense Department budget in 1961, he states “that the way a budget is arranged suggests ways of thinking and comparison and that if you change the form you change the kinds of calculations and the probable outcomes”, but he offers no

empirical evidence to support that assertion. Pettijohn and Grizzle (1996) provides some supporting evidence that seems to suggest that Performance information is used in decision making, and Clynch (2003), in a qualitative study of budgeting in Mississippi over several decades suggests that some governors made use of Performance budgeting information to gain leverage over the budgeting process. However, theirs are voices in the wilderness.

### ***The Nature of Budgeting and the Budgeting Process***

Schick (1990, p. 10) argues that stripped to it's absolute essentials, the budgeting process entails three components: the generating, claiming and rationing of resources are the fewest number of actions constituting a budget process. There can be more components than that, but not fewer, for the process to still be considered "budgeting".

Budgeting activities take place at all levels of government, from legislative policy making to working units within the bureaucracy. Schones (2004) in his dissertation *The Government Performance and Results Act and the Department of Defense: A view from the Bottom* argues that budget reform has had a powerful influence on Public Administration within the bureaucracy, but leaves open its impact on legislative behavior.

At the legislative level, the budgeting process is inherently political, due to its centrality in the process of governing in American democratic society. Budget information is generally compiled by professionals within governmental organizations and presented for consideration to legislative bodies in the form of proposed expenditures. The role of legislators is to ration available resources in order to "best" meet the demands placed on

them, and once budget decisions have been made, in American government, they generally have the force of law.

Budget activities operate within two key constraints. One is that, by definition, budgets represent planned resource gathering and rationing for a specific, future period. Therefore, budgeting debates always have deadlines within which decision making must be completed.

The second constraint is a near universal characteristic of public budgets that there are more requests and claims for resources than there are resources available. Therefore budgeting discussions inherently involve a greater or lesser amount of conflict and negotiation between competing claims (Schick, 1990, p. 11). It may be argued that in terms of discussion, argument and compromise, these budget discussions tend to be essentially the same regardless of the organization. Wikstrom (1993), in his *The political world of a small town: a mirror image of American politics*, makes that very point – that the political activities of small towns tend to be very similar to those of larger governmental organizations.

As a further constraint, legislators are elected by constituents and bring with them constituent expectations, as well as their own ambitions, perceptions of the world and what constitutes a “best” set of budget allocations, as well as personal skills and knowledge bases that all serve as background to their own decision making.

### *The Nature of the Debate*

As a result, it is argued that groups involved in budget discussions go through several internal phases of discussion. The material to be used as the basis for decision making must be received and comprehended by the individuals, and a mutual understanding developed on the nature of the contents (J. N. Druckman, 2001d; Stapel & Koomen, 1998). Groups also go through a consensus building, which involves both negotiation and power-seeking activities on the part of individuals (Larson, Christensen, Franz, & Abbott, 1998). Discussions frequently involve discussion of alternatives and the choosing of a single one that is ultimately committed to by at least a majority of the group (J. H. Davis et al., 1997).

Scholars have contended for decades that the nature of the information presented determines the nature of the outcome decisions: change the nature of the information used as input to the system, and you change the nature of the outcome decisions (Diamond & Lerch, 1992; J. N. Druckman, 2001d; Fagley & Miller, 1990; Hodgkinson, Maule, Bown, Pearman, & Glaister, 2002; Daniel Kahneman & Tversky, 1979; Kuhberger, 1995; Li & Adams, 1995; Tversky & Kahneman, 1981; Wang, 1996). Change the content and format of budget information presented to legislators for consideration, and you will change the content and character of the discussions that center on what may be argued is the basic budget problem: “how much shall we allocate to whom and for what in the coming budget cycle?”

In the name of improved decision making, the budget reform movements have added information to budget documents, which required additional time effort and cost to their

preparation, and the format of the proposed budgets has been changed with the claim of improving the process. Schones(2004), in his dissertation *The Government Performance and Results Act and the Department of Defense: A view from the Bottom*, makes an excellent case for the notion that budget reforms have had a powerful influence on the thinking and operations within the government bureaucracies. However, there has been almost no empirical research to determine whether changes had the effect intended on the legislative budgeting process.

The purpose of this study is to assess the budget reforms that have come and gone (or come and stayed) since the turn of the Twentieth Century. What is of interest is the impact of the new or reformatted information provided for legislative consideration, and to determine whether reframed budget information has an impact on the discussions of budget making groups or their final decisions.

More precisely, the research question posed by this study is *Does changing the framing of the budget information presented for consideration change the nature of the budget debates and the final budget allocations?* In common parlance, “Does Budget Reform Mean a Damn?”

### ***History of Budget Reform***

There is an extensive body of literature that addresses budgeting and budget reform, but in assessing the major reform movements of the Twentieth Century, it can be argued that several key questions are pertinent:

Why did a particular reform movement come about just then in history? Why not before or after?

What changes did it produce in the then-existing system, and at what cost?

Why was it phased out or replaced?

It is argued here that very generally, the major budget reforms came about in response to four factors: (1) A newly perceived problem or need, (2) in the minds of people of vision with the capacity and the credibility to conceive and effectively promote changes, (3) the presence of technology – in this context, concepts or techniques for solving specific types of problems, and (4) the diffusion of these new ideas and their adoption beyond where they originated.

This is somewhat of a restatement and expansion of Kingdon's Multiple Streams Theory of public policy (Kingdon, 1995). He argues that policy changes came about at the confluence of three streams of conditions or events: Problems, Policies and Politics, which are coupled by policy entrepreneurs who invest "time, energy, reputation [and] money – to promote a position" (Kingdon, 1995, p. 179). The here-argued extension of the theory lies in the presence or absence of "technology" – not just hardware but concepts, methodologies and levels of sophistication in conceptual frameworks. These serve as tools to solve problems that are present at one point in history, but were either absent or not recognized as relevant beforehand. For example, in the Federalist Papers, Madison has difficulty in expressing the idea of the feedback loop, which is what voter control of the legislature represents, because analogies were not yet available. Feedback loops in



machines, which could have served the purpose, did not exist at the time, although such mechanisms came into common use a few years later (Wootton, 2003, p. xxxii).

True, Jones and Baumgartner (1999) building on the work of Herbert Simon, (1976) proposed a theory of “Punctuated Equilibrium”, in which decision making in American Government is generally stable, changes made only incrementally, and there is considerable resistance to change. However, exogenous or endogenous events sometimes succeed in breaking the stasis and result in dramatic shifts in policy or procedures, which can be seen as sudden “bursts” of change after long periods of stasis.

These changes, Jones (1994) argues, come about not because of a shift in preferences, but because of a shift in attention. Individually, we are capable of focusing on only one, or at most a few issues at once (D. Kahneman, 2003). Forces outside the decision-maker, such as changing levels of public attention, or striking important new information results in large scale shifts in public attention and perceptions (Zahariadis, 1995).

Together, it can be argued that these help to explain why Line Item budgeting evolved when it did, why neither Performance nor PPBS/Program budgeting systems became popular until roughly 30 years after they were devised, and to an extent why one budget reform came to replace another.

Historically, public budgeting rose out of the broader story of American society inventing a new form of government in the 19<sup>th</sup> Century and evolved into an identifiable, “specialized” process central to the formulation and execution of public policy in the

Twentieth Century (Kahn, 1997, p. 5; Willoughby, 1918). Prior to the late 1800s budgeting – as we currently know it – was not done, chiefly because government organizations and activities were small, and resources available were more than adequate to meet all demands (Burkhead, 1956, p. 11), so there was no need to budget or ration resources.

In the latter part of the Nineteenth Century, a confluence of trends resulted in a fundamental restructuring of how people perceived government, and triggered the advent of modern budgeting.

Following the Civil war, this country went through a wave of migration to the cities and at the time municipal government was the predominant form of government in America (Stewart, 1989) (Minmier, 1975). The net result was a dramatic increase in the demand for government services, coupled with a rise in the tax base to pay for them (Kahn, 1997, p. 8; Potts, 1978). However, this period also saw the rise of political machines coming to dominate many local and governments, while political graft and corruption became blatantly visible (Steffens, 1902; Woodruff, 1901)

A second trend was a change in American society's perception of itself and the evolution of social classes (McGerr, 2003). At one extreme, the character of the demographic from residents of northern and western industrialized countries of Europe of groups who were less educated, and less easily integrated into American culture, came to form a laboring class, while largely because of their proclivity toward conspicuous consumption, the

affluent few became more prominent, visible... and resented(Kahn, 1997, p. 18) (Malone & Rauch, 1964, p. 125) (Stewart, 1989). Between the two was an increasingly self-aware middle class from whose ranks came reformers who Light (1997) and Shannon (1966) argue set about a mission to remake society in a new image.

It is argued here that in American government at that time there was one single, landmark innovation that stands above all others: the advent of Line Item or Object of Expenditure budgeting. Prior to that, budgeting was only one – and a minor one – of an amalgam of political processes that comprised government, but government that was not generally perceived in terms of an organizational entity (Cleveland, 1904a, 1904b). Line Item budgeting provided a new holistic view of the organization as an entity. It was an instrument for perceiving an organization as a whole in terms of a meaningful system of objects of revenue and expenditure provided clear fiscal information(Cleveland, 1915). However, it can be argued that Line-Item budgeting as it evolved had one major flaw: Line-Item budgeting lacked really effective links between allocations and what those allocations would buy in terms of performance, or outcomes. After the institutionalization of Line Item budgeting, all the budget reforms that followed can be seen as attempts to overcome that, to provide some sense of what is being purchased with tax dollars in a democratic society.

It is argued that while accountancy was coming to be widely used in commerce nationally, Line-Item public budgeting began in New York City and diffused across the country, driven by a small group of Progressive reformers (Kahn, 1997, p. 2). This group viewed

the budget broadly as a tool for revitalizing representative democracy, and as a means for conceptually grasping governments which had become increasingly large and complex. The passage of the Greater New York Charter of 1898 consolidated the boroughs of Manhattan, the Bronx, Brooklyn, Richmond and Queens under a single civil authority (Kahn, 1997, p. 22). The resulting financial structure dwarfed all other government operations in the United States.

One contemporary observer estimated that in 1898 the new city would spend five times as much as New York State, more than one and two thirds as much as all states combined, and nearly one and one-seventh as much as the federal government itself, while its gross debt would exceed the combined debt of all the states (Durand, 1898, pp. 288,377) *as cited in (Kahn, 1997, p. 9).*

It may also be argued that the institution of Line Item budgeting took place in New York because that city was the financial center of the United States, whose economic leaders were steeped in the use of modern accounting techniques, a technology that had been imported from Scotland by the railroad industry, America's first nationally consolidated corporations (Sterrett, 1909, p. 85). In other words, New York's elites contained a relatively high proportion of people who understood this new technology in commerce and industry well enough to generalize those concepts to the public domain. Accountancy provided the ability to view the fiscal status of a large organization as an entity, to detect financial problems and to respond to them.

Line Item budgeting was only one of a wide range of municipal reforms being advocated by the Progressive Reform movement. This was the era of Scientific Management led by

Frederick Taylor (1911), and an era where the concepts of “Big Business” were both respected and feared, but which were also fairly widely understood.

Kingdon (1995, p. 76) proposes that policy changes come about as the confluence of three streams flowing through a system: problems, policies and politics.

Consistent with the Punctuated Equilibrium Theory (Baumgartner & Jones, 1993) *as cited in* (Sabatier, 1999), changes are driven less by a shift in decision-makers’ preferences than by a shift in their attention. In this case, political machines, and corruption had been a part of government since the Civil War, and Progressive writers like Lincoln Steffens (1902) had begun raising the visibility of corrupt practices since the turn of the Twentieth Century. The trigger for change however, came in the form of New York’s’ massive insurance and utility scandals in 1905-1906 (Kahn, 1997, p. 55), that focused attention on the issue at precisely the time that William Allen, Henry Bruère and Frederick R. Cleveland were arguing for the establishment of the New York Bureau of Municipal Research. These three formed the vanguard of budget reform movements and Good Government movements in cities across the country (Woodruff, 1901), and which culminated in the federal Budget and Accounting Act of 1921 that instituted Line Item budgeting at the national level.

It also served as a tool for reshaping government by introducing a stronger executive function that could exercise control over graft and corruption in their bureaucracies (Cleveland, 1915).

These reformers were a part of a larger movement of middle class reformers, which would crystallize into the Progressive Movement at the turn of the century. They made use of Publicity and the media to raise the visibility of the corruption that was widespread and blatant (Kahn, 1997, p. 100). In Clean City and Good Government movements (Cleveland, 1904a; Goodnow, 1895; Steffens, 1902; Woodruff, 1901), they advocated the adoption of the business accounting model to control graft and increase accountability (Goodnow, 1895, 1912).

Line-Item, budgeting provided executives the ability to see an organization holistically in terms of gathering and rationing of resources. President Taft's Commission on Efficiency and Effectiveness stated "In order that he [the administrator] may think intelligently about the subject of his responsibility he must have before him regular statements which will reflect results in terms of quantity and quality" ("The Need for a National Budget", 1912). However, as applied to public entities, this model, abstracted from the private commercial/industrial environment contained a fundamental flaw. In the competitive private sector, accounting business models provide for a feedback loop - in the form of net profit - between product or service output and allocations needed to provide them. If profits go down, it triggers investigation and corrective action fairly quickly. Applied to government, however, that profit feedback does not exist. There is no direct link between allocations, revenue collections and the good bought and work performed with those revenues. It can be argued that most of the budget reforms that have evolved since the 1920s represent efforts to provide that link.

The concept of Performance budgeting developed in the 1920s – an era when “Management” was a key “household word” in American society, and the era in which “Scientific Management” promoted by Frederick Taylor (1911), Frank and Lillian Gilbreth and others reached its zenith. The base idea was that, since government entities do not have a net profit or loss to serve as a feedback mechanism to gauge performance, measures of output presented in a cost-plus format might be substituted. The importance of performance “functionalized” data had been recognized by the New York Bureau of Municipal Research in the early 1900s as they developed the Line Item budgeting system for New York. The idea was to “functionalize” estimated costs by program or function, then link to those, measures of work done. However, a three-year experiment in Richmond County proved that the then-current level of technology was not up to the task (*The Finances and Financial Administration of New York City : Recommendations and Report of the Sub-Committee on Budget, Finance, and Revenue, of the City Committee on Plan and Survey*, 1928, p. 272) (Burkhead, 1956, p. 135; Greenlee, 1998, p. 70).

Schick (1971, p. 21) noted that “there is overwhelming evidence that the ideologists of executive budgeting favored activity or functional classifications, and the subordination of objects of expense”, and Performance budgeting was adopted in isolated instances, notably the TVA in the 1930s. However, the system did not become broadly adopted for another 30 years, by which time information technology and levels of management understanding had evolved to the point where it could be widely supported.

The Program Planning and Budgeting System (PPBS) came out of the McNamara administration at the Department of Defense in the 1960s (Hyde, 2002, p. 453). In concept, the system centered on multi-year planning, the laying out of goals and objectives, using sophisticated program and systems analysis techniques to develop methods and the expected costs needed to achieve them.

The difficulty with PPBS was its very sophistication, and its basic disconnect with the way managers tend to think. It required managers, trained from birth to deal with day-to-day, or at most budget cycle-by-budget cycle, to adopt a multi-year frame of reference, and retain staff with highly sophisticated analytical skills. It had evolved in the Department of Defense over a period of 10 years (Schones, 2004), but was mandated by President Johnson to be implemented at the Federal level over a period of six months. In many senses, this was a “Bridge Too Far”; the methodology was discarded after a few years, to be reborn, changed and improved as Program Based Budgeting in the 1990s “Reinventing Government” movement, by which time available information technologies had improved, as had the level of sophistication on the part of public managers.

In the interim, Line Item budgeting as a framework remained institutionalized, and two less sophisticated methodologies came into vogue, both accommodating a reality observed by Wildavsky (1978; , 1984; , 1988) that most budgeting is done incrementally.

Management by Objective – not a budgeting system strictly speaking - kept alive the idea that output or outcome information could provide some measure of activity measurement,



at least for some types of activities, even if not systematically linked to cost information (Burkhalter, 1974).

Zero Based Budgeting was invented at Texas Instruments by Peter Phyr (1977), and subsequently adopted by Jimmy Carter's administrations at the state of Georgia and later the Federal government. In concept, Zero Base Budgeting assumes a non-incremental approach, and involves the development of "decision packages" for various levels of funding beginning with a "minimum level" of funding below which agency/program performance would suffer (for example the cost of running an agency at present levels vs. the cost of running it with a 10% decrease or a 10% increase). The system had distinct advantages. It framed decision making information by year or budget cycle, consistent with a manager's thinking, and changed the terminology. However, it did not change the basic rules by which budget decisions are made, nor did it change the data used for budget decision making nor the form by which data is classified (Schick, 1978). However, in practice, especially as implemented at the Federal level (presumably the model for the nation) it proved to have a number of drawbacks. The identification of goals, objectives and work measures that might link allocations to what those allocations would buy were not a part of the system (Draper & Pitsvada, 1981), and in any event OMB mandated severe limits on the size of decision packages, reducing or eliminating analytical data needed for informed decision making (Schick, 1978). "Minimum level" funding quickly came to be determined as some percentage of current funding, and the component where

decision packages are reviewed and ranked was abandoned very quickly (Draper & Pitsvada, 1981).

Overall, it can be argued that the budget reform movements of the Twentieth Century were only partially successful in linking budget allocations to the activities and benefits that they buy. Today's most sophisticated reform – Performance Based Budgeting - incorporates many of the lessons learned. It provides for linking measures of work, objectives to be accomplished and goals to be worked toward in a single format.

### ***Theoretical Overview – Framing***

#### **Framing Effects**

Scholars in many disciplines have been intrigued by finding that decision-makers respond differently to different but objectively equivalent problem statements (Greenberg & Baron, 2003, p. 374). The existence of “framing effects” has been documented in medical decisions, consumer choices, perception, psycholinguistics, social psychology, education and other areas. Framing effects are most commonly defined as occurring when two “Logically equivalent (but not *transparently* equivalent) statements of a problem lead decision-makers to choose different options” [(Rabin, 1998) as cited in (J. N. Druckman, 2001c)].

Framing takes place when, in the describing of an issue or event, the incoming message information emphasizes some particular aspect or subset of ideas rather than some others, leading the recipient to choose differently than he might otherwise (J. N. Druckman,

2001b);. At the psychological point at which the recipient decision-maker makes a choice, all pertinent information is in his/her memory, ready for evaluation (Nelson & Oxley, 1999). The nature of framing is such that the emphasis of the framed message causes the decision-maker to place greater weight on some aspects at the expense of others influencing his decision(D. Kahneman, 2003). Changing the framing of the message changes the weighting causing the decision-maker to choose differently, that is, frames work by changing the relative importance the individual's beliefs (James N. Druckman & Nelson, 2003).

This is a process distinct from persuasion (Nelson & Oxley, 1999). The standard model of communication-based persuasion typically involves a *source* who presents a *message* about an *attitude object* to an *audience*, with the goal of changing audience beliefs. If the audience member both understands and believes the message, and if the message is different from his/her prior beliefs, then the new belief is adopted. Implicit in this is the assumption that the information conveyed by the message is new to its audience. Persuasion works because it presents information not already a part of the decision-maker's knowledge or belief structure. By contrast, frames operate by changing the relative importance of beliefs already stored in the decision-maker's long-term memory (Kinder, 1998; Nelson, Oxley, & Clawson, 1997).

Framing was introduced as the concept of Prospect Theory by Kahneman and (1979) as an alternative to the standard economic model of utility decision making under conditions of risk. That model holds that under conditions of risk, decision-making information is

objectively received and evaluated by the decision-maker. Kahneman and Tversky proposed that it is not – that decision-making information is encoded by the receiver as either positive or negative and that this has an influence on his choice. They found that, given the choice between two positively presented (framed) alternatives, a decision-maker will choose the less risky; however if those alternatives are presented (framed) negatively, he will choose the more risky.

An extensive body of literature has since evolved in a number of fields including Advertising (Al-Jarboa, 1997; Homer & Yoon, 1992; Zhang & Buda, 1999), Market Research(Barber, Heath, & Odean, 2003; Block & Keller, 1995; Ganzach & Karsahi, 1995; Mahajan, 1992; Tuttle, Collier, & Burton, 1997) at.al., Perception(Burroughs, 1998; Dunegan, 1993; Highhouse, 1996a; Highhouse & Yuce, 1996; Tversky & Kahneman, 1981) at.al., Psycholinguistics, Social Psychology(J. N. Druckman, 2001d; Dunegan, 1993; Fagley & Miller, 1990) at.al., and Medicine (Lila J. Finney & Iannotti, 2002; B.J. McNeil, S.G. Pauker, H.C Sox, & A. Tversky, 1982; Moxey, O'Connell, McGettigan, & Henry, 2003)at.al.. Kuhberger (1998) developed a meta-analysis of 136 empirical papers on framing effects for risky choice problems, and concluded that framing is a reliable phenomenon.

The body of literature is so extensive that for purposes of this paper, a different typology is proposed that covers three basic views of framing: psychological/cognitive, content and domain/environmental aspects.

### **Physio-Psychological aspects**

From a psychological standpoint, current thinking is that framing fits into a broader framework of cognitive reasoning and rationality that was initially given form by Stanovich & West (1999), and later by Kahneman (2003). The basic idea is that individuals make use of two cognitive systems, which Stanovich & West(1999) label “System 1” and “System 2”. “System 1” processing is highly intuitive: it is automatic, fast, effortless and associative and judgments are often emotionally charged. Perceptions are taken in and processed automatically and initial judgments are made immediately, and several may be processed more or less simultaneously without cross-interference, (one may have many impressions of a scene or event). The operations of “System 2” are slower and more systematic and deliberate; they are more effortful, and more likely to be consciously monitored and deliberately controlled (D. Kahneman, 2003, p. p. 698).

Framing appears to be a “System 1” function (K. E. Stanovich & West, 2000), in layman’s terms - almost a matter of first ”impressions that stick” - and to an extent can be reduced or eliminated under certain circumstances when more deliberate thought (“System 2”) is given to the problem. Druckman (2003) argues that in general, framing effects tend to be short-lived phenomena. However, LeBoeuf (2003) suggested neither idea is absolute. In two experiments he observed significant framing effects, even when more thought (and hence time) had been given to the problems.

An individual’s personal traits can mediate the effects of framing. Mayhorne, Fisk, & Whittle (2002), concluded that susceptibility to framing effects is not an age-related

phenomenon in that all people, regardless of age, can be manipulated with regard to accepting risk. One's preferred cognitive style, in particular an individual's preference for deliberate, analytical thinking, and "need for cognition" tends to reduce his/her susceptibility to the effects of framing. Fagley and Miller (1990) found that women were affected by framing in circumstances where men were not. However, it must be noted that in western society, men tend to be socialized toward an analytical cognitive style from childhood more than women are, and that notion would tend to throw into question the extent to which biological gender is responsible.

### **Message Content Aspects**

If framing takes place in the mind of the information-perceiver and decision-maker, it is bought about by the nature of the perceived information. It has been established that the "valence" (whether presented positively, in terms of benefits, or negatively, in terms of threats or loss), plays a major role in the framing of a message (D. Kahneman, 2003; Daniel Kahneman & Tversky, 1979; Tversky & Kahneman, 1981, 1991), as does the amount of information (Choplin & Hummel, 2002; Diamond & Lerch, 1992). Format plays a role in some circumstances – whether a problem is presented in words, tables or graphics, and the order in which information is presented may under some circumstances cause framing effects studies (Highhouse & Gallo, 1997; Hogarth & Einhorn, 1992; Perrin, Barnett, Walrath, & Grossman, 2001; Tuttle, Collier, & Burton, 1997).

**Domain/Environmental aspects**

Finally, the “domain” – referring to the type of problem being dealt with, and whether the task is to solve the problem or make a judgment also plays a role. Rettinger and Hastie (2001) demonstrated the role of the content domain. Decisions in a casino simulation problem (a common study scenario) are treated differently than more familiar morally evocative domains, such as legal decisions.

***Significance of the study***

It is of significant value to Public Administration Practice to know whether budget reform represents a change or improvement, or has little or no impact. If changing the nature of the process does make a difference, then Practice needs to know that, and be sensitive to those potential changes in arguing for reform. If there is no difference, then that is important too. Public Administration professionals would be better advised to work toward streamlining whatever process is in place rather than trying to bring about reform (unless for other reasons).

There is significance to Public Administration practice too, in qualitatively examining the history of budgetary thought because few writers have paid attention to the history of ideas. However, practice and academic inquiry are both affected by political ideas and the “language” of governance – that is, the entire set of interrelated jargon, processes, rules, constructs and symbolism, both written and unwritten, that make up our view of budgeting and its larger context of government. One cannot understand the institution of budgeting as a related collection of procedures, words, rules and values, spoken and unspoken,

without some understanding of the history that defined them and gave them meaning, as we understand them today

The literature on Framing Theory holds that the same problem information presented in different ways or in a different order will be perceived differently (Greenberg & Baron, 2003, p. 376). If this theory holds in the case of public budgeting, then given budget document information in different reform formats (Line Item vs. Performance, for instance), one could expect both the nature of the budget discussion and the final budget allocation decisions should be significantly different. After all, that was the intention of the reformers.

If, on the other hand, budget decision-makers do not draw on this information in debate, and especially if the final decisions are essentially the same, one may conclude that while budget reforms might have been important in other ways, they failed in their stated purpose of improving the legislative decision making process.

### ***Method***

The research question posed in this study is whether changing the framing of the budget information presented for consideration changes the nature of the budget debates and the final budget allocations. To test this question a laboratory simulation was developed. Groups of subjects were presented with information representing the needs and resources of a simulated municipality, but based on one of three differently framed budget formats – Line Item, Performance or Program (PPBS) - with the assignment of making changes to it.



The content of their debates were digitally recorded and analyzed using content analysis techniques, and their final decisions analyzed for similarities and differences.

### **Laboratory experiment vs. the real world**

The issue of whether findings from a laboratory experiment using students can be generalized to a dissimilar real world environment. After all, students rarely, if ever, have legislative experience. They would not feel the pressure from constituents, nor would they likely have experience in making budget decisions at a policy level.

However, Edwin Locke (1986) makes several points that justify the use of laboratory experiments over field studies. He notes that Dipoy and Flannigan (1979) defended lab studies by criticizing field studies as not being generalizable either, essentially for the same reason: that they are isolated from real-world conditions. Locke grants their point, but argues that the deductive argument, which relies on similarity, is quite equivocal. The argument does not specify how similar two scenarios should be in order to generalize, nor in what respects must there be similarity. While lab and field settings may be different, they may have similar components: in this context, both legislators and college students are decision making, social human beings with varying skill levels at interaction, abstraction and reasoning. Similarly, the lab and field settings would have similar attributes: the focus of both would center on the same or very similar budgeting processes, would involve tasks of information intake and comprehension, discussion, debate, negotiation, decision making and a final outcome.

The evidence (reported in his book) indicates that a detailed, point-by-point match is not necessarily required in order to achieve generalizability. Both college students and employees appear to respond similarly to goals, feedback, incentives, participation and so forth, perhaps because the similarities among these subjects (such as in values) are more crucial than their differences. Task differences do not seem overwhelmingly important. Perhaps all that is needed is that the participants in either setting become involved in what they are doing. The demand characteristics of laboratory settings may not bias the results because equivalent demand characteristics may be present on the job (Locke, 1986).

### **Participants**

Participants consisted of 27 undergraduate students, who were solicited as subjects through their instructor. This sample size has been found to be adequate in other similar studies. Sylvester (1997) tested two predictions about candidates' spoken attributions during 35 graduate recruitment interviews. First, spoken attributions are a common and frequent component of candidate discourse in the selection interview. Second, those candidates rated by interviewers as more successful make systematically different attributions for previous behavior and outcomes than candidates who are rated by interviewers as being less successful. In total, 1967 attributions were extracted from transcribed interview transcripts and then coded using the Leeds Attributional Coding System (LACS). Both predictions were supported. In particular, successful candidates made relatively more personal and stable attributions when explaining previous negative events than less successful candidates did. These findings are discussed with reference to a self-

presentational model where candidate spoken attributions act as moderators of interviewers' expectations regarding the candidate's likely behavior in future work situations. Further, Mueller & Fleming (Mueller & Fleming, 2001) used 20 children who met after school to make papier-mâché masks and to engage in other play activities, while their interactions were recorded for analysis. The results of the experiments proved remarkable. Researchers found that children in an autocratically led group seemed discontented, often aggressive and lacking in initiative. Youngsters in groups without a leader experienced similar problems: members appeared frustrated and much of the work remained unfinished. In marked contrast, children in groups organized with a democratic leader--someone who allowed the group to set its, own agendas and priorities--appeared far more productive socially satisfied, and demonstrated greater originality and independence in the work they completed.

Undergraduate rather than graduate students were used in order to insure greater homogeneity of experience. Graduate classes typically have a greater proportion of students with professional experience which might/not include experience with budgeting in some form. Undergraduate students are less likely to have that experience, which in this context would be an additional intervening variable in the experimental situation.

Undergraduates are commonly used in Social Science experiments. However, it may be argued that using undergraduates as simulated legislators would be unrealistic. Sears argues that "Research on the full life span suggests that, compared with older adults, college students are likely to have less crystallized attitudes, less formulated senses of self,

stronger cognitive skills, stronger tendencies to comply with authority, and more unstable peer-group relationships (Sears, 1986). However, Kuhberger (1998) in a mega analysis of 136 studies concluded that the behavior of students and subjects did not differ significantly from that of non-student subjects.

## **Experimental Design**

### **Groups**

Subjects were randomly assigned to one of nine decision making triads, three for each of the types of framed budget studied: Line Item, Performance and Program. The notion of using larger groups to simulate more realistically legislative bodies was examined and discarded for two reasons. The use of triads would minimize extraneous and uncontrollable group dynamics (e.g. competition for group's power and dominance), and secondly, as a practical matter, no more than a single undergraduate class or two would need to be solicited, and the experiment could be limited to a single session in a single physical space.

### **Materials**

The sets of budget information for each group included a scenario proposing a budget for a small city that had suffered severe storm damage that resulted in a significant drop in property assessments (and therefore property taxes) that required budget reductions of at least 10%.

Budget information was presented for each of four departments: Police (which was intuitively expected to be held more or less sacrosanct during budget cutbacks), Parks and Libraries (which intuitively would be likely to be cut), and Streets (which normally could be expected to suffer moderate cutbacks during tight times). Four departments rather than an entire city's budget was chosen for several reasons. Presenting a full city budget for action would be too complex to deal with in a single session. In any event, the objective of the experiment is to examine the decision-making process, not the development of a budget per se, so dealing with a complete budget is not necessary. Finally, presenting several departments, rather than a single one permitted the triads to make trade-offs between them.

The budget documents used may be found in the appendix, but briefly: The Line-Item budget format for each department consisted of a brief description of the activities of that department, and past, current and proposed expenditures by typical Objects of Expenditure (Personnel, Equipment, etc.). Departmental Performance Budget information consisted of a brief narrative description of the departments' activities, as well as budget information framed in terms of output performance statistics and work measurement information and cost-per data. Again, the figures included past, current and proposed information. Departmental Program Budget information consisted of a brief narrative description of the departments' activities, as well as budget information framed in terms of strategic goals and objective outcomes.

### **Procedure**

The lab session took place during one of the instructor's regular class periods. On arrival, subjects signed a roster and were assigned to one of the triads. A digital recorder was given to each group to record the discussion. They were then assigned to one of four classrooms to allow for sufficient space between groups to minimize acoustic interference. When they had finished, each group wrote their final allocations on a simple form.

Afterward the sessions were transcribed and re-checked against the recordings for accuracy. The result was a database of the texts of nine debates, each record consisting of a "Speaker's Turn", a unique ID number, type of budget document used by that group, an identification code for the speaker and a time stamp relative to the beginning of the session. A "Speaker's Turn" is here defined as whatever a person says while he has the floor in a meeting of conversation, be it a word or two or a lengthy discourse.

### **Analysis**

The purpose of this study was to address the research question of whether changing the nature of the budget information presented changes the nature of the budget debate and the final budget decisions? One would intuitively expect that the discussions of groups presented with budget information framed in cost-per-unit-of-work terms to include terms relating to performance more than groups presented with purely financial information, and that groups presented with information framed in terms of goals and objectives might include more terms related to planning.

However, it may be argued that the fundamental budget problem is “how much shall we allocate to whom and for what in the coming budget cycle?”, and like legislative bodies in the real world, these groups have a limited amount of time to reach those decisions, which are ultimately financial in character. It is entirely possible that groups would “cut to the chase”, and give only lip service to the non-fiscal information before moving on to the financial decisions.

In order to determine whether differently framed budgets trigger essentially different discussions, it is necessary to examine them and compare their content. One traditional way of doing this is to pre-identify a set of key words and phrases judged to associate with one format or another, and then count the frequency with which they occur in each discussion. Statistical analysis of those counts would test the hypotheses of difference.

There are several difficulties with this approach that serve to illuminate the second approach which was used here. In the first place, a list of key words would have to be identified *a priori* and the most objective way to do this would be to empanel a group of experts to form a consensus with such a list. The risk is that, even with a panel, some key words or phrases might be missed. A second difficulty is that what might be termed “implied synonyms” would not be included in a pre-determined list. An “implied synonym” is a word or phrase that is a clear but indirect reference to some term that is not obvious outside the context of the discussion. For example, the phrase “let’s give them” might mean “let’s allocate” in context of a budget discussion but not elsewhere. A third difficulty with a manual approach is that of human error in coding discussion transcripts by

misclassifying or inconsistently classifying terms and miscounting word instances thought simple human error. These might be reduced through the use of multiple coders, but even then instances might be missed. However, the end result of a manual process would be a data set with can be subjected to statistical analysis.

A second approach arrived at the same destination - an analyzable data set – but made use of current information technology that increases the efficiency, effectiveness and accuracy of the coding operation. SPSS Text Analysis for Surveys is a commercial package designed specifically for analyzing open-ended survey questions in market research, is also widely used as a research and educational tool in a number of universities including Stamford, NYU and the University of Tennessee, among others.

The logic and automated processes that work well for open ended survey questions also works well for analyzing dialogue from meeting or discussions, (but less effectively for entire books or other large bodies of text incidentally). The details of the specific operation of SPTfS is to be found in the appendix, but the logic and techniques noted here make it distinctly superior to a purely manual analysis.

Rather than solely developing a pre-determined list of keywords and phrases, automatic or partially manual processes were used to produce frequency lists of *all* words and key phrases. In the process connectors and such words as “the” “a”, etc. that occur frequently but are of no interest in and of themselves were excluded. The result was an initial list of terms that were frequently mentioned in the discussions. From a different direction, words



and descriptions were abstracted from the writings of scholars like Schick, Grizzle and Clynch.

Words such as “outcome” “cost per” and “output” were included directly as potential key words in the discussions. Almost none of these were found in the transcriptions – the participants were dealing with a concrete problem and did not talk in the abstract. However, “implied synonyms” for them were found. For example the term “outcome” which is one of those associated with Program Budgeting but not found in the discussions, but “approval rating”, and “eliminate crime prevention” are.

The end result of this process was a list of 359 terms and phrases that associate with one or another of the budget formats mentioned in frequencies ranging from 1 to 26. These were exported to SPSS for statistical analysis ANOVA.

## **Weaknesses**

### **Laboratory experiment vs. the real world**

The issue of whether findings from a laboratory experiment using inexperienced students can be generalized to a dissimilar real world environment. After all, students rarely, if ever, have legislative experience. They would not feel the pressure from constituents, nor would they likely have experience in making budget decisions at a policy level.

However, Edwin Locke (1986) makes several points that justify the use of laboratory experiments over field studies. He notes that Dipoy and Flannigan (1979) defended lab

studies by criticizing field studies as not being generalizable either, essentially for the same reason: that they are isolated from real-world conditions. Locke grants their point, but argues that the deductive argument, which relies on similarity, is quite equivocal. The argument does not specify how similar two scenarios must be in order to generalize, nor in what respects must there be similarity. While lab and field settings may be different, they may have similar components: in this context, both legislators and college students are decision-making, social human beings with varying skill levels of interaction, abstraction and reasoning. By the same token, the lab and field settings would have similar attributes: the focus of both would center on the same or very similar budgeting processes, and would involve tasks of information intake and comprehension, discussion, debate, negotiation, decision making and a final outcome.

The evidence (reported in his book) indicates that a detailed, point-by-point is not necessarily required in order to achieve generalizability. Both college students and employees appear to respond similarly to goals, feedback, incentives, participation, and so forth, perhaps because the similarities among these subjects (such as in values) are more crucial than their differences. Task differences do not seem overwhelmingly important. Perhaps all that is needed is that the participants in either setting become involved in what they are doing. The demand characteristics of laboratory settings may not bias the results because equivalent demand characteristics may be present on the job .(Locke, 1986)

In addition to inter-coding validity, other validity issues for this project were developed and addressed. According to Cook & Campbell's *Quasi-Experimentation: Design & Analysis for Field Settings*, (1979), some of the threats that must be investigated include:

**Construct Validity issues:**

Threats to confounding involves the issue of whether a contrived scenario confounds the study by its very existence - that the contrived information may be considered artificial and treated more cavalierly than might be the case in the real world. However, Kuhberger (2002) found this is not the case; individuals in his experimental settings reacted to a contrived problem in the same fashion they did to a real one.

Content analysis in general is more vulnerable than most methodologies to confounding based on expectations on the part of the study designer, and to a less extent those doing coding. However, the use of automated software and statistical values to replace hand coding will obviate most of them.

The extent to which the laboratory scenario reflects the real world. This was addressed by making the scenario as realistic as practical. The hypothetical scenario presented information in simplified form taken from the real-world city of Hickory North Carolina, with budget formats based on classic Line-Item, Performance and Program budgets used as in real-world practice.

**Internal Validity issues**

Text analysis is more vulnerable than most methodologies to confounding based on pre-conceived notions of the study designer and those doing coding of the text for analysis.

The software employed here obviated this to a large extent. The bulk of the initial coding – identifying and quantifying candidate key concepts - is done automatically, using built-in

algorithms that require little or no human judgment. Further all instances of those terms throughout the text are very reliably identified. These results are highly reliable: the software will replicate them precisely every time.

While the automated processes are reliable, there is a need for human judgment – thereby the risk of bias- in “fine-tuning” the software to pick up nuances in the text that the automated algorithms cannot detect. These fall into three areas:

Adding words and phrases as synonyms: The software does not automatically identify certain jargon synonyms, which had to be manually identified and associated by the analyst. For example the software could not automatically distinguish between “welcome centers” and “welcome stations”.

Simplifying the categories: while the software contains several routines for classifying statements, SPTfS was designed specifically to deal with responses to open ended survey questions, and had limited utility in this case, and terms had to be manually selected as relating to each type of budget. However, once selected, the software found all instances of those terms, which were then reviewed to be certain each term meant the same thing in every instance.

ANOVA analysis was used to analyze for significant differences between groups. It is an appropriate test for analyzing dichotomous data. (Frankfort-Nachmias & Nachmias).

### **Findings and conclusions**

The results of the text analysis ANOVA showed that there were significant differences in frequencies of mention between the group types. Those exposed to the Program format were more likely to mention terms like “approval rating” and other outcome related terms; Performance budget groups mentioned management-associated terms such as “park maintenance”, and “workload”, while groups using Line Items budgets talked in terms of specifics, such as “fertilizer”, and “librarians”.

However, surprisingly, analysis of the final allocations between group types did not show any significant differences. Even though the content of the budget discussions was different, the end result was essentially the same pattern of allocations

Further, as expected, the sessions largely followed a similar pattern: first gaining consensus about the assignment material presented and what the participants were looking at, laying out a strategy or at least priorities, discussing the basic allocation problem and finally coming to a consensus decision that addresses the fundamental problem common to all groups: “how many dollars shall we appropriate to whom and for what?” When they reached the final analysis, their decisions were essentially the same, because as Lindblom (1959) and others have noted, budgeting for an ongoing organization is essentially incremental, and change can occur principally at the margin. Whatever else may be desirable, “the fire department *must* be funded”.

### ***Organization of the study***

Chapter Two will cover the history of budgeting in more detail.

Chapter Three will consist of a literature search that recaps and expands on framing theory issues that comprise the theoretical background of this study.

Chapter Four is the Method section, containing the details of the study design, involving the development of the simulated scenario and the characteristics of the two types of budget format that were used, what data will be gathered and how it will be analyzed and presented.

Chapters Five and Six presents findings and conclusions respectively.

### ***Definitions of Terms***

#### **Budgeting:**

A process of generating, claiming and rationing resources. Budgeting does take place if any elements are missing, but it can if these are the only processes involved” (Schick, 1990, p. 10).

#### **Budget Document:**

In its simplest form, a budget is a document or set of documents that explicitly refers to the financial condition of an organization. However, in contrast to accounting and other forms of the reporting of past activities, a budget is inherently forward-looking (Lee & Johnson, 1983, p. 11).

**Budget Reform:**

Political movements to change the structure of the budgeting process, generally in the name of improvement.

**Framing**

An interaction between the nature of incoming message information, the recipient and other environmental information already received by the recipient.

**Line Item Budget:**

Developed at the turn of the Twentieth Century and based on private enterprise business models, pure Line Item budgeting presents fiscal information organized in some consistent hierarchy (Agency, Fund, Organizational Subunit, as well as Cost Objects Such As Personnel, Supplies, Equipment, etc.)

**Performance Budget:**

Provides statistical data on work performed, by a work unit, and associated with the fiscal costs associated with that work, frequently presented in a cost-per-unit format.

**Program Budget/PPBS:**

The idea was to link planning to budget, with an emphasis on strategic planning, that would precede budget-making and which would provide goals and objectives, set by the upper echelons of management and the legislators, and which budgeting and work measurement would implement (Lee & Johnson, 1983, p. 82).

### **SPSS Text Analysis for Surveys (SPTfS)**

A commercially available software package designed for analyzing open ended surveys – which is to say relatively short units of text – for frequency of mention. The package was used in this study, substituting Speaker’s Turns in discussion for open-ended survey responses.

### **Speaker’s “Turn”**

In a meeting, the content of what the speaker says while it is his turn to speak. This may be a few words or a lengthy discourse.

### **Technology**

Tools, hardware, software, concepts and methodologies designed to solve problems.

### **Zero Base Budgeting:**

The idea of Zero Based Budgeting was to provide budget decision-makers with data aggregated by “decision units” – meaningful elements of the organization; and “decision packages” for each. Decision packages include the purpose of the unit, a description of actions, costs and benefits, workload measures, alternative measures for accomplishing objectives, and varying levels of effort paid for at various funding levels – usually the current, a reduced and an increased level (Pyhrr, 1977).



**Program-Based Budget:**

Performance-based budgeting is something re-invention and expansion of the PPBS movement that focuses on budgeting decisions based on expected outcomes. The heart of Performance-based budgeting is the development and use of effective outcome measures that reflect the benefits received for resources expended.

## **CHAPTER 2 History of Budget Reform**

There is an extensive body of literature that addresses budgeting and budget reform, but in assessing the major reform movements of the Twentieth Century, it can be argued that several key questions are pertinent:

Why did a particular reform movement come about just then in history? Why not before or after?

What changes did it produce in the then-existing system, and at what cost?

Why was it phased out or replaced?

It is argued here that very generally, the major budget reforms came about in response to four factors: (1) A newly perceived problem or need, (2) in the minds of people of vision with the capacity and the credibility to conceive and effectively promote changes, (3) the presence of technology – in this context, concepts or techniques for solving specific types of problems, and (4) the diffusion of these new ideas and their adoption beyond where they originated.

This is somewhat of a restatement and expansion of Kingdon's Multiple Streams Theory of public policy. Kingdon (1995, p. 179) argues that policy changes came about at the confluence of three streams of conditions or events: Problems, Policies and Politics, which

are coupled by policy entrepreneurs who invest “time, energy, reputation [and] money – to promote a position”. The here-argued extension of the theory lies in the presence/absence of “technology” – not just hardware but concepts, methodologies and levels of sophistication in conceptual frameworks. These serve as tools to solve problems that are present at one point in history, where they were either absent or not recognized as relevant beforehand but are present in another. For example, in the Federalist Papers, Madison has difficulty in expressing the idea of the feedback loop which is what voter control of the legislature represents, because analogies were not yet available. Feedback loops in machines, which could have served the purpose, did not exist at the time, although mechanisms such as Watt’s centrifugal governor for steam engines, came into common usage a few years later (Wootton, 2003, p. xxxii).

True, Jones and Baumgartner (1999) building on the work of Herbert Simon, (1976) proposed a theory of “Punctuated Equilibrium”, in which decision making in American Government is generally stable, changes made only incrementally, and there is considerable resistance to change. However, exogenous or endogenous events sometimes succeed in breaking the stasis and result in dramatic shifts in policy or procedures, which can be seen as sudden “bursts” of change after long periods of stasis.

These changes, Jones (1994) argues, come about not because of a shift in preferences, but because of a shift in attention. Individually, we are capable of focusing on only one, or at most a few issues at once (D. Kahneman, 2003), forces outside the decision-maker such as

changing levels of public attention or striking and important new information results in large scale changes in global perceptions.

Together, these help to explain why Line Item budgeting evolved when it did, why neither Performance nor PPBS/Program budgeting systems became popular until roughly 30 years after they were devised, and to an extent why one budget reform came to replace another.

Budget reform – that is, the effort to change how public budgeting is done finds its antecedents reaching back several centuries. It is argued here that very generally, these came about in response to four factors: (1) A newly perceived problem or need, (2) in the minds of people of vision with the capacity and the credibility to conceive and effectively promote changes, (3) the presence of technology – in this context, concepts or techniques for solving specific types of problems, and (4) the diffusion of these new ideas and their adoption beyond where they originated.

### ***The Magna Carta and European Antecedents***

In future, we will allow no one to levy an "aid" from his free men, except to ransom his person, to make his eldest son a knight, and (once) to marry his eldest daughter. For these purposes, only a reasonable "aid" may be levied. [*Magna Carta*] (G. R. C. Davis, 1989)

The Magna Carta is widely held to represent the first instance where the sovereign was to be held accountable to representative control. However, such limitations had been informally in place for centuries. In pre-Christian Persia, the King was constrained in fiscal matters by religion, custom and the power of the nobility (Farazmand, 2002).

What would seem to be more significant is that for the first time not only were these limitations made explicit, but they were also codified using the technology of writing, both to give them legitimacy and to prevent renegeing. In addition, for the first time a specific body of representatives, membership agreed upon by vote, was selected to oversee the sovereign's taxation policies. By current standards, the Magna Carta was not a complete budget by any means. The barons at Runnymede were apparently indifferent to how King John rationed his resources, but they were very much concerned with the levies that the king imposed on them in order to gather those resources(Lee & Johnson, 1983, p. 4) *citing* (Burkhead, 1956, pp. 2-4).

Several hundred years elapsed before controls were placed on the expenditure side of the budget, it being felt in Europe (England and France particularly) that the purposes of expenditures were the prerogative of the Crown ("The Executive" in post-revolutionary France). It was not until 1760 that the English King passed control over all public expenditures to Parliament in exchange for an annual stipend (Burkhead, 1956, pp. 3-7). It was another 17 years – 1787, the year of the American Constitutional Convention, before Parliament passed the Consolidated Fund Act, that provided for a single fund for the recording of all revenues and expenditures. The significance of this was that it provided a comprehensive picture of government activity; however, a complete statement of finances was not published annually until 1802, and not presented to Parliament for "its guidance and action" for still another 20 years (Burkhead, 1956, p. 4). This argues that the budget

document and process was not yet perceived as an instrument for making policy by Parliament.

### ***American Legislative Budgeting***

It may be argued that one reason that ideas develop when they do and not before, is that the language and concepts that underpin them are not yet available. At the time of the framing of the American Federal Constitution, expenditure budgeting was unknown and its value was only coming to be understood in the long-established English government (Shafritz, 1988, p. 277). As a concept, budgeting is a subset of public administration, which in turn is a subset of the overall political framework of government; and this last was the focus of the Constitutional Convention.

The Framers were struggling to invent “the science of politics” as Madison termed it (Wootton, 2003, p. xvi), a process that required the development of new concepts and the coining of new words and symbols. In the Federalist Papers, in fact, Madison has difficulty in expressing the idea of the feedback loop which is what voter control of the legislature represents, because analogies were not yet available. Feedback loops in machines, which could have served the purpose, did not exist at the time, although mechanisms such as Watt’s centrifugal governor for steam engines, came into common usage a few years later (Wootton, 2003, p. xxxii). Therefore, while Madison could envision the control relationship between voters and government action, he did not have a commonly understood language to express it to others.

As noted, a second factor that controls the evolution of ideas might be termed “The right person at the right time” – persons or groups who can envision a new idea, and the skills and credibility to communicate it believably to others. Alexander Hamilton, a New York financier and first Secretary of the Treasury was such a person. He almost single handedly placed the Federal government on a sound financial footing, but while brilliant in financial matters, Hamilton was egotistical and a strong advocate of strong executive leadership in government (Wootton, 2003 xxxiii).

It may be argued that if Hamilton had had a different personality, future developments in federal budgeting might have taken place sooner than they did. The Treasury Act of 1787 had established the department of the Treasury, and given the Secretary the authority to “digest and prepare plans for the improvement of public revenue... [and] to prepare and report estimates of the public revenue and expenditures” (“An Act to establish the Treasury Department”, 1789). While not specifically stated in the Act, Hamilton could have interpreted his mandate in such a way as to prepare a recommended budget to Congress. However by his lack of deference, he alienated members of a Congress which had only recently been established, and whose members were struggling to develop their role in the making of law and policy. One thing they did understand, however, was the need for elected members to be treated appropriately by non-elected members of government.

Congress responded to Hamilton’s arrogance by passing allocation authority in narrow detail and fell into a pattern wherein departments reported directly to Congress (Lee &

Johnson, 1983, p. 6) often at different times and with different budget formats. Appropriations were made one year at a time in bills whose sole purpose was to supply money to federal agencies (Karl, 1963, p. 138). All departments and agencies submitted their requests to legislative appropriations committees separately, received appropriations separately, and spent them with little or no supervision or oversight (Burkhead, 1956, p. 9) (Schick, 1971, p. 15).

Both revenue and appropriations authority were concentrated in the House Committee on Ways and Means. The Secretary of the Treasury continued to present his annual report and at the beginning of each session of Congress - a Book of Estimates - which set forth expenditure requirements of the various departments and agencies.

This pattern was not altered until the Act of July 7, 1884 which stipulated that all estimates of appropriations and deficiencies “shall be transmitted to the Congress through the Secretary of the Treasury and in no other manner” (Brundage, 1970, p. 6). However, the Secretary’s function was simply clerical, compiling the estimates and transmitting them to Congress without evaluation or coordination (Burkhead, 1956, p. 11).

During this period, the House Ways and Means Committee served as a planning mechanism, at least to the extent that it was possible to gain a comprehensive view of the state of the government’s finances in terms of revenues vs. expenditures. However, beginning in 1865, a separate House Appropriations Committee was established, splitting the focus on a combined view of revenues vs. expenditures and the ability to maintain that



comprehensive view began to dissipate. By 1885, there were eight committees of the House with appropriations authority, later extended to ten, and eight in the Senate (Lee & Johnson, 1983). There was no pressure to budget resources because resources were not scarce – a basic requirement of budgeting (Schick, 1990, p. 11). This was an era when the Federal Budget regularly ran surpluses. Budget estimate information does not appear to have been a major factor in decision making at the Federal level, because the need to ration resources simply was not an issue. As James Bryce put it in 1891,

Under the system of congressional finance here described, America wastes millions annually. But her wealth is so great, her revenue so elastic that she is not sensible of the loss. She has the glorious privilege of youth, the privilege of committing errors without suffering their consequences (Bryce, 1891) *as cited in* (Burkhead, 1956, p. 11).

Burkhead (1956, p. 11) argues that the increase in Congressional appropriations committees was due to members of Congress anxious to participate in spending funds so easy to acquire. During the same period, and for much the same reason, executive departments were prolific spenders, following a policy of spending as they wished and when they came up short, simply appealing to Congress for supplementary appropriations.

### ***American Societal Trends***

In the years following the Civil War, demographic and societal trends that had begun in the prewar years and earlier brought about changes that increased the demand for government services, changed the popular perception of government, and produced new technologies, all of which would be instrumental in the evolution of public budgeting.

### **The Trend Toward Urbanization**

Beginning in the 1870s and continuing into the 1920s, American cities were the recipients of a massive demographic influx, partly from rural areas suffering from drastic declines in post war crop prices, and even more so from waves of European migrants (Stewart, 1989). In New York City, for example, the population more than doubled from 1,478,103 to 3,437,202 over a thirty year period (1870-1900), making it the largest city in the United States (Kahn, 1997, p. 8). Further, the demographics of these immigrants changed: waves of migration from less developed southern and eastern European countries overtook immigration from the more industrialized western nations. These people tended to have less education, fewer financial and job skills, and on arrival found employment as semi- and unskilled laborers among the working class poor (Masur, 2004). The net result was a dramatic increase in the demand for urban services, and fortunately a steady increase in the municipal tax base to pay for them.

### **Rise of Big Business**

One of the prevailing characteristics of American society throughout the Nineteenth Century was a fierce energy (Masur, 2004), and that energy was focused on the development of commerce and industry. During the last half of the 19th Century, the vast distances covered by American railroads brought with it the need to invent organizations that were more complex in order to run them. In the process, it came to be understood that a business organization could be viewed in the abstract as a unified entity, comprised of a related collection of skills, knowledge and principles that could be isolated, analyzed and

taught, and this appears to have been a largely or uniquely American innovation. By way of illustration, it might be noted that Wharton, the first American school of business to teach these business principles was founded in 1871 (Kahn, 1997, p. 39; Sass, 2004). The first equivalent in Europe, the London School of Business, was not founded until 1976, over a century later.

Complex organizations brought with them the need for more effective models for viewing the organization and its fiscal status in the abstract, and these came from Scottish commercial interests. There, Accounting had been recognized as a profession for nearly a century, and Scottish societies had demanded training on the part of candidates for admission equal to the education required in law and in medicine since the 1850s (Sterrett, 1909, p. 85). Scottish accountants were sent to America to assess the fiscal health of companies for their European investors; American businessmen were quick to appreciate the value of accountants' ability to present comprehensive business models, in the form of organized statements and reports. Sterrett, writing in 1909 (p. 85) noted that prior to 1880, public accountants were virtually non-existent in America, but that "it would be not far wide of the mark to apply this to the past ten years [i.e. 1900], during which the work of public accountants has at least quadrupled, if indeed it has not increased ten-fold"(Sterrett, 1909).

These documents contained information and were formatted in terms most meaningful to business – financial status. Using profit and loss statements, statements of assets and liabilities, and reports aggregating revenues and expenditures into meaningful

classification hierarchies provided useful business models. Investments could be compared, one against another or against themselves across time, and analyzed for weaknesses and opportunities to improve sales revenues.

### **The Progressive Movement**

McGerr (2003, p. xv), in his social history, argues that the Progressive movement was a reaction by a crusading middle class to the evolution of both a laboring and an affluent upper class. The reform movement that began to build in the 1870s, reached its heyday in the 1900s and 1910s, just prior to World War I, and thereafter collapsed. The political Progressive Party was organized in 1912 and played a role in the elections of 1918 (Schulzinger, 1990, p. 101). Thereafter, its visibility diminished in the disillusionment following the war, but the party lasted as an organization until 1952.

Immigration to urban areas resulted in a large and growing class of working poor. In 1900, six million people were immigrants or first generation, with at least one foreign-born parent, and they were more diverse. Increasingly they came from areas of southern and eastern Europe, had lower rates of literacy; fewer job skills, and fewer economic resources (Malone & Rauch, 1964, p. 125). At the other extreme, the rise of Big Business produces a small minority who comprised the “upper ten” (in fact only 1-2 percent of the population) who owned the majority of the nations resources, and expected to make a majority of its key decisions (McGerr, 2003, p. 7). In between, the progressive middle class reformers set an agenda in reaction to both: to control big business, ameliorate poverty and “clean up government” (McGerr, 2003, p. 7; Meltzer, 1994, p. 45). A key part

of that was to use the government to control the economy, and in order to do that the political process had to be regularized and purified.

### **The Evolution of Political Thought**

It must be remembered that in the years following the Civil War American government was less than 100 years old, and to an extent still in process of being invented. Local government was the largest of the three levels of the public sector; expenditures in cities were twice that of federal and five times that of state government sectors (Minnier, 1975). However, in the late Nineteenth Century city government organizations were not perceived as comprehensive entities in themselves but as creatures of the state. Powers were assigned to city governments – or not – by state legislation at the whim of the legislature, and there was no clear distinction between the local and state functions. State legislation regulating city government organizations could sometimes go into incredible detail. In California, state laws prescribed the number and salaries of city employees; in Denver, the “general salary” list fixed by state law, amounted to over \$100,000 of the \$800,000 budget and also included the number and specific pay for employees (to be paid for from local, and not State revenues, incidentally) (Clow, 1901).

Further, the state could, and often did, legislate matters that related exclusively to the locality. So it was that in New York City, state legislation created one commission to attend to local parks, another to deal with aqueducts and yet another for rapid transit (the New York Subway system, which was brand new at the time) (Clow, 1901). In some instances, such legislation was passed over the objections of the locality. In 1860, for

instance, the State legislature decided Philadelphia should have a new City Hall. Ultimately, they passed bills that named the members of the commission and compelled the city to raise funds by taxation and borrowing despite a fierce battle by local authorities. Clow, writing in 1901 reported that “up to July 1, 1901 the building cost \$22,581,406.00 and still had not been completed” (Clow, 1901, p. 678). Even so, in May, 1901, the state repealed the act of 1870, turning control of the project over to the city, and a final architect’s report turning the building over was presented in June. Work continued for some years after, however (“Will Penn's Homepage (About Philadelphia City Hall)”, 2004).

State control of municipal functions worked passably well when cities were small and services provided relatively minor. However, the wave of urbanization in the late 1800s resulted in increased demands for existing and new municipal services more complex government organizations, while also providing an expanded tax base to pay for them (Kahn, 1997, p. 9; Potts, 1978). The ultimate result was a wave of bills in a number of states aimed at home rule legislation, much of it fostered by the Progressive movement (Coker, 1918, 1919; Fairlie, 1908; Flack, 1910; Goodnow, 1895, 1906; Moffett, 1898; U'Ren, 1907; Young, 1911).

Following the Civil War, a system of political machines had evolved as a means of concentrating power in the hands of local party bosses. New York’s Tammany Hall was the most famous of these, but there were others in most large cities and many smaller ones: Durham in Philadelphia, Cox in Cincinnati, Butler in St. Louis and the Flinn-McGee

combination in Pittsburgh (Howe, 1905, p. 94). Machine government revolved around party bosses who retained power by effective ward politics on the one hand and party - prosecution - to business activities, and awarded preferential treatment in obtaining franchises and contracts for various municipal services to business interests.

At the same time, Progressive reformers began to understand the value of technological advances in mass media and “Publicity” as a tool for reform. In America, educating citizens and providing free schooling had been a priority since the early 1800s, it being perceived that education was necessary to being an effective, informed citizen (Masur, 2004; Shenton, 2004b). The advent of high speed printing technologies in the 1880s and ‘90s was partly responsible for a revolution in journalism in the form of new magazines like *McClure’s*, *Collier’s*, *Hampton’s*, *Everybody’s* and others, with slick formats and advertising and appealing to a broader public than the older elite periodicals like *Scribner’s* and *Harper’s* (McGerr, 2003, p. 142).

Progressives from the middle class who were themselves relatively literate, held to the assumption – naively as it ultimately turned out - that simply providing information and making citizens fully informed would result in their active participation in government reform. Investigative journalists and authors, Lincoln Steffens, editor of *McClure’s* among them, published a series of articles and exposés focusing on municipal corruption during the early 1900s (Steffens, 1902). These earned them Roosevelt’s epithet of “Muckrakers” - which they promptly assumed as a badge of honor (Meltzer, 1994), but their work had the effect intended – focusing national attention on the need to restructure government.

A part of the Progressive Reform movement's effort to "clean up city government" led reformers to argue that one solution for corruption as well as the more efficient use of tax revenue would be municipal ownership and direct provision of services (Meltzer, 1994) (Cleveland, 1904b; Howe, 1905) to replace the system of contracts and franchises in common use. The City of Detroit had opened its electric generating plant in 1895 and saved an estimated \$1,183,813 over the next ten years. Chicago's water plan showed gross profits of \$2,434,348 in 1904, and New York's water system showed an annual income of about \$9,000,000, and net profits of \$3,800,000 (Howe, 1905, p. 92).

Many cities took over the role of street maintenance and paving. "A novel feature has been the establishment of a municipal asphalt plant in the city of Detroit which repairs and resurfaces asphalt pavements and surfaces instead of making contracts for this class of work"(Fairlie, 1904). In New York, a Building Inspections function was added, consolidating authority formerly held by Health, Fire and Police in addition to some additional powers. Fairlie also noted that "Baltimore and New Orleans, the two largest cities which have no underground sewers, have at last taken up this important work" and noted that other cities were doing the same (Fairlie, 1904).

More broadly, progressives were able to extend that ability to see a private corporation as a unified entity to the public sector, and view municipal government in the same fashion. They could see strong parallels between a private, for-profit corporation and a public non-profit one. One of the implications was the need for a clear, stronger executive function – a "City Manager", able to view the organization as whole and direct things accordingly.



Cleveland argued in 1915 that only a chief executive could view the organization holistically, and could take a holistic planning view in the development of a comprehensive budget. Schick notes that the idea of an executive and an executive budget also served as a tool in the campaign to reorganize and consolidate government functions. A third concept, he went on to say, derived from “the quest for central controls to deter wasteful and unlawful administrative behavior” (Schick, 1971, p. 16).

### **American Budgeting**

America was a distinct exception to the trend whereby the modern practice of budgeting was first introduced at the national level and disseminated downward (Burkhead, 1956, p. 3). In the United States, the first advances were made in municipal governments and subsequently disseminated upward to State and Federal levels. It may be argued that this was probably for two reasons: In the first place, city governments, in contrast to State and Federal governments, were geographically local; it was easier to visualize the jurisdiction of the city of St. Louis than the state of Missouri, or the United States. Secondly, city council members were physically closer and more accessible to their constituents than were their representatives in Harrisburg, or Franklin or Sacramento or Washington. Political machines notwithstanding, they were more likely, as Clow (1901, p. 693) put it, to “feel the full force of the universal aversion to paying taxes.” He added, incidentally that “Hap-hazard appropriations like those of the federal government and of most state governments would be intolerable”

Clow (1901) categorized municipal budgets at the turn of the century into three classes.

1. *The bare tax-levy* – a notation of the tax levy for the year. For example, the budget for Little Rock in 1901 was a simple notation of millage. Funds were appropriated informally by City Council when it met to deal with the monthly

Little Rock Budget 1901	
	Mills.
General fund	5
Interest fund	1/2
Sinking fund	1/2
Total	6

**Figure 1 Little Rock Budget 1901**

contracts and expenditures for the city. There was no regular formal action to set limits to expenditures or to estimate future revenues. Clow estimated this was the dominant form of budget for most of the smaller cities at the time.

2. A “*complete budget*”, used by larger cities, involved organizing estimates of revenues and expenditures into some form of written system that would be considered during discussions of the yearly tax levy. For example, the tax-levy of Elizabeth for 1897 shows a more detailed listing of the purposes for which taxes were levied.

Tax Levy, Elizabeth, NJ, 1897	
Public schools	\$ 91,133.61
Streets and parks,	18,500.00
Fire and hydrants	21,500.00
Police department	47,500.00
Charities	17,500.00
Street lighting	22,000.00
Printing	2,500.00
Public buildings	3,500.00
Salaries	10,900.00
Health, including scavenger	10,000.00
Sewers	2,500.00
District court	4,000.00
Expenses of assessing taxes	9,000.00
Contingencies and elections	6,000.00
Interest on debt	125,000.00
Total	\$391,533.61
Source: Clow, 1901	

**Figure 2 Tax Levy Elizabeth N.J. 1897**

3. A “Fully Developed Budget”, used in the major cities, not only estimated future revenues and expenditures, but also made annual appropriations, thereby fixing

expenditures for the year. Line Item Budgeting(Willoughby, 1918)

It was widely recognized that in order for the executive to exercise control, more effective information was required, and again the Progressive and visionaries turned to business models for solutions. Reflective of this emphasis on control, Cleveland wrote a 1904 article entitled “Municipal Ownership as a Form of Control”, in which he draws strong parallels between a business enterprise and a government one.

In conditions precedent to successful ownership that public and private enterprises have much in common. They each have capital costs, construction, equipment, the same questions to be dealt with in operation and maintenance. “The differences are not differences in the principals of administration, but differences in methods of control and in distribution of benefits. The methods of control in public enterprise relate themselves to political appointment. In private enterprise, they relate themselves to personal contracts. In each, however, intelligent control depends on a regular means of gaining information as to the efficiency of the service and the economy of operation – methods which will require personal responsibility for results (Cleveland, 1904b, p. 359).

He and other writers bemoaned the lack of systematic accounting then in place in government. “In the American municipality, great care has been exercised to obtain a strict accounting for funds. Every caution has been drawn around monetary receipts and disbursements, but with this, the accounting has practically ended” (Cleveland, 1904a). Harry S. Chase, a public accountant, agreed: “My experience proves to me that as a whole they certainly have no uniformity, and that on the contrary, the accounting and reporting is in the great majority of municipalities throughout the United States is crude, unsystematic inaccurate and away behind the times” (Chase, 1904).

By way of illustration, the accounting system used by Boston was based on a system of cash receipts and payments. Auditors reported dealt only with actual cash received or

actual cash disbursements. These were based on annual appropriations by city council and made as early in the fiscal year as practical, covering expenditures until the end of the year. Department heads spent funds on a pro-rata basis during the period prior to council authorization for that year (Chase, 1904). Louisville, Kentucky used a “voucher” system than amounted to the same thing (Baird, 1904).

Chase in his analysis, provided insight to a key obstacle in modernizing accounting systems in municipal governments: the lack of fully trained and experienced in-house professionals. Commercial businesses used condensed, accurate and timely reports, “being made by thoroughly trained men being expert in their particular business fields and experienced by long years of adaptation”. This did not apply to government institutions, however. “In not one city in a hundred in this country ... are there throughout the departments, the same grades of efficient men experienced by years of adaptation and experts in their particular business” (Chase, 1904).

The technology of accounting was still developing and being diffused at the turn of the century. Cleveland, writing in 1904, presented a typology of accounting systems then in vogue that represented four levels of sophistication and complexity.

1. A simple cashbook used principally by enterprises small enough that every transaction could be reviewed by the proprietor.
2. An “Incomplete Single Entry” system in organizations complex enough that fiscal responsibility had to be delegated, and where cashbook entries were grouped by

department, project or some other entity of fiscal responsibility. Cleveland noted in 1904 that this was “the system in vogue in nearly all of our American cities”.

3. More sophisticated was a “Complete Single Entry” system, where all transactions were noted in memorandum (in modern accounting, Journal entry) form, aggregated by department, and then summarized in a single statement for the entire organization.
4. A Double Entry System that was cutting-edge in 1904 but which would become commonplace in business and government during the next few decades. Fiscal transactions were aggregated by department or other entity, but also classified in terms of objects of expense and revenue, which made clear the relation of cost to amount of service performed as reflected by revenues. This method used two distinct categories: information was aggregated by department, but also by classifications of revenue and expense (Cleveland, 1904a).

### ***Line Item Budgeting***

The solution to the lack of municipal

control, the introduction of modern

public budgeting, evolved first in New York City (Hyde, 2002, p. 453) and it may be argued this was for several reasons. By the turn of the century, New York had become fiscally the largest government entity in the country, with the largest population, and a

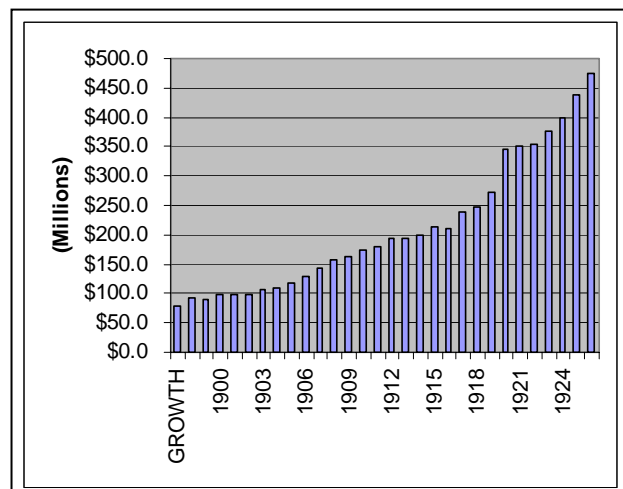


Figure 3 New York City Municipal Budget 1898-1927

budget that increased from \$77,473,084 in 1898 to \$273,689,485 in 1920 (*The Finances and Financial Administration of New York City : Recommendations and Report of the Sub-Committee on Budget, Finance, and Revenue, of the City Committee on Plan and Survey, 1928*). Beyond size, however, New York City had emerged as the center of banking and finance for the United States and investment bankers, lawyers and corporate officers replaced merchants and manufacturers as the city's economic elite (Stewart, 1989, p. 9). These groups were well versed in the concepts of accountancy as it related to corporate organizations. They were able to view municipal government in the same terms as a private corporation rather than a body politic (Kahn, 1997, p. 16), so in New York City an influential community of persons speaking the common language of accountancy was present.

In New York City, budget reform became a distinct movement through a small group of reformers at the New York Bureau of Municipal Research (Burkhead, 1956, p. 13; Kahn, 1997, p. 29). Reform was emerging elsewhere in the United States, but it was greatly accelerated in New York by political scandals surrounding influence buying and corruption in the utilities and insurance industries in 1905 –1906, just at the point in time that the Bureau was founded.

The principal effort was the result of the combined efforts and talents of the “ABCs” as they were known: William H. Allen, Henry Bruère and Frederick A. Cleveland; again this was “the right person at the right time”.

They distinguished the concept of the budget from that of simple accounting, casting the budget not merely as a tool of efficiency but as the key to maintaining responsible democratic government in modern mass society. In the course of a few short years the men of the bureau transformed the way America viewed and administered government finances (Kahn, 1997, p. 29)

Allen's talent lay in publicity and his goal was to use budgets to create an educated citizenry who, they assumed, would exercise intelligent control over elected officials. Cleveland was the technical expert, and concentrated his efforts on educating public officials and on the mechanics of administrative reform. Bruère was the administrator, and adept at building bridges between the bureau and government officials. During the first five years of the Bureau's existence, these three effectively coordinated their talents into a powerful force for change (Kahn, 1997, p. 47). Between 1906 and 1911, the Bureau established itself in a relationship with New York City's administration, associating itself with the ideas of efficiency and Scientific Management.

Beginning in 1907, the Bureau worked with New York's comptroller and the newly established Bureau of Municipal Investigation and Statistics to create a standard accounting classification for four major departments. The city budget for 1908 constituted the first budget in the United States based on a systematic classification of work (Bernstein, 1961) as cited in (Kahn, 1997, p. 89).

A key assumption of the "ABCs" was that a more fully informed citizenry would exercise control over the direction of municipal government, and that "Publicity" (a relatively new concept) was the key to making New York's citizens more fully informed. One of the

principal drawbacks of Line Item, accounting-based statements was – and remains - their very abstractness; they are difficult to associate with the activities of government programs they are designed to summarize. Allen, the publicist of the “ABCs”, led the campaign to inform and educate the citizenry of New York about the budget, through, among other things, a series of exhibits, showing citizens what their tax money would buy ("City's Big Expenses; Are They Justified?" 1908; , "Exhibit To Show Up Waste Of City Funds", 1908; , "Pictures That Tell Stories Of A City's Waste", 1908).

On entering... visitors immediately encountered a series of graphic charts and models. Among the first was a large table on which were arrayed a series of gold cubes of varying sizes to show the total estimated expenses of any given department and their relation to the total budget.... Everywhere charts and diagrams hung on the walls of alcoves, giving the organization and accountability of the various departments with full statistics describing their accomplishments and explaining any increase in appropriations (Kahn, 1997, p. 107).

It eventually became evident however, that this assumption was misplaced: for the most part only citizens with direct vested interests, like the real estate industry, became active in lobbying for change. This pattern has continued into the present at all levels of government. Relatively few citizens are interested in overseeing government activities unless their interests are directly and visibly at stake.

The new budget system required the gathering of data in order to provide access to meaningful information. To accomplish that, three staff agencies were created: the Bureau of Contract Supervision, the Bureau of Personal Services and the Committee on



Education, which were charged with the investigation of work done and to be done. This naturally provoked conflicts over the scope of their authority, but in 1915, Tilden Adamson, director of the Bureau of Contract Supervision wrote:

The greatest difficulty with which we have had to contend has been the general belief that the head of department knows more about this department than budget examiners. After several years of repeated proof that intelligent and expert examiners who have given close and detailed study to conditions had a better knowledge than commissioners who rarely understood the detailed working of their departments, we have at last succeeded in having the budget considered on the basis of facts rather than on the opinions of department heads (Adamson, 1915, p. 261) as quoted in (Kahn, 1997, p. 91).

Not content to rest on their success in New York City, Allen Bruère and Cleveland aggressively campaigned to extend municipal accounting and budgeting elsewhere, and inspiring budget reform movements across the country. As early as 1911, the momentum of budget reform began to shift toward the national level, with Cleveland taking a leave of absence to chair President Taft's Commission on Economy and Efficiency, which culminated in the federal Budget and Accounting Act of 1921 (Kahn, 1997). At one point the commission stated "in order that he [the administrator] may think intelligently about the subject of his responsibility, he must have before him regularly statements which will reflect *results in terms of quantity and quality*; he must be able to measure quality and quantity of results by units of cost and units of efficiency" ("The Need for a National Budget", 1912) as cited in (Lee & Johnson, 1983, p. 104).

By 1929, the Executive Budget process, based on objects of expenditure had become institutionalized. All states and most cities of any size were using Line Item budgeting and had established central budget offices; many medium sized cities had shifted to the City Manager form of government, and the larger ones had strengthened the powers of the Mayor (Schick, 1971).

Polsby (1968) defines an institutionalized organization as 1) being well-bounded, that is its members are easily identifiable; 2) its functions are differentiated, and 3) “the organization tends to use universalistic rather than particularistic criteria, and automatic rather than discretionary methods for conducting its internal business. Precedents and rules are followed; merit systems replace favoritism and nepotism; and impersonal codes supplant personal preferences as prescriptions for behavior.” The institutionalization of Executive Budgeting followed this pattern, with the result, as Schick (1971, p. 192) put it succinctly in 1971, “the cards are stacked [against reform] in favor of repeating next year what was done this year and in earlier years”.

Throughout the 1920s and 1930s, Line Item budgeting became further entrenched as an institution. As a business model, Line Item Budgeting did precisely as the Progressive reformers had intended: it became a fundamental framework for viewing the resources of a governmental entity in the minds of Public Administration officials and budgeting participants alike. The clear focus was on controlling costs, rather than planning, this was in keeping with the national mood. Since the founding of the country, Americans had been

distrustful of government in general, and regarded it rather as a necessary evil, to be paid for as cheaply as possible. (A. B. Wildavsky, 1984)

However, the Great Depression and the New Deal represented a sea change in attitude toward government and especially the Federal government, which people came to perceive as working proactively and aggressively to solve the economic problems of unemployment and poverty (Schick, 1990, p. 17). When Franklin Roosevelt came to office in 1932, he did not have a concrete plan for dealing with the problem of the depression, but he understood his mandate was to do *something*, and do it *soon* (Shenton, 2004a). Part of the solution was the development of a welter of new programs – the PWA, WPA, CCC, Social Security, NRA and others<sup>1</sup>. For Roosevelt, the budget instrument was one of his most effective management tools because it permitted him to influence agency actions by withholding or granting funds. As a result, the budget function expanded from one of controlling agency purchases to a “key decisional process for determining the scope and conduct of public outputs and services (Schick, 1971, p. 27).

Line Item budgeting in many variations continues to be used into the present. Waldavsky noted, “The line-item budget is a product of history, not of logic. It was not so much created as evolved. Its procedures and its purposes represent accretions over time rather than propositions postulated at a moment in time. Hence we should not expect to find

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<sup>1</sup> As a side observation, the habit of using acronyms in government may stem from the Roosevelt Administration. The author has not observed acronyms used in historical documents prior to this period.

them either consistent or complementary”. It continues to be used because it has the “virtue of its defects” (A. Wildavsky, 1978).

- Traditional budgeting makes calculations easy precisely because it is not comprehensive. Appropriations are made on the basis of the past, which is known, rather than the future, which is not.
- Choices that might cause conflict are fragmented so that not all difficulties need be faced at one time.
- Policy makers may have goals and objectives, but the budget is organized around activities or functions. One can change objectives without completely restructuring the budget.
- Because it is neutral with respect to policies and policy analyses, all of which can be converted into Line Items.
- Budgeting for one year at a time has no special virtue (two years, for instance might be as good or better) except in comparison to more extreme alternatives.
- Budgeting by volume and entitlement also aids planning and efficiency at the cost of control and effectiveness. Line Item budgeting becomes spending.
- In short, Line-Item budgeting lasts because it is simpler, easier, more controllable, and more flexible than more complex reform budget formats (A. Wildavsky, 1978).

### ***Performance Budgeting***

The principal drawback to the Line Item budget model for public budgeting lies in a fundamental difference between a commercial enterprise and a government one. In a commercial enterprise, there is a direct feedback loop between goods or services provided and the chief measure of success, profit. If the quality or quantity of product declines, sales drop and provide declines. In a governmental enterprise, this direct relationship does not exist, because activities are funded through politically established tax levies; a drop in the quantity or quality of service has no immediate impact on revenues.

Cleveland and the New York Bureau of Municipal Research were aware of this. Cleveland (1915), writing in 1915 clearly saw that a budget should be a plan that must show available resources on one hand, and what undertakings are proposed, plus the estimated cost of those undertakings on the other. A functional classification scheme formed the core of the first reformed budgets – 1908-1913. “Functionalizing” - classification by function meant that funding requests should be present as the amounts needed to provide each kind of work to be done or service performed (Kahn, 1997). However, it is apparent that the level of technical understanding about detailed budget design, and the level of information technology of the time proved inadequate to the task.

The Bureau sponsored a 3-year experiment in the City’s Richmond County to develop a fully function-based budget. Detailed classifications were devised for three public works functions and each was subdivided into about 10 sub-functions (*The Finances and Financial Administration of New York City : Recommendations and Report of the Sub-*

*Committee on Budget, Finance, and Revenue, of the City Committee on Plan and Survey*, 1928, p. 272). In order for the system to work, input data had to be gathered, tabulated, analyzed and presented in a format meaningful for decision-makers. Moreover, this had to be done rapidly enough so that it would still be valid at the end of budget deliberations. The experiment was abandoned after three years, and Lee suggests that part of the failure was due to the reliance on data that was too detailed to be kept up to date with the technology of the time (Burkhead, 1956, p. 135; Lee & Johnson, 1983, p. 70). That technology at best would have consisted of hand-cranked adding machines then coming into common use, but it seems more likely, given the prevailing attitudes toward thriftiness in government, that the “technology” was pencil and paper. The result was highly detailed and therefore expensive in man-hours to produce, and it was inflexible. Further, by the time the plan had been passed into ordinance, conditions could have changed rendering it obsolete. In addition, by 1913, the budget document had grown from 122 to 836 pages containing 3,992 distinct items (Kahn, 1997, p. 89). Bruère, writing as chamberlain of New York City in 1915 decided that functionalized accounts unduly constrained administrative discretion. As a result, functional classifications gave way to object item classification, which contained items such as personal services and supplies.

Seen in one light, it would appear that the Bureau’s success in establishing a systematic budgeting system at all may be seen as a major accomplishment. Seen in a slightly different light (and admittedly with 20-20 hindsight), it can also be seen that the failure to persevere with the development of a functional organization of the budget, linking

expenditure to work done was a strategic error, for the object-of-expenditure only approach is still embedded in the fundamental thinking of many budgeters to the present. Had they succeeded, it is likely that the history of budget reform from that point on would have been radically different.

It may be argued that Performance Budgeting – the idea of balancing measures of public output against revenues was slow to mature, for two reasons. The idea had to wait for a higher level of sophistication on the part of budget innovators within the bureaucracies, who would have to think in terms of the link between performance and cost, and who also would also have to overcome patterns of thinking and gamesmanship that had grown up around Line-Item budgeting . Secondly, the idea had to wait for the development of effective methods for measuring and recording performance, and the information processing tools for accomplishing that.

Nevertheless, Schick (1971, p. 21) noted that “there is overwhelming evidence that the ideologists of executive budgeting favored activity or functional classifications, and the subordination of objects of expense”.

The Taft Commission on Economy and Efficiency in 1912 had stressed the importance of budgeting in accordance with work done. However, Schick (1971, p. 21), Lee (1983, p. 68) and Burkhead (1956, p. 135) agree that the movement never took hold, with the exception of project and activity schedules developed by the USDA and a program-style

budget classification system by the TVA in 1934. The latter Burkhead held to be one of the most outstanding examples of this approach to budgeting in his 1956 book.

While performance budgeting might be advocated, control-oriented Line Item budgeting was entrenched. “Technique triumphed over purpose, as budgets settled into the busywork of maintaining financial accounts according to the prevailing standards of efficiency and accuracy” (Schick, 1971, p. 21). However, Schick also notes that control budgeting did meet the needs of administrators of the time. Most governments still had to put their personnel and purchasing houses in order before they could be in a position to tackle problems of management and performance measurement. Then in addition, it was in the area of work measurement in non-fiscal terms that the public sector diverges from the private, where the principal rule is “The Bottom Line”. Before new ground could be broken in inventing new ways to measure performance and government output, it was necessary to build a foundation of a consistent set of commonly understood procedures, rules, customs and ways of thinking within the government corporate cultures.

Beginning in the 1940s the idea of performance budgeting took on new impetus following the publication of V. O. Key’s landmark “Lack of the Budgetary Theory” (Key, 1940), in which he provided a focus with his statement of the basic budgeting problem. “... (On the expenditure side), namely on what basis shall it be decided to allocate x dollars to activity A instead of activity B?” Robert A. Walker and Harold D. Smith followed with articles advocating program and financial planning on a multi-year basis. Further knowledge of



the field came shortly after World War II from Herbert Simon's (1976) "Administrative Behavior" which defined an organization as a decision-making entity.

In 1946, the Navy Department presented its 1948 budget in both a traditional format and on a program basis. This work was combined with a simplification of the appropriate structure of the department and adopted by the newly established Department of Defense, which in turn influenced the 1949 work of the Commission of the Organization of the Executive Branch of Government, known as the Hoover Commission for short (Burkhead, 1956, p. 134)

Why did performance budgeting take so long to develop? Schick argues that World War II was an intervening distraction interrupting budgeting developments, and following the war Public Administration "shifted from science to behavior, and from reform to research (Schick, 1971, p. 31). It would also seem that a combination of two factors might account for performance budgeting developing when and where it did, rather than earlier or elsewhere: an increased sophistication in the ability to conceive units of government by relevant participants, and the development of new technologies and techniques for gathering and processing data into information.

World War II brought a concentration of analytic talent to Washington, and particularly to the military establishment, where academics, analysts, statisticians invented new techniques in the area of Operations Research to solve problems ranging from the design and scheduling of convoys to the logistics required to land an army on Normandy (Novick

& Rand Corporation., 1965). In addition to bringing sophisticated talent to bear, the war saw the development of more sophisticated techniques for work measurement, and solving military problems that had close parallels to civilian ones. The same algorithms used to calculate efficient supply-line routes for convoys could be used to calculate efficient postal delivery routes, for instance.

Further, the advent of computer technology made it possible to efficiently handle the increased calculations needed for any sizable performance budget problem. A computer is commonly defined as a machine with the capability to input data, store it, transform it to other information (tabulations, for example) and output the results for human consumption. Computers and tabulating machines (which do not store the data) had been in existence since 1834, but it was not until 1945 that Remington developed ENIAC, the first general purpose computer, used by science and the military for, among other things, the calculations needed to develop the atomic bomb. IBM introduced UNIVAC, the first commercially usable computer in 1951, which was used for the 1950 Census (Bellis, 2005).

In 1949, the President's Commission on the Organization of the Executive Branch of the Government, generally known as the first Hoover Commission after its chair, recommended that the federal budget be "based upon functions, activities and projects: this we designate as a performance budget" (1949) *cited in* (Lee, Johnson, & Joyce, 2004, p. 117). They did so in order to create a feeling of novelty and excitement (Schick, 1971, p. 31). However, Burkhead, writing in 1956, noted that there was no one definition of

Performance Budgeting, and both he and Schick note that “Functional”, “Activity”, “Program” and “Performance” were used more or less interchangeably in the literature.

The essential idea behind Performance (or Functional, Activity, etc.) budgeting was to provide decision-makers with measures of organizational output. Performance budgets were organized by Function, Program or Activity, and included output measures (roads paved, TB cases diagnosed, arrests made, etc.) from previous periods together with cost measures. In a typical budget document, these past measures would be presented with proposed workloads and allocation requests.

However, after an initial burst of enthusiasm, the movement faltered and began to fade. Lee & Johnson (1983, p. 72) note “there is little evidence that performance budgeting ever became the basis upon which decisions were made”, and Schick went further:

“During the first blush of excitement performance budgeting was given prime time on conference agendas ... but during its later years, there was a distinct decline in enthusiasm as articles and conferences turned their attention toward stocktaking themes – ‘had the theory worked?’ ... After 1957 performance budgeting was not a specific topic at any of the State Budget Officers’ meetings” (Schick, 1971, p. 63).

Wooldridge and Alpert (1983, p. 50), in an analysis of obstacles to budget reform provide some of the reasons for the movement’s failure. The establishment of performance added significantly to the amount of data that had to be collected. It also altered the roles of the central vs. departmental budget offices, shifting the burden of detailed data aggregation from the former to the latter and in both cases adding significantly to the work of budget

preparation. Further, implementing new procedures also increased the complexity of record keeping by departments and agencies. Computers and information technology were of only moderate assistance in this. By 1960, computers were becoming more widely available, but they were expensive to operate, as was programming, and computer programs were still relatively inflexible, better suited to running payroll than running analyses of costs per man-hour of work done.

Finally, the performance budget was not perceived as being particularly useful. “The narrative intended to bolster the agency’s budget claims and provide information to legislators and evaluators was seldom reported to be helpful by budget makers and other insiders and rarely dealt with questions of performance” (Wooldridge & Alpert, 1983, p. 50).

On balance, Performance was a failure at the state level. “When PPB arrived, one could not point to a single state that had reliable cost data for major segments of its budget or which had abandoned input controls in favor of performance controls” (Schick, 1971) *cited by* (Lee & Johnson, 1983, p. 10). Performance measures found new life when integrated into the Performance Based Budgeting reforms associated with the Reinventing Government movement of the 1990s.

### ***PPBS – A Bridge Too Far***

The PPBS, or Planning, Program Budgeting System originated in the Department of Defense. When he took charge in 1961, Robert McNamara brought with him several

people who had been with the RAND Corporation (a combination for “Research and Development” – “R and D”) – a non-profit think tank established in 1948 by the Air Force (“RAND Corporation - History and Mission”, 2004) that had done extensive work in program budgeting (Lee, Johnson, & Joyce, 2004, p. 89). The principal motivation for the development of PPB was the inability of the Secretary to manage the department despite having the authority to do so. Lee (1949, p. 89; Lee, Johnson, & Joyce, 2004) observes that while McNamara was not the only high official having this sense of inability to manage, he was the one with the will to do something about it. During hearings before Senator Henry Jackson’s Subcommittee on National Policy Machinery in 1961, the question was raised as to why the new program budget in Defense would yield different results from prior practice. “Ultimately, Defense Department Comptroller Charles Hitch admitted that one difference would be that ‘program decisions ... are decisions of the sort which can only be made by the Secretary and therefore the role of the Secretary and his advisors will be greater’” (A. B. Wildavsky, 1984).

The PPBS, as implemented by McNamara, was actually developed in the 1950s by operations researchers and economists working under the direction of Charles Hitch at the RAND Corporation under contract to the Air Force (Dunn, 1994). This non-governmental team was looking for rational, analytically founded answers to traditional, politically inspired budget questions (Schones, 2004, p. 76), and represented something of an extension of the performance budgeting idea. While Performance Budgeting may not have been a success, it did introduce the concept of including something besides objects of

revenue and expenditure into the budget thinking of Public Administration (Lee, Johnson, & Joyce, 2004, p. 89). Where performance budgeting focused on measures of productivity and output, PPB viewed work as an intermediary toward the achievement of planned policy goals and objectives or outcomes. Lee (1983, p. 82) argues that the system was compatible with historical budgeting trends, but PPB was born of a different set of conceptualizations from former RAND employees and others of similar high intellectual capability. Their basic level of thinking is illustrated by Lee's list of fields that were brought to bear: Operations Research, Economic Analysis, Systems Theory, Cybernetics, Information Technologies (computers) and Systems Analysis. However, this conceptual framework was at odds and foreign to the thinking of most Public Administration officials, steeped in the tradition of annual Line Item budgeting.

The idea was to link planning to budget, with an emphasis on strategic planning, that would precede budget-making and which would provide goals and objectives, set by the upper echelons of management and the legislators, and which budgeting and work measurement would implement (Lee, Johnson, & Joyce, 2004, p. 82) (Schones, 2004, p. 76).

President Johnson was impressed with the changes in the Defense Department, and announced in 1965 that the PPB system was to be applied to civilian agencies. This action sparked reform at all levels American government, and the movement quickly spread nationwide (Schick, 1971).

However, within four years, PPB as an explicit system was beginning to fade. The Nixon Administration did not initially abandon PPB but did change the focus from development of program structure and program and financial plans to analysis, and analysis was curtailed as well. By 1971, “while the emphasis on program results and analysis remained, PPB as a major structure and even as an acronym in the federal process was allowed a quiet death” (Schick, 1973).

In evaluating the failure of PPBS to take hold in other areas of government, it is enlightening to consider why it succeeded in the Department of Defense. Schones (2004), in a dissertation focusing largely on budget reform within the department of defense, argues that PPBS succeeded for several reasons:

1. PPBS was well institutionalized early on as one result of Robert McNamara’s strong commitment to the principles of program budgeting and his determination to control and coordinate the Department of Defense.
2. The Department of Defense’s mission is an ambiguous one in which simulations and scenario building exercises often are the only means of evaluation and analysis.
3. While there is much discussion regarding the cost of national defense, there are not “potent political enemies” advocating the dissolution of the Department of Defense.

4. The costs and benefits of 'hard technologies' are often easier to measure than those of social policies are.
5. Success in defense depends on clearly defined objectives and a thorough evaluation and analysis of alternatives.

The Department of Defense's budget is complex and requires a system specifically designed to accommodate the multiple functions of its budgeting process as well as the ever-changing environment in which the Department of Defense must accomplish its mission (Schones, 2004, p. 76).

Further, Schones argues it failed in other federal agencies because:

- PPBS was designed specifically for the Department of Defense, and as noted, this is an agency centered on hard technology, whose mission, short of war, can only really be tested against simulations or scenario building exercises, which are suitable for systems analysis, a key component of PPBS. Civilian departments where the focus is on real services are less amenable to a systems analysis approach.
- The Department of Defense had spent 10 years, using several hundred analysts and more than 10 years of contractor-assessed development to implement the PPBS. In contrast, President Johnson ordered it implemented in less than 6 months.
- PPBS was specifically separated from the President's annual budget submission to Congress. The then-existing budget format was to be retained.



- Civilian departments had neither the talent required nor the leadership and determination shown by Robert McNamara in implementing the process (Schones, 2004, p. 52).

The Civilian Federal Departments had more limited resources, and the state and local levels even less so. From their viewpoint, conversion to the new system was more along the line of a revolution (Lee, Johnson, & Joyce, 2004). Further, Wooldridge and Alpert (1983, pp. 48-53) noted that one major factor was the lack of legislative and executive commitment and support. Without that, any effort to change to the new system was nullified.

Another factor was that the PPB necessarily relied on top-down strategic planning, giving administrators the perception that the program was being imposed on them, and resulted in a lack of necessary management support. The PPB analysis was frequently housed outside the central budget office where a great deal of central decision making was done, permitting them to ignore the new system and continue on with business as usual.

Wooldridge and Alpert also note significantly, “A major obstacle was often created by implementing a change to the existing system without understanding the status quo”. It has long been recognized that executives by nature focus on the here-and-now (Person, 1940), and in many cases, the bridge between annual budgeting and strategic, multi-year goals-oriented thinking, represented “A Bridge Too Far”.

### ***Zero Based Budgeting***

From the end of the Second World War, the American economy underwent the longest period of sustained growth in history. In this climate, ground-up, incremental budgeting as described by Wildavsky in his *The politics of the budgetary process* (1984) worked quite well. Budgeting was less choosing between existing activities than deciding how to allocate new money coming into the system. It is difficult or impossible, however, to effectively budget from the bottom up during periods of austerity, and this came to be called for when the economy faltered and revenues declined in the mid-1970s.

Zero-Base Budgeting was invented in 1969 at Texas Instruments and implemented by then-governor Jimmy Carter in the state of Georgia, who later mandated it for the Federal government as president (Minnier, 1975; Pyhrr, 1977). The philosophy of Zero-Base Budgeting was to evaluate all existing programs from the top down as if they were new for each budget cycle. This is done by identifying “decision units” – meaningful elements of the organization; and “decision packages” for each. Decision packages include the purpose of the unit, a description of actions, costs and benefits, workload measures, alternative measures for accomplishing objectives, and varying levels of effort paid for at various funding levels – usually the current, a reduced and an increased level. (“Usually” is an operative word here. In Virginia, during the economic crisis of 2002, the governor mandated decision packages at the current level, a 10% reduction and a 15% reduction). The decision packages are then ranked by management, listing all packages in decreasing order of benefits. Decision-makers then evaluate the benefits at each level of expenditure, and the consequences of not approving packages ranked lower (Pyhrr, 1977).

“By one vital measure” Schick wrote“, ZBB was a remarkable success. The new system was speedily installed throughout the Federal Bureaucracy. Within months after the issuance of OMB’s instructions... agencies were ranking their decision packages and submitting the required documents” (Schick, 1978). The movement caught on at state and local levels, many of which continue to use it to the present. Schick argues that the rapid penetration of ZBB was due to its superficiality: it did not really change the rules by which budgeting decisions are made. More importantly, it did not change the data used for making program and financial decisions. To do either would have involved significant changes to the entrenched institution and ways of doing things – one of the obstacles faced by PPB. However, ZBB was also flexible, capable of being overlaid on almost any existing budgeting approach, and it was short-term in scope consistent with the annual scope of traditional budgeting.

In practice however, Zero Base Budgeting as it evolved was rarely truly zero based, with the minimum funding level actually set at the point below which the agency could no longer be viable (Draper & Pitsvada, 1981). Moore (1980) cited in Draper, noted that most of the minimum funding decision packages in his study were set at 75% - 90% of present funding, and Draper’s own study found that only about a fifth of the total new obligational authority was truly zero based (Draper & Pitsvada, 1981).

In the macro context of incremental budgeting as described by Wildavsky, it could be seen as a tool for marginal analysis, insuring that decremental alternatives to the present would be considered as well as incremental ones. Draper, however, feels that this was probably

the most important contribution to the institution of Public Budgeting: “to make the preparation of alternative funding levels for decision-makers a *formal* requirement for budget preparation” (Draper & Pitsvada, 1981)

### ***Performance-Based Budgeting – Reinventing Government***

Performance Results Budgeting (or Performance-based budgeting) is something of a re-invention of Performance Budgeting (Kong, 2005) and a simplification of the PPBS movement (Hyde, 2002, p. 460). It evolved from efforts in Sunnyvale and Long Beach to develop a budgeting system that builds goals and objectives but is more effective and less cumbersome than PPBS. It was implemented at the Federal level by the passage of GPRA (Government Performance Results Act) of 1993. Performance ("Government Performance Results Act of 1993"), which in the preamble states:

- (1) Waste and inefficiency in Federal programs undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs;
- (2) Federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance; and
- (3) Congressional policymaking, spending decisions and program oversight are seriously handicapped by insufficient attention to program performance and results.

Performance Results Budgeting focuses on budgeting decisions based on expected outcomes, combined with the use of performance measures to track progress. What has

changed over the years appears to have been an increased recognition of the value of strategic planning, and budgeting for long-term expenditures, as well as an increased ability to develop reasonable outcome measures. Hyde (2002, p. 461) notes that where PPBS relied on selected program evaluations, PRB makes use of more rigorous outcome-based measurements for each strategic and annual performance goal. State governments are making the effort to ensure that not only are measurements of performance effective, but that they are available and easily understood by both citizens and elected officials (Pattison & Samuels, 2002),

The heart of Performance-based budgeting is the development and use of effective output or outcome measures that reflect the benefits received for resources expended. Previously accountability had been viewed in a one-dimensional perspective, focusing on whether or not program managers complied with the tasks given them. What had been missing was a systematic effort to encourage managers to think through the logic of their programs, the extent to which they are effective in producing the benefits actually desired by the policy makers and the public and sensible efforts to improve them. (McWeeney, 1997)

Performance-based budgeting also involves long term, top-down planning, theoretically with a clear mission statement at the top, and all processes and documentation relating to it. It strongly encourages an outcome orientation throughout all facets of planning, and encourages a regular process for evaluating progress. A linkage between resources-in and benefits-out (in understandable terms) is a requirement.

### *Summary*

Budgeting evolved from a tool of accountability, limiting the discretion of those entrusted with the expenditure of public funds, to a decision making system where allocations and allocation proposals were linked to some measure of actual or proposed activities, accomplishments or both.

In the United States, before the turn of the Twentieth Century, insofar as it was considered at all, budgeting was simply another factor in Madison's evolving "Science of Politics" (Wootton, 2003, p. xvi). It would appear this was partly because the level of common understanding about complex organizations was still evolving, and partly because there was little need: Government activities were small, and available resources to pay for them were large.

In the late 1800s, America saw both the rise of modern complex business organizations and the rise of modern Accountancy as a model for viewing business activities. The Progressive reformers saw strong parallels between business corporations and municipal corporations (Municipal government was by far the largest sector of government back then)(Cleveland, 1904b; Clow, 1901; Fairlie, 1904; Goodnow, 1895). They set about reorganizing municipal government in the image of private corporations, from instituting a stronger executive function – including the City Manager movement – to installing business-like accountancy systems as the principal and generally almost the only mechanism of overall corporate control(McGerr, 2003; Meltzer, 1994).

However, they appear to have generally failed to recognize two things, and we are still paying the piper for it.

1. American democratic government is NOT like American business – the distribution of power is entirely different. Unless something is radically wrong in a corporation, Boards of Directors rarely have a direct hand in corporate operations. Government legislative bodies do – particularly at the local level.
2. More importantly, because businesses exist in a competitive environment, there is a strong feedback loop between customer and corporation. If a customer does not like a product, he does not buy it. Sales drop, and this shows up almost immediately in the financial corporate models, where it is picked up and acted on by top management. In government, the feedback loop is through the intervening variable of legislative bodies in the form of constituent appeals, lobbying and assorted other ways of making one's displeasure known. However, not “buying the product” is not one of them – we all pay taxes regardless.

There is no “bottom line” in government – there are many, and almost none are financial, so they do not show up in public budgets that were based on designs for an entirely different type of environment. There is no direct connection between revenues-in and goods or services-out.

Some Progressives – Cleveland in particular (Kahn, 1997, p. 68) – were aware of the inadequacies of the Line Item Accounting and Budgeting model as adapted for government, but it may be argued it was the only model they had that could counter the fragmented and politically charged model that so frequently resulted in blatant corruption. The New York Bureau, with its “functionalized” budget organization and its experiment with performance budgeting in Richmond County (*The Finances and Financial Administration of New York City : Recommendations and Report of the Sub-Committee on Budget, Finance, and Revenue, of the City Committee on Plan and Survey*, 1928, p. 254; Williams, 2003) can be seen as attempts to devise a counterpart to the customer – sales – management loop. However the level of experience and the level of information processing technology was insufficient to the task.

As a result, it can be argued that the budget reforms of the Twentieth Century represent a series of attempts to devise some sort of feedback loop that completes the business model as adapted to government, and it continues to this day. Changing that in any meaningful way would likely require an impossibly massive re-design of government. It might be done, but we will not see it in our lifetimes, so we are left with what the Progressives bequeathed to us.

The political reform movements produced five different types of budgeting systems. Each presented budgeting decision-makers with different sets of information upon which to base decisions, each was advertised as enriching the budget debates that are key to the system, as well as the final budgeting decisions.



- **Line Item budgeting** focused on the cost of personnel and material to be paid for by budget allocations. The information presented to the legislative body is control-oriented, and typically in the form of actual vs. proposed expenditures, broken down by department and within that by expenditure codes at a greater or lesser level of detail. Of all the budget reforms, this was the most profound in changing American perceptions of what government and government organizations are, and what they represent.
- **Performance budgeting** emphasized efficiency, by presenting information concerning the quantity of goods and services proposed, and work measures reflecting this productivity.
- **Program budgeting** presented information that forecasts end result benefits received by the taxpayer, and equates that to proposed fiscal cost figures.
- **Zero-based budgeting** focused on evaluating current activities and making decisions. Information presented is in the form of evaluations and alternative projected benefits packages, coupled with projected cost information.
- **Performance-Based budgeting** is a combination of the others, providing performance measures, goals and management objectives, frequently in a multi-years planning context.

While each type of budget was presented as a means for enriching budget decision making, the question empirically remains as to the extent these new sets of information were actually used – or used at all - by decision-makers in the political budget making process.

## CHAPTER 3 Framing Effects

### *General Nature of Framing Effects*

Scholars in many disciplines have been intrigued by finding that decision-makers respond differently to problem statements which are presented differently, yet objectively equivalent (Greenberg & Baron, 2003, p. 374). The existence of “framing effects” has been documented in medical decisions (Krishnamurthy, Carter, & Blair, 2001), consumer choices (Krishna, Briesch, Lehmann, & Yuan, 2002), perception (Joslyn & Haider-Markel, 2002), psycholinguistics (Dusenbury & Fennema, 1996), social psychology (Haugtvedt & Petty, 1992), education (Mueller & Fleming, 2001) and other areas. Framing effects are most commonly defined as occurring when two “logically equivalent (but not *transparently* equivalent) statements of a problem lead decision-makers to choose different options”[(Rabin, 1998) as cited in (J. N. Druckman, 2001c)].

### **Framing takes place in the mind of the perceiver**

Kahneman and Tversky, who introduced the concept, argued from the outset that one of the defining characteristics of framing effects is that they take place in the mind of the perceiver (Daniel Kahneman & Tversky, 1979; Tversky & Kahneman, 1981).

**Framing takes place when the incoming message emphasizes some particular aspect rather than some others**

Framing takes place when, in the describing of an issue or event, the incoming message information emphasizes some particular aspect or subset of ideas rather than some others, leading the recipient to choose differently than he might otherwise (J. N. Druckman, 2001a). At the psychological point at which the recipient decision-maker makes a choice, all pertinent information is in his/her memory, ready for evaluation (Nelson & Oxley, 1999). The nature of framing is such that the emphasis of the framed message causes the decision-maker to place greater weight on some aspects at the expense of others influencing his decision. Changing the framing of the message changes the weighting causing the decision-maker to choose differently; that is, frames work by changing the relative importance the individual's beliefs (James N. Druckman & Nelson, 2003).

**Framing messages must come from a creditable source**

People base many of their opinions on what they hear from elites and opinion leaders, and how those messages are framed influences the perceptions of the audience (James N. Druckman & Nelson, 2003). This is not absolute, however. Druckman, writing about framing in the area of political opinion, also found that under some conditions, citizens' interpersonal conversations can ameliorate or entirely negate the framing influence of elite-provided messages.

Public opinion research shows that citizen opinions depend on the rhetoric the elites choose to use with a respect to a given issue. The assumption had been that opinion follows rhetoric unquestioningly. Druckman (2001d), however, found that it is not the

case, that the framing occurs not because the elite are seeking to manipulate opinion, but because individuals delegate credibility to the elite and choose which frames to follow in a sensible way.

### **Framing is distinct from Persuasion**

This is a process distinct from persuasion. The standard model of communication-based persuasion typically involves a *source* who presents a *message* about an *attitude object* to an *audience*, with the goal of changing audience beliefs. If the audience member both understands and believes the message and then the new belief is adopted. Implicit in this is the assumption that the information conveyed by the message is new to its audience. Persuasion works because it presents information not already a part of the decision-maker's knowledge or belief structure. Frames operate by changing the relative importance of beliefs already stored in the decision-maker's long-term memory (Kinder, 1998; Nelson & Oxley, 1999; Nelson, Oxley, & Clawson, 1997).

In short, persuasion takes place when the communicator effectively revises the content of one's beliefs, replacing or supplementing favorable thoughts with unfavorable ones, or vice versa. Framing, by contrast, does not change the content of the receiver's ideas, but does change the relative importance one attaches to them and this may or may not alter the receiver's overall opinion.

### **Early Research**

The concept of framing was first proposed by Kahneman and Tversky (1979) as an alternative to the traditional economic theory of expected utility, which holds that under conditions of risk, an individual will objectively assess the relative probabilities of alternatives and choose that which has the higher likelihood of obtaining desired results. Kahneman and Tversky presented research demonstrating that this does not always hold true.

In what they called the *certainty effect*, Kahneman and Tversky showed that in situations where there is a choice between a positive (gains) outcome that is certain and one that is only probable, individuals will tend to choose the probable over the certain. However in what was labeled the *reflection effect* it was demonstrated that when those choices represent losses, individuals will tend to choose the probable over the certain.

Kahneman and Tversky also noted what they labeled an *isolation effect*: in order to simplify the choice between prospects, individuals will disregard components that alternatives share. They apparently decompose prospects into common and unique components and because this can be done in more than one way, this process may lead to different preferences between individuals based on the same set of information.

This research led Kahneman and Tversky to propose that decision making consisted not of one evaluation phase as had been assumed by utility theory, but two phases, with an editing phase preceding evaluation and choice. In the editing phase, information about alternatives is first encoded as a gain or loss relative to some neutral point (its “valence”)

and then reorganized and simplified to ease the task of evaluation and choice. Nearly identical outcomes tend to be combined, riskless components of outcomes discarded, components that are shared among prospects disregarded and outcomes that are dominated by other outcomes discarded completely. Since these operations can be done in more than one way, the final internally edited versions of outcomes may vary from individual to individual, who proceeds to evaluate and compare one against another, choosing the prospect with the greater probability.

Two years later Kahneman and Tversky (1981) published the results of experiments using their famous Asian Disease Problem and found that the framing valence has an impact on a decision-maker's willingness to take risks. One group of subjects was presented with the following scenario:

Imagine that the U.S. is preparing for the outbreak of an unusual Asian disease, which is expected to kill 600 people. Two alternative programs to combat the disease have been proposed. Assume that the exact scientific estimates of the consequences of the programs are as follows:

If Program A is adopted, 200 people will be saved.

If Program B is adopted, there is  $1/3$  probability that 600 people will be saved, and  $2/3$  probability that no people will be saved.

Which of the two programs would you favor?

A second group of respondents was given the same cover story but with a different, but logically identical presentation of alternatives:

If Program C is adopted 400 people will die

If Program D is adopted there is  $1/3$  probability that nobody will die, and  $2/3$  probability that 600 people will die.

Which of the two programs would you favor?

They found that in the group given the positively framed (lives saved) information, the majority (72%) chose the certain outcome. However, the majority of the second group (78%), which was given the negatively framed alternative (lives lost), chose the risky alternative.

### **Psychological Mechanisms**

Kahneman and Tversky proposed that psychologically, decision making consists not of a single evaluation phase as had been assumed, but two phases, with an editing phase preceding evaluation and choice. In the editing phase, information about alternatives is first encoded as a gain or loss relative to some neutral point, and then reorganized and simplified to ease the task of evaluation and choice. Nearly identical outcomes tend to be combined, riskless components of outcomes discarded, components that are shared among prospects disregarded and outcomes that are dominated by other outcomes discarded completely. The second, evaluation phase, involves evaluating the relative probabilities of one alternative “package” against another, and choosing the prospect with the greater probability.

These ideas have more recently been incorporated into broader concepts of cognitive reasoning and bounded rationality that have been given form by Stanovich & West (1999), and later by Kahneman (2003). Current thinking is that individuals make use of two cognitive systems, which Stanovich & West label “System 1” and “System 2”. In this model of cognitive operations, “System 1” processing is highly intuitive: it is automatic, fast, effortless and associative, and that judgments are often emotionally charged.

Perceptions are taken in and processed automatically and initial judgments are made immediately, and several may be processed more or less simultaneously without cross-interference (one may have many impressions of a scene or event). They are also governed by habit and therefore are difficult to control or modify.

The operations of “System 2” are slower and more systematic and deliberate; they are more effortful, and more likely to be consciously monitored and deliberately controlled (D. Kahneman, 2003, p. p. 698). “System 2” operations also process ideas serially (one focuses on one thing at a time), and other cognitive tasks calling on this system represent distractions that can interfere with the processing of both. For example, one may be interrupted while focusing on some problem with a question and blurt out the first thing that comes to mind, while at the same time losing one’s place in the problem at hand. Since “System 2” thinking requires more time and effort than “System 1”, most individuals tend to process first using “System 1” and switch to “System 2” when, and as is perceived to be necessary.

Framing is a “System 1” function: it is fast, automatic and dependent on the nature of the incoming information. While “System 2” processing can reduce or eliminate the effects of framing, this apparently requires some effort. LeBoeuf & Shafir (2003) examined the impact of framing effects when more thought was given to problems using subjects with varying degrees of Need for Cognition,

... Which identifies ‘differences among individuals in their tendency to engage in and enjoy thinking’ The NC variable separates those who find



fulfillment in intricate thought from those who do not seek out situations that require effortful processing' (LeBoeuf & Shafir, 2003) citing (Cacioppo & Petty, 1982).

In two experiments, significant framing effects observed, wherein the amount of thought given to a problem did not reduce the incidence of framing effects. Subjects with both high and low NC scores were equally susceptible to framing effects when presented with a single framed problem. However, when a second framing of the problem was presented, those with high NC scores were more likely to make decisions consistent with the previous problem, now served as a norm, an indication that while they accepted the frame, they had thought the problem through.

### **Other Research**

An extensive body of literature has since evolved in a number of fields including advertising (Al-Jarboa, 1997; Homer & Yoon, 1992; Zhang & Buda, 1999), market research (Barber, Heath, & Odean, 2003; Block & Keller, 1995; Ganzach & Karsahi, 1995; Mahajan, 1992; Tuttle, Coller, & Burton, 1997) at.al., Perception (Burroughs, 1998; Dunegan, 1993; Highhouse, 1996a, 1996b; Tversky & Kahneman, 1981) at.al., psycholinguistics, social psychology (J. N. Druckman, 2001d; Dunegan, 1993; Fagley & Miller, 1990) at.al., and medicine (Lila J. Finney & Iannotti, 2002; B.J. McNeil, S.G. Pauker, H.C Sox, & A. Tversky, 1982; Moxey, O'Connell, McGettigan, & Henry, 2003)at.al. Kuhberger (1998) developed a meta-analysis of 136 empirical papers on framing effects for risky choice problems, and concluded that framing is a reliable phenomenon.

### **Types of Framing**

Levin et al. (1998) in a review of the literature developed a three-fold typology of framing effects.

**Risky Choice Framing:** The majority of framing studies focus on Risky Choices: choices between two or more alternatives of varying degrees of risk, the classic example of which is the Asian Disease Problem (lives saved vs. lives lost).

**Attribute Framing:** A second type of framing Levin labeled “Attribute Framing”, which Levin noted is the simplest type of framing, making it especially useful for studying how framing affects mental processing. Here the choices are evaluations of two descriptions of the same attribute. They provided an example of this in the marketing arena in which subjects reported hamburgers labeled “75% Lean” tasted better than identical hamburgers labeled “25% Fat”. Similarly, people are more likely to approve of a medical procedure when presented in terms of survival rates than mortality rates. Notice that the information framed here is not the outcome of a risky choice between two independent courses of action, but an attribute or characteristic of the subject that affects its evaluation. Levin notes that most studies have shown that alternatives are rated more favorably when presented positively than negatively framed.

**Goal Framing:** The third type of framing Levin & Gaeth labeled “Goal Framing”, where the alternatives both promote the same behavioral decision or outcome, and the issue is which alternative message is more effective in evoking that behavior.

A study of messages (Meyerowitz & Chaiken, 1987) promoting breast self-examination by women is one example. It was found that women were more apt to engage in breast self-examination when presented with messages stressing the negative consequences of not doing so than when presented with messages stressing the positive consequences of doing so. A distinguishing feature of Goal vs. Attribute Framing is that Goal Framing is in terms of consequences, where in Attribute Framing, the focus is on the evaluation of some quality of the subject. Also in contrast, in their review of the literature, Levin and Gaeth concluded in Goal framing, that negatively framed consequences were more effective than positively framed consequences, where in attribute framing studies as noted above, positively framed descriptions of the subject were the more effective.

### **Other Typologies**

As noted, Kuhberger (1998) presented a meta-analysis of 136 studies that considered only risky-choice types of framing, while Krishna et. al. (2002) analyzed 20 in marketing alone. The body of literature is so extensive that for purposes of this paper, a typology is proposed that covers three basic views of framing: physio-psychological, content and context/domain/environmental aspects.

### **Aspects of Framing**

The “domain” – referring to the type of problem being dealt with, and whether the task is to solve the problem or make a judgment also plays a role. Rettinger and Hastie (2001) demonstrated that the content domain in which the problem-decision process occurs plays

a major role in the nature of the decision. Decisions in a casino simulation problem (a common study scenario) are treated differently than more familiar morally evocative domains, such as legal decisions.

As an extension of Rettinger and Hastie's research, Bozeman (2004) compared the decision making involved in budget cutbacks vs. Information technology decisions. These were chosen because cutbacks generally mean doing more with less, but Information technology budgeting decisions are generally perceived positively, as a means of enhancing productivity and cost-effectiveness. They concluded that decision content determines the subsequent decision making process. It was found that cutback decisions took less time, were less likely to be perceived as permanent. Information technology decisions required more time, and were likely to be viewed as permanent. Cost effectiveness was a significant consideration in cutback decision as one might expect, but was not an important one in the making of Information technology decisions.

### **Contrast Effect**

While decisions in the real world occasionally involve unequivocal problems, decisions makers most often are faced with problems that may be viewed as either a threat or an opportunity; for example, a federal program which requires substantial matching funds, but which may not produce the results desired. It is frequently necessary to form a subjective interpretation of a problem even before the decision-maker has identified alternative courses of action, and this interpretation may have an impact on the final decision.

Highhouse and Paese & Leatherberry (1996) focused on the impact of context on the framing of a problem, and found a *contrast effect*. Individuals presented with an equivocal, neutrally presented problem after having been exposed to an identical problem presented as an unequivocal opportunity tended to view that problem as more threatening than those previously exposed to a problem presented as an unequivocal threat. This effect was obtained regardless of whether the prior information was relevant to the problem at hand.

### **Age Dependency**

Mayhorn, Fisk, & Whittle (2002), investigated the age-dependency of framing, and concluded that adults of all ages are susceptible to the framing effect with regard to accepting risk. They established benchmark data from the work of Kahneman and Tversky representing the participation of hundreds of undergraduate students of varying ages enrolled at Stanford University and the University of British Columbia during the 1970s. These were compared with a current sample of comparable students given similar framing tasks. They found that while there were differences among younger subjects between the benchmark data and the current sample, these tracked back to probable societal changes in attitude about money rather than to changes in framing effects. There were minimal differences among older subjects between the benchmark data and the current sample, as well as between young and old in the current sample.

It may be argued that college students in the laboratory may differ in character from populations they are intended to represent. They are likely to have less crystallized

attitudes, less formulated senses of self, stronger cognitive skills, stronger tendencies to comply with authority and more unstable peer-group relationships (Sears, 1986). However, Kuhberger (1998) concluded that the behavior of students and subjects did not differ significantly from that on non-student subjects.

### **Cognitive style**

One's preferred cognitive style is a mediating factor in the extent to which individuals are influenced by framing effects. In particular, an individual's preference for deliberate, analytical thinking reduced his/her susceptibility to the effects of framing.

A significant body of research on preferred cognitive styles evolved in the 1960s, deriving from psychological experiments by Herman Witkin and Donald Goodenough about how individuals determine a vertical in space – whether from clues from the environmental field, or from some internal referent. It was found that both apply to different individuals – some are “field dependent”, and determine the vertical from their surroundings, while other “field independent” persons are able to de-contextualize the problem and determine the vertical from an internal reference model. It was later discovered that the same cognitive process or “cognitive style” used to determine the vertical in space is used in other areas of cognition. A person's cognitive style refers to the consistent modes of functioning shown by individuals in their perceptual and intellectual activity – how information is perceived, organized, analyzed and applied to learn about or resolve a problem of interest (Pizzamiglio & Zoccolotti, 1986, p. 31).

As noted above, one of the attributes of cognitive style refers to the extent to which an individual is “Field Dependent” on global information from the environment surrounding the problem of interest (Stanovich’s “System 1”), or “Field Independent” - able to “dis-embed” the key information needed from the surrounding environment and focus on that in the abstract (“System 2”). This analytic type of analysis, when applied to logically equivalent problems should yield independent results that are independent of framing. This was demonstrated empirically by McElroy & Seta (2003) who demonstrated that framing effects have a relatively weak influence on persons predisposed (or forced) toward a systematic/analytical perspective and stronger for persons who adopt a holistic approach.

However, analytic processing requires more effort than does holistic processing, and for that reason, motivation plays a role in which may be used in a given situation. For example, in an experiment involving messages about mammography, Women who had a positive history of breast cancer were more likely to respond to messages about mammography than women who had no history, and both were more likely to respond to loss-framed messages (risk) than to gain-framed (benefits) messages (Lila Jean Finney, 2001). McNeil Pauker, Sox & Tversky (B. J. McNeil, S. G. Pauker, H. C. Sox, & A. Tversky, 1982) ran a similar study with like results and found that framing applied to both patients and physicians alike. [Cited in (D. Kahneman, 2003)].

### **Need for Cognition**

Cognitive style is also reflected in an individual’s “Need for Cognition” (NFC) – the extent to which s (he) is interested in working with problems that require measures of analytical,

systematic thinking. Fagley and Miller (Fagley & Miller, 1990) also found in their studies that no framing effect was observed among those in both those with a Need for Cognition and high math skills, both of which reflect high Field Independent cognitive styles.

### **Gender**

Fagley and Miller (1990) in a series of risky choice experiments using the “Asian Disease” problem, found that women were affected by framing, where men generally were not. However, it must be noted that in western society, men tend to be socialized toward a systematic, analytical cognitive style more than women , and as a result a higher proportion of the total field dependent population is female (Klein, 1996). Therefore, it may be argued that sex per se is less the causal factor than differences in society’s upbringing and education of the two sexes.

### **Valence**

As noted above, Kahneman and Tversky (1979) proposed that perceivers initially encode incoming information with a positive or negative valence that influences their decision making behavior. Quattrone and Tversky (1988) found similar results in experiments with undergraduates given politically–oriented choices. Subjects exhibited risk aversion in the domain of gains (gain-framed messages), risk-seeking in the loss domain (Loss-framed messages) and showed a greater sensitivity to losses than gains.

A number of studies (Banks, Salovey, Greener, Rothman, & et al., 1995; Buzaglo, 1997; Kalichman & Coley, 1995; Krishnamurthy, Carter, & Blair, 2001; Lalor & Hailey, 1989;



Lauver & Rubin, 1990; Padgett, Yedidia, Kerner, & Mandelbatt, 2001) involving framed messages in the medical field reflected classic framing effects. Meyerowitz & Chaiken (1987), for example, showed that female undergraduate subjects exposed to valence encoded pamphlets on breast self-examination reacted consistent with predictions: those who read a pamphlet framed in loss language showed more positive attitudes and intentions regarding breast self-examination than those exposed to either a gain-framed or a neutrally framed pamphlet.

The effects are not symmetrical, however. Negatively framed messages tend to trigger more systematic and thorough cognitive (“System 2”) processing than do positively framed messages. Kuvaas & Selart (2004) for example, found that decision-makers receiving negatively framed messages reported a higher degree of analytical thinking, were able to recall more information and were less confident of their decision than decision-makers receiving positively framed messages. He further found that decision-makers presented with positively frames messages were more susceptible to framing effects in evaluation than those receiving negatively framed messages. He suggested that the reason for this might lie in the idea that a negatively framed message conveys a discrepancy between the decision-maker’s expected state and the actual situation. This suggests a problem or possibly a threat that requires resolution, triggering more effortful cognitive processing. A positively framed message by contrast, conveys the notion that all is well, leading to less effortful processing.

Levin (1988) argues that attribute framing effects (the impact of a single item or attribute) occur because information is encoded relative to its descriptive valence. The positive framing of an issue tends to evoke positive associations in the mind, whereas negative framing evokes negative associations. Given that, material that is associatively linked tends to be used in various cognitive tasks, such as attention, learning, memory, associations, and eventually to biases in judgment.

### **Message Content Aspects of Framing**

Some of the attributes of the material presented for decision making in themselves cast a framing effect on the decision-makers, among them:

#### **Mode of Presentation**

The mode of presentation – numeric vs. linguistic has an effect on risk taking preference. Dusenbury (1996) investigated the impact of the mode of presentation (linguistic vs. numeric) for predictions in scenarios with uncertain outcomes (e.g. weather forecasts or sales projections.) They found that where the scenarios involve high probabilities, a numeric mode was preferred for gain outcomes (“there is a 60% chance of rain” vs. “rain is likely”), but linguistic modes were preferred for loss outcomes.

#### **Amount of information presented.**

Diamond and Lerch (1992) carried out three experiments to examine the relationship between data presentation and framing effects. The first replicating a prior study by McNeil(1982) wherein two groups of subjects were asked to choose between two cancer

treatments based on information sets of different amounts. Results showed that subjects given relatively minimal information showed framing effects, whereas no effects were observed among those presented with more complete information.

### **Format of information presented**

In a second experiment, the same information sets were presented to lab subjects, with the exception that the information was presented in graphic format. The results showed identical framing effects in both groups. It was concluded that using a graphic format triggered a different perceptual/associative process that changed the decision weighting of alternatives.

### **Information Order**

A number of studies (Highhouse & Gallo, 1997; Hogarth & Einhorn, 1992; Perrin, Barnett, Walrath, & Grossman, 2001; Tuttle, Coller, & Burton, 1997) demonstrate that the order in which information is presented has a significant impact on changing belief importance in decision making.

Hogarth and Einhorn (1992) determined that the order in which information is presented has an influence on how it is processed and acted upon. Their model argues that more recently received information will be weighted more heavily than previously received information, and will also be moderated by whether a response to the information is required serially (i.e. one issue at a time) or at the end of a series of presentations. Similarly, Tuttle, Coller and Burton (1997), in an economic study of securities found that

the recency effect influenced the prices in a double-auction experiment, and Highhouse (1997), found that the recency effect applied regardless of whether response was made after each work sample exercise or at the end of the process.

### *Framing Discussion and Hypotheses*

#### **Budget Discussions**

Public Budgeting is a decision making process that is central to American governance, and untold numbers of hours and dollars have been spent reforming the process, changing the volume and format of the information given decision-makers.

Attribute framing theory suggests that these differently formatted and presented information sets should have an effect on the final decisions as well as the discussions that take place leading to them. In this, there are three basic variables: the time required to complete the overall task, the content of the discussions involved, and the final allocations.

#### **Discussion Content**

Diamond's results suggest that the amount and nature of data presented for budget discussion would be expected to have an impact. Line-Item budget materials typically have more information about objects of expenditure and less about departmental activity than do Performance or Program budgets. However, one of the basic weaknesses of the Line-Item format historically has been its very abstractness; it is difficult to determine the implications of decisions without outside knowledge and information. One may imagine

that given the lack of detailed descriptive information that the groups using Line-Item budgets will focus on a mechanical strategy of reducing the budget by 10% and complete the task with relatively little discussion. The simplest mechanical solution is simply to reduce all objects of expenditure by 10% regardless of consequences.

*Hypothesis 1: There will be no significant differences in the most frequently mentioned budget format-associated terms between groups using differently formatted budget documents*

Measuring differences in content was operationalized by identifying key terms relating to one or another (or all three) budget types, and counting their frequency of mention for each, and then analyzing for differences statistically.

### **Final Allocations**

The basic scenario assignment is to reduce expenditures by a total of at least 10% for a group of four departments. What is of interest is the distribution of those allocations. Over the past century one of the major stated purposes for budget reform has been “better” or “better informed” decisions. Given that, on one hand, one might suppose that the distribution of allocations would differ between groups. On the other hand, as a practical reality current funding levels do play a major role: when all is said and done, the Fire Department MUST have sufficient funds to operate next year.

*Hypothesis 2: There will be no significant differences in the allocations made between experimental groups*

This can be operationalized by noting the final allocations submitted by each group and comparing for statistically significant differences.

**Time to completion**

A Line-Item budget format presents detailed tabular fiscal information but only minimal descriptive information about what those allocations buy. Performance and Program budgets present much richer and more diverse sets of information to be considered. If that additional information is used, then completing the budget assignment would be expected to take longer than if it is not.

*Hypothesis 3: There will be no significant differences in time to completion between experimental groups.*

Time completion was operationalized by noting the time the groups were instructed to begin deliberations and the time each submits the final allocation decisions, and comparing differences statistically.

## **CHAPTER 4 Method**

### ***Introduction***

This study examines the impact of differently framed material on public budgeting debates and decisions. To examine this, a quasi-experimental laboratory experiment was conducted, whereby groups of participants were presented with an identical scenario of a hypothetical small city, together with one of three sets of budget materials framed in Line Item, Performance or Program Budget terms respectively. Their assignment was to reduce spending by 10%.

The sessions were recorded and transcribed, and then analyzed for differences in the themes or concepts mentioned using standard content analysis techniques. Further, the final allocations were statistically analyzed to see if, in the final analysis, different budget formats do make a difference in allocation decisions.

### ***Research Design***

#### **Participants**

Participants consisted of 27 undergraduate students from a course in State and Local Government (POLY 322) taught by Dr. Nelson Wikstrom, who were solicited as participants through their instructor. The subject matter of this course provided an appropriate background set of experience and information for the lab discussions. The students were told that no personal information whatever would be gathered. On completion of the experiment they would be awarded an extra ten points toward their final

grade and anyone choosing not to participate would be offered an equivalent opportunity to receive ten points.

### **Justification**

This sample size has been found to be adequate in other similar studies. Sylvester (1997) tested two predictions about candidates' spoken attributions during 35 graduate recruitment interviews, testing two propositions: First, that spoken attributions are a common and frequent component of candidate discourse in the selection interview. Second that those candidates rated by interviewers as more successful make systematically different attributions for previous behavior and outcomes than candidates who are rated by interviewers as being less successful. In total, 1967 attributions were extracted from transcribed interview transcripts and then coded using the Leeds Attributional Coding System (LACS). Both predictions were supported. In particular, successful candidates made relatively more personal and stable attributions when explaining previous negative events than less successful candidates. These findings are discussed with reference to a self-presentational model where candidate spoken attributions act as moderators of interviewers' expectations regarding the candidate's likely behavior in future work situations. Further, Mueller & Fleming (2001) used 20 children who met after school to make papier-mâché masks and to engage in other play activities, while their interactions were recorded for analysis. The results of the experiments proved remarkable. Researchers found that children in an autocratically led group seemed discontented, often aggressive and lacking in initiative. Youngsters in groups without a leader experienced



similar problems: members appeared frustrated and much of the work remained unfinished. In marked contrast, children in groups organized with a democratic leader--someone who allowed the group to set its, own agendas and priorities--appeared far more productive socially satisfied, and demonstrated greater originality and independence in the work they completed.

The use of undergraduate rather than graduate students is proposed in order to insure greater of homogeneity of experience. Graduate classes typically have a greater proportion of students with professional experience which might/not include experience with budgeting in some form. Undergraduate students are less likely to have that experience, which in this context would be an additional intervening variable in the experimental situation.

Undergraduates are frequently used in social science experiments. Nevertheless, it may be argued that using undergraduates as simulated legislators would be unrealistic. Sears (1986) argues that "Research on the full life span suggests that, compared with older adults, college students are likely to have less crystallized attitudes, less formulated senses of self, stronger cognitive skills, stronger tendencies to comply with authority, and more unstable peer-group relationships (Sears, 1986). However, Kuhberger (1998) in a mega analysis of 136 studies concluded that the behavior of students and participants did not differ significantly from that on non-student participants.

## **Grouping**

The participants were grouped into 9 triads (three for each type of budget) simulating legislative subcommittees. The notion of using larger groups to more realistically simulate legislative bodies was examined and discarded for two reasons: (a) three-person committees would minimize extraneous and uncontrollable group dynamics (e.g. competition for group's power and dominance); more importantly, a small group would maximize the opportunity to elicit statements from all participants and minimize the opportunity for a participant to say nothing and just "go with the flow".

## **Materials**

### **Information sets**

The sets of budget information for each triad included a scenario, identical for each group, presenting a small city that has suffered severe property damage from a tornado, resulting in a significant drop in property assessments (and therefore property taxes). The City Council as a whole has agreed to tackle the problem of an overall budget spending reduction by forming subcommittees. Each subcommittee has been assigned the task of reducing the budgets for several departments by at least 10%. The use of several departments rather than an entire municipal budget was decided upon. Presenting a full city budget for action would be unmanageably complex to deal with in a single session, and in any case, the objective of the experiment was to examine the decision-making process, not the development of a budget per se; therefore dealing with a complete budget

would not be not necessary. Finally, presenting several departments, rather than a single one permitted the committees to make trade-offs between them.

Budget information was presented for four departments: Police (which was intuitively expected to be held more or less sacrosanct during budget cutbacks), Streets (which intuitively could be expected to suffer moderate cutbacks during tight times), Parks & Recreation and Libraries (which intuitively would be at risk of cuts).

The budget documents to be used may be found in the appendix, but briefly they included:

- Information in Line Item format which consisted of a brief description of the activities of each department, and past, current and proposed expenditures by typical Objects of Expenditure (Personnel, Equipment, etc.).
- Information in Performance Budget format which consisted of a brief narrative description of the departments' activities, and budget information framed in terms of output performance statistics and work measurement information and unit cost. Again, the figures included past, current and proposed information.
- Information in Program Budget format which consisted of a brief narrative description of the departments' activities, as well as budget information framed in terms of alternative strategic goals and objectives and cost data associated with them.

### **Equipment and Software**

The discussions were recorded using Olympus VN-3100PC digital recorders, which were found to be sufficiently sensitive, and which came with software and cabling that permits uploading to a PC.

Once uploaded, transcription was done using Express Scribe (Swift-Sound, 2008), a software package designed for professional typists, and downloadable free from the NHS Swift Sound website. Express Scribe was designed specifically for the transcription of dictation and of recorded meetings, and has several built-in tools to enhance sound quality in different ways where needed. The software also contains the capacity to add time-stamps – either calendar time or (in this case) the number of minutes and seconds since the start of the session.

### **Procedures**

#### **Participants**

The experimenter was invited to speak to a class of Political Science (POLI 322) students. He indicated that he had need of at least 27 student volunteers for a lab experiment that would take place in one of the class periods. All students would have an equal opportunity to volunteer. Those students who complete the commitment would receive 10 points toward their grade. The experimenter also made it clear that students who chose not to participate have an alternative, comparable project.

The participants were instructed to bring calculators with them to the lab session. It is recognized that as Highhouse (1996) pointed out, this prior information would tend to frame expectations about the session as one requiring analytical thinking. However, those expectations were already been set, at least to some extent by the nature of the solicitation to participate, and the nature of the class (Public Administration/Finance) from which the participants were drawn.

### **Meetings**

The participants met in a classroom at the beginning of the lab session. They were told they would be given a scenario and a proposed budget document and that they were to cut the budget by 10%. They were cautioned to behave as they would if they were actual city councilmen, and instructed to write their final budget allocations on a form provided. The students were grouped into 9 committees. Each committee was given a packet containing, the problem scenario, a proposed budget in one of the three formats, and a simple worksheet containing the names of each of the departments and space for final allocations. Since no personal information was being gathered, a sign-in roster sufficed for consent purposes.

The experimenter's role was only to introduce the problem and state the assignment and ground rules. Thereafter he served only as a resource person, limiting his comments to statements of fact (e.g. "this department has X full time staff in that position"); or ground rules ("you must reduce the total, four-department budget group by 10%"). In this he was as consistent across groups and as neutral as possible.

### **Transcription**

The recorded sessions lasted an average of 45.7 minutes, the shortest session being 20 minutes, and the longest about 1 hour and 15 minutes.

At the beginning of each session, each speaker was identified as "Voice 1", "Voice 2" or "Voice 3" based on the timbre and tone of the speaker's voice, as well as his/her manner of speaking. Each speaker's turn was transcribed as a single paragraph, and that paragraph tagged in transcription with the speaker's voice designation ("V1", "V2", "V3"), and a time stamp showing the hours, minutes, seconds and tenths of seconds relative to the start of the session.

The transcription was for the most part verbatim, and no attempt was made to correct incomplete sentences or bad grammar. However there were some exceptions:

In some groups the voices of two or more members were extremely difficult to distinguish from one another and the transcriptionist had to make his best guess as to the speaker. However, the unit of analysis here was the frequency of mention within the group as a whole; the identity of an individual speaker was relatively unimportant.

At points where two or more speakers said essentially the same thing at the same time the words were attributed to the loudest voice.

In all groups there was a good bit of "bookkeeping" conversation, where one or more members were verbally calculating numbers, instructing one another what to

do, mumbling as calculations were done, etc. Since these did not directly bear on the study and for the most part transcribed as meaningless phrases, they were ignored in transcription.

Single words or very short phrases (“Yeah”, “That’s right”) simply expressing agreement were similarly ignored as not contributing to the frequency of mention.

### **Analysis**

Once the discussions were transcribed, each transcription was imported into a WORD table for spell checking, and then imported into an SPSS table where columns were added for a unique ID code that included designations for the budget type and group number, the type of budget document the speaker was using, a time stamp, and the text of that turn. A sample of the transcription was proof-listened to insure accuracy of transcription.

The SPSS table was then imported into SPTfS for content analysis. SPTfS automatic or semi-automatic routines permit an iterative approach to the analysis process. An initial extraction, for instance, is completely automatic and performs an initial classification of all terms based on built-in “libraries” containing candidate terms and synonyms for analysis, while automatically removing from consideration terms like “an”, “the” etc. Terms and phrases can be added to these libraries which form the mechanism for identification classification and tallying of mentions.

*Terms Used in the analysis of budget content*

The purpose of using software for content analysis was to efficiently identify terms that associate with one or another budget format, and accurately tabulate them against information about which type of budget the speaker was exposed to.

The terms to be used to analyze the content of budget discussions came from two sources: Initially terms and descriptions of concepts came from budget literature, chiefly by Schick (1966), Grizzle and Pettijohn (1996) and Clynch (2003). From these descriptions, it was possible to derive problem-specific terms used by participants in thinking about this particular budget problem. Broadly:

Concepts associated with control and with Objects of Expenditure were classified as associating with Line Item budgeting.

Management oriented concepts, and activities relate to functions and work processes and outputs were classified as associating with performance budgeting. “As a general rule, performance budgeting is concerned with the process of work (what methods should be used)” (Schick, 1966).

Strategic planning, authorization of select programs, future goals, objectives and policies, and discussion of programs as entities were classified as associating with Program budgeting (Schick, 1966). In the lab sessions, participants rarely used those terms specifically mentioned by the literature (“Strategic goal” is only used twice, for example). However, they did discuss specific programs, such as the



DARE program, the Bluegrass Festival and Neighborhood Watch, all of which are specific programs in Midvale's budget.

One difficulty in this classification was that some terms were used both generically and in specific association. Since these terms generally were infrequently used, they were simply ignored in the analysis to keep the sample pure.

Deriving the final list of terms was an iterative process that involved close reading of the transcriptions in order to identify words that were most reflective of the thought patterns behind the discussion, the key words and those words in which contexts that most clearly operationalized them. Ultimately 11 of the most frequently mentioned or most appropriate to the format were selected for analysis.

The output of the categorization was exported to back into SPSS as a dichotomous table with rows representing transcribed speaker turns, and columns for each category (Line Item, Performance, Program). The cell values were 1 or zero (presence of absence of format associated term (s) in that turn). This table was merged with the original SPSS transcription data set to permit statistical analysis.

### **Analysis of concepts**

ANOVA (Analysis of Variance) was used to test for statistically significant differences between and within group types using the null hypothesis. This is a standard statistical test for comparing means and is appropriate for this purpose (Frankfort-Nachmias & Nachmias, p. 445).

*Hypothesis 1: There will be no significant differences in the most frequently mentioned budget format-associated terms between groups using differently formatted budget documents.*

### **Analysis of Final Decisions**

The ultimate results of the discussion of each committee were decisions in the form of specific allocations for each of the three departments for which budgets were proposed. There were nine sets of allocation decisions that were compared for statistically significant differences, both within and between group types using ANOVA.

Intuitively, it is expected that there should be relatively small differences in allocation between the committees of each group. However, this may not hold. There may be substantial differences between the committees of a given group, which would be an indication of group preferences of each committee, and a reflection of the flexibility of the budget making process – that given the need to reduce budget, there are many possible outcomes that will satisfy that need.

Precisely the same logic applies to differences in the mean allocations between groups. Whether using Line-Item, Performance or Program budget formats, the need to reduce fiscal allocations still applies and there are many allocation combinations possible that will accomplish that goal.

*Hypothesis 2: There will be no significant differences in the allocations made between experimental groups.*

### **Analysis of time spent**

A Line-Item budget format presents detailed tabular fiscal information but only minimal descriptive information about what those allocations buy. Performance and Program budgets present much richer and more diverse sets of information to be considered. If that additional information is used, then completing the budget assignment would be expected to take longer than if it is not.

*Hypothesis 3 There will be no significant differences in time to completion between experimental groups.*

Time completion was operationalized by noting the total recording time.

### ***Limitations: Threats to Validity/Reliability***

#### **Laboratory experiment vs. the real world**

The issue of whether findings from a laboratory experiment using inexperienced students can be generalized to a dissimilar real world environment. After all, students rarely, if ever, have legislative experience. They would not feel the pressure from constituents, nor would they likely have experience in making budget decisions at a policy level.

However, Edwin Locke (1986) makes several points that justify the use of laboratory experiments over field studies. He notes that Dipoy and Flannigan (1979) defended lab studies by criticizing field studies as not being generalizable either, essentially for the same reason: that they are isolated from real-world conditions. Locke grants their point, but argues that the deductive argument, which relies on similarity, is quite equivocal. The argument does not specify how similar two scenarios must be in order to generalize, nor in

what respects there is similarity. While lab and field settings may be different, they may have similar components: in this context, both legislators and college students are decision-making, social human beings with varying skill levels at interaction, abstraction and reasoning. By the same token, the lab and field settings would have similar attributes: the focus of both would center on the same or very similar budgeting processes, would involve tasks of information intake and comprehension, discussion, debate, negotiation, decision making and a final outcome.

The evidence (reported in his book) indicates that a detailed, point-by-point is not necessarily required in order to achieve generalizability. Both college students and employees appear to respond similarly to goals, feedback, incentives, participation, and so forth, perhaps because the similarities among these subjects (such as in values) are more crucial than their differences. Task differences do not seem overwhelmingly important. Perhaps all that is needed is that the participants in either setting become involved in what they are doing. The demand characteristics of laboratory settings may not bias the results because equivalent demand characteristics may be present on the job .(Locke, 1986)

In addition to inter-coding validity, other validity issues for this project were developed and addressed. According to Cook & Campbell's *Quasi-Experimentation: Design & Analysis for Field Settings*, (1979), some of the threats that must be investigated include:

**Construct Validity issues:**

A threat to confounding involves the issue of whether a contrived scenario confounds the study by its very existence - that the contrived information may be considered artificial and treated more cavalierly than might be the case in the real world. However, Kuhberger

(2002) found this is not the case; individuals in his experimental settings reacted to a contrived problem in the same fashion they did to a real one.

Text analysis is more vulnerable than most methodologies to confounding based on pre-conceived expectations on the part of the study designer, and when human coding is involved, to a less extent those doing coding. This is obviated to a large extent by SPSS Text Analysis for Surveys. The bulk of the extraction and initial coding is done using built-in algorithms that require little or no human judgment, and which will replicate those extractions and codings every time.

As noted, while the automated processes may be reliable, human judgment – and thereby the risk of introducing bias - lie in the need to adjust and “fine tune” the project libraries by reading the text carefully for nuances that automated processes would not detect. Determining synonyms – real or inferred – introduces judgment on the part of the analyst, as does the development of a list of concepts or themes based on frequently mentioned terms and phrases.

## CHAPTER 5 Findings

It will be remembered that the objective of this study has been to assess whether using differently framed budget documents has an impact on the content of budget debates, and whether that impact results in different allocation decisions than might otherwise be the case. To that end a lab experiment was designed that used nine decision making groups exposed to differently framed budget documents but with a common budget scenario that would require budget cuts of 10%. Each speaker's turn was transcribed verbatim and encoded, resulting in a database of some 1,872 turns and 31,757 words to test the question. The question itself was operationalized with a null hypothesis:

*Hypothesis 1: There will be no significant differences in the most frequently mentioned budget format-associated terms between groups using differently formatted budget documents.*

### **Analysis of Discussion Content**

The nature of that speech would be operationalized by tabulating the frequency that key terms associated with each of the formats were mentioned.

To develop that list, it was recognized that the authors of budget reform literature use many terms to describe each type of budget. For instance "output" "cost per" and "unit cost" appear in Performance budget articles (Grizzle, 2001); the terms "goal" and "objective" are descriptive of Program Budgeting (Schick, 1971, p. 91), and (A. Wildavsky, 1978).; and general terms for objects of expenditure (Personnel, Buildings, Equipment, etc.) associate with Line-Item budgeting (Cleveland, 1915). The recordings and transcriptions clearly

show that the participants were very focused on the immediate budget problem and only rarely mentioned these sorts of general terms in their deliberations. Therefore, the terms used to operationalize the discussions had to meet two criteria: (a) they had to have been mentioned as descriptives in the literature, and (b) they also had to be mentioned at least once in the discussions. After considerable research, a relatively small list of words was identified that were found both in the literature and also in the transcriptions. These were terms like “alternative and “goal” that associate with Program budgeting; “Activities”, “Workload” and “Per Ton” (Performance), and some of the standard large classifications from a Line Item: chart of accounts such as Personnel Services, Equipment and “Training”.

However the small size of the sample strongly suggested further evaluation to be certain that each instance of a term assumed to be associating to the framing of a particular type of budget was clearly that and not a reflection of something else entirely. And so it proved;

for example, in 5 of the 6 mentions of the word “goal” the speakers are referring to the work of the committee rather than a budget planning goal.

To measure the research question, mentions of these key words were tabulated by experimental Group

**Table 1 Format Associated Terms by Frequency and Source**

Performance Associated Terms				
1	Annual Swept Miles	1	1	
2	Total Operating Cost	1	1	
3	Per Day	2	2	
4	Activities	3	3	
5	Operations Cost.	3	3	
6	Per Ton	3	1	2
Program Associated Terms				
7	Objective	2		2
8	Apprehensions	3		3
9	Approval Rating	5		5
10	Alternative	7		7
11	Priority	9		9
Line Item Associated Terms				
12	Line Item Budget	3		3
13	Line Items	3		3
14	Vehicles	4		4
15	Personnel Services	5		5
16	Salary	5	1	4
17	Training	5		5
18	Equipment	10		10
	<b>Total Mentions</b>	<b>74</b>	<b>11</b>	<b>27</b>
				<b>36</b>

Type (Program, Performance, Line-Item). The results are shown in Table 1 which identifies 18 terms mentioned 74 times. **Table 2 ANOVA Format Associated Terms**

In all but three instances the format-associated term was mentioned by the group using that particular budget format.

		Sum of Squares	df	Mean Square	F	Sig.
Program Associated	Between Groups	0.351	2	0.176	13.997	0.000
	Within Groups	23.340	1,861	0.013		
	Total	23.691	1,863			
Performance Associated	Between Groups	0.061	2	0.030	5.198	0.006
	Within Groups	10.874	1,861	0.006		
	Total	10.935	1,863			
Line Item Associated	Between Groups	0.662	2	0.331	20.017	0.000
	Within Groups	30.788	1,861	0.017		
	Total	31.451	1,863			

ANOVA was determined to be an appropriate test of the hypothesis. The Single-factor Analysis of Variance involves a comparison of multiple

independent variables against a single dependent factor (Devore & Peck, 1967; Hale, 2005, pp. 558-585; Levine, Ramsey, & Berenson, 1995, pp. 652-669).

**Table 3: HSD - Format Associated Terms**

The ANOVA for each group of format-associated terms reflected levels of significance below the 0.05 level of expectation. This suggested that there are significant differences between groups for this set of terms; therefore the null hypothesis was rejected.

Dependent Variable	(I) Type	(J) Type	Mean Difference (I-J)	Std. Error	Sig.	Interval	
						Lower Bound	Upper Bound
Program Associated Terms	1	2	-0.002	0.007	<b>0.969</b>	-0.02	0.02
		3	-0.029	0.006	0.000	-0.04	-0.02
		1	0.002	0.007	<b>0.969</b>	-0.02	0.02
	3	3	-0.027	0.007	0.001	-0.04	-0.01
		1	0.029	0.006	0.000	0.02	0.04
		2	0.027	0.007	0.001	0.01	0.04
Performance Associated Terms	1	2	-0.016	0.005	0.005	-0.03	0.00
		3	-0.002	0.004	<b>0.917</b>	-0.01	0.01
		1	0.016	0.005	0.005	0.00	0.03
	3	3	0.014	0.005	0.015	0.00	0.03
		1	0.002	0.004	<b>0.917</b>	-0.01	0.01
		2	-0.014	0.005	0.015	-0.03	0.00
Line Item Associated Terms	1	2	0.039	0.008	0.000	0.02	0.06
		3	0.038	0.007	0.000	0.02	0.05
		1	-0.039	0.008	0.000	-0.06	-0.02
	3	3	-0.001	0.008	<b>0.986</b>	-0.02	0.02
		1	-0.038	0.007	0.000	-0.05	-0.02
		2	0.001	0.008	<b>0.986</b>	-0.02	0.02

Since the null hypothesis had been

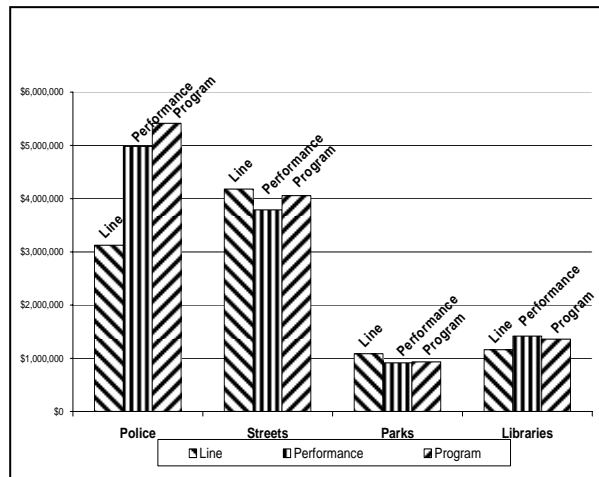


rejected, a Tukey’s HSD Post Hoc test was used to assess the risk of Type 1 error – that the null hypothesis is rejected when in fact it is true. The HSD (Honestly Significant Difference) test performs a pair-wise comparison of groups against a critical value – in this case 0.05(Wallace, 2007). The purpose is that having established there are significant differences between the three groups overall, there are significant differences between the samples within each group. The results showed significance between most pairs, 6 showed significance levels of about 0.9. To this extent rejection of the null is not supported.

**Allocation Decisions**

In the experiment, each group was to reduce expenditures by a total of at least 10%; their final allocations were recorded for analysis.

This was measured by noting the final allocations submitted by each group and comparing for statistically significant



**Figure 4 Final Allocations by Type of Group**

differences. Figure 3 reflects that the mean allocations made by the users of each type of budget format were not widely divergent, but were within a few percentage points of one another. One exception would appear to be the allocations for police which were more divergent. However, that probably reflects one of the Line-Item groups that failed to develop a full budget and gave up after an hour and a half.

*Hypothesis 2: There will be no significant differences in the allocations made between experimental groups*

This is confirmed by ANOVA analysis where, libraries excepting, significance levels were greater than the 0.05 expectancy level suggesting that there were no significant

**Table 4: ANOVA - Final Allocations**

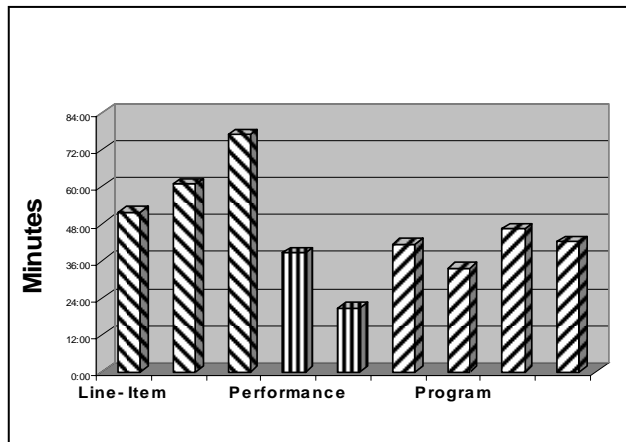
		Sum of Squares	df	Mean Square	F	Sig.
Police	Between Groups	9,449,343,064,940.120	2	4,724,671,532,470.060	2.642	0.150
	Within Groups	10,730,121,431,886.100	6	1,788,353,571,981.010		
	Total	20,179,464,496,826.200	8			
Streets	Between Groups	187,198,119,989.297	2	93,599,059,994.648	0.984	0.427
	Within Groups	570,438,403,144.280	6	95,073,067,190.713		
	Total	757,636,523,133.577	8			
Parks	Between Groups	50,064,776,397.272	2	25,032,388,198.636	0.511	0.624
	Within Groups	294,164,558,796.107	6	49,027,426,466.018		
	Total	344,229,335,193.379	8			
Libraries	Between Groups	100,096,155,457.665	2	50,048,077,728.833	3.753	0.088
	Within Groups	80,014,690,970.399	6	13,335,781,828.400		
	Total	180,110,846,428.064	8			

differences between the groups' final budget decisions. Therefore the null hypothesis is supported. Since the null hypothesis was not rejected there was no need to do Post Hoc testing.

**Time to Completion**

*Hypothesis 3: There will be no significant differences in time to completion between experimental groups.*

It had initially been proposed that the groups using Line-Item Budgets would take significantly longer to complete their assignment than those using Performance or Program budgets Time to Completion was measured by noting recording times



**Figure 5: Time to Completion of Assignment**

from the recorders for each group. This provided a reasonable measure of time, although

one group mis-understood when to start the recorder and a few minutes was lost. The groups contending with Line-Item Budgets did longer to complete than the others – in fact, one gave up before presenting a completed budget after working over an hour and 15 minutes (The average was 45 minutes).

ANOVA rejects the null hypothesis, showing a value of F of 8.21 with a significance lower than the 0.05 level of expectation.

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>
Between Groups	1.975E+10	2	9.877E+09	8.121
Within Groups	7.297E+09	6	1.216E+09	

### ***Limitations of This Study***

As with any study, this one had limitations and shortcomings. It must be said that, the finding of differences in Time to Completion is somewhat suspect because of a completely unforeseen time limitation. The sessions were held during the normal class period for the course, and in standard university classrooms. Even though participants were informed there was no time limit and they could take as long as they needed to in order to complete, the assignment, time clearly played a role in their work. Awareness of the class period, reinforced by the physical surroundings of a standard university classroom clearly kept students conscious of the time. Only two groups overstayed the class period, and of those, one gave up after an extra half hour without completing the assignment. (Incidentally, in response to their concern the researcher assured them they are not the first “elected” body in history to be unable to agree on a budget” and referred them to recent State Legislature sessions).

The second confounding event was that by an oversight four groups received Program budgets documents and only two received Program budgets, so the groups were not equal in number. Since this was essentially a qualitative study the lack of an even number of groups was not critical to the success of the project and in any event does not appear to have had an impact on the key findings.

## **CHAPTER 6 Summary, Conclusions and Recommendations**

### *Summary*

The interest that spurred this study was essentially a historical one: whether all the time and effort that had gone into budget reform over the course of the Twentieth Century was worth it. It appears that it may not have been.

The issue over the Twentieth Century and into the present has been one of framing: how best to present budget information to decision-makers. It had been well established that presenting logically equivalent information in different ways can result in different decisions. Framing takes place when, in the describing of an issue or event, the incoming message information emphasizes some particular process over some others, leaving the recipient to choose differently than he might otherwise (J. N. Druckman, 2001a).

Schick (1966) notes that every budget system comprises planning, management, and control processes; framing in design provides for the organization and presentation of information that gives emphasis to one aspect or another. Framing is not persuasion which presents information not already a part of the decision-makers belief structure; Frames operate by changing the relative importance of beliefs already stored in the decision-maker's long-term memory (Kinder, 1998; Nelson & Oxley, 1999; Nelson, Oxley, & Clawson, 1997).

The initial Line-Item budgets – the first ones that presented an overall view of a government entity as an entity, were modeled closely on those used by commercial

enterprises. In government settings, where graft and corruption was rampant, the objective was to provide operational control and to frame information in a way that would make expenditures more visible and transparent in order to control costs (and corrupt officials). However, it was adopted and became institutionalized lacking a key component: a non-profit equivalent for profit, which serves as a feedback loop in commercial budgeting. Profit serves as a measure of work efficiency and effectiveness – “The Bottom Line”. It can be argued that nearly all budget reforms that departed from the Line-Item idea were attempts to develop that feedback loop.

Cleveland and the New York Bureau of Municipal Research conceived of such an equivalent in “functionalized budgeting” – a predecessor of Performance Budgeting. The idea was to measure the goods and services purchased with tax dollars by “functionalizing the budget, grouping expenditure estimates to measures of performance or work done. The idea went as far as the Bureau’s sponsoring an experiment in the City’s Richmond County, but was abandoned after three years, and Lee suggests that part of the failure was due to the reliance on data that was too detailed to be kept up to date with the technology of the time (Burkhead, 1956, p. 135; Lee & Johnson, 1983, p. 70).

The idea of Performance budgeting, which came into its own in the 1950s, was a descendent of Cleveland’s “Functionalized Budget”. Performance budgeting framed the same sorts of proposed expenditures summarized in terms of function or activity; its cost-per-unit and workload concepts were familiar to anyone managing organizations on a day to day basis. In fact it may be argued that Performance Budgeting was long in coming

partly because of the additional time and expense of developing measures, and until the 1950s by the lack of sufficient information processing technology. The first commercially available computer was not introduced until 1951 (Bellis, 2005). Nevertheless, Performance Budgeting, also called “Activity” or “Program” budgeting was developed in the heyday of “Scientific Management” and was used in limited fashion in the early 1930s by the TVA and some federal agencies (Burkhead, 1956, p. 135). It can be argued that while it never really took hold, the idea never quite died either, and re-emerged as a product of the Hoover Commission (1949; Lee, Johnson, & Joyce, 2004, p. 117).

If Performance Budget advocates promised better management practice, Program Budgeting advocated the benefits of multi-year planning, and Systems Analysis. The adoption of strategic goals and objectives as proponents of PPBS like Novic (Novick & Rand Corporation., 1965) Schick (1966; , 1971) and others argued, would certainly reshape and channel thinking along lines beyond mere cost control.

Meanwhile, opponents have argued that all this was a waste of time. Waldavsky (1978) asserts that despite its incrementalism, the traditional budget works pretty well compared to alternatives that are more expensive and time consuming. Clynch (Clynch, 2003) maintains that in Mississippi, at any rate, Program Budgeting is used by the governor principally as a tool for controlling the legislature rather than as an instrument of rational planning and budgeting. Others like Lindblom (1959) argue that budgeting in governmental entities is incremental; the only place where there is freedom of choice is at the margin, a small percentage of the total.

However, very few have ever really tried to determine the extent to which the framing of budgets in one way or another actually shapes and channels thinking and discussion, and even if it does, whether the final decisions are significantly different than they otherwise might have been. Grizzle (2001) surveyed members of 20 state legislative appropriations committees that were using either Line-Item, Organizational Unit, or Program budgets in working sessions. She found that as expected, the program format deliberations contained a higher proportion of planning-oriented remarks by legislators than the other two formats. Committees using Performance budgets used more and those using Line-Item budgets made substantially fewer planning or management oriented remarks but substantially more control oriented remarks.

Even Grizzle was aware that the only logical way to make that sort of determination would be through a lab experiment where sets of differently framed budget information can be tested against the same budget problem.

“Ideally, one would like to address this question by exposing each of several budgeting groups to different budget formats (in their pure forms) and then comparing the nature of deliberations under the different formats”(Grizzle, 2001).

### ***Discussion***

In order to determine whether format does make a difference, such an experiment was performed, in which nine groups of three participants each were exposed to an identical scenario describing a small city, and given one of three differently framed budgets – Program, Performance and Line-Item with an assignment of reducing their budget by 10%.



Their deliberations would be digitally recorded and transcribed verbatim. Using standard content analysis techniques key terms would be identified as associating with each of the formats and analyzed using the standard Single Factor ANOVA procedure.

The initial list of terms was derived from the literature on budget reform. However it was obvious from the outset that each of the participants was very focused on the immediate budget problem and only rarely mentioned the sorts of generic terms used to describe budgets in general. Therefore, in addition to being associated from external sources with a format, each term also had to be mentioned at least once in the transcriptions. After considerable research, a relatively small list of words was identified these were terms like “alternative and “goal” that associate with Program budgeting; “Activities”, “Workload” and “Per Ton” (Performance), and some of the standard large classifications from a Line Item: chart of accounts such as Personnel Services, Equipment and “Training”.

These terms were tabulated by type of format group and an ANOVA analysis performed. Consistent with Grizzle’s study, ANOVA indicated significant difference between groups in the frequency of mention of key terms. Groups using the Program format were more likely to mention terms associated with Program budgeting than others; Performance groups mentioned Performance-associated terms more often, and Line-Item participants talked in terms of objects of expenditure more than other groups.

ANOVA indicated significant differences between some but not all of the most frequently mentioned terms. The groups using Program Format budgets mentioned departments a

larger percentage of the time than the other groups. It can be argued this may also be because the framing of the Program Budget provides the least amount of detailed information of the three, focusing attention most directly on the department and program level numbers. The following exchange is an example; it takes place very early – not quite four minutes - into the session, and the last turn reflects a line of thinking precisely as intended by the proponents of Program Budgeting. They are focusing on relative benefits, and not just talking about fiscal cuts yet. (The time is noted in minutes: seconds).

- |       |         |   |
|-------|---------|---|
| 03:56 | Voice 1 | Let's start with Police. We've got patrol costs which are 20% of the budget. They've got investigation costs.   |
| 04:10 | Voice 2 | I guess we can say what department we want to cut it out of. You actually don't want to take anything from here.  |
| 04:23 | Voice 3 | And then they have Other Operations which are untouchable and are 55% of the budget.  |
| 04:27 | Voice 1 | Well especially since their approval ratings are up.  |
| 04:36 | Voice 2 | You don't want to hit them hard, especially if the job they are doing is 98% adequate. Obviously they're doing something right.   |
| 04:51 | Voice 1 | I guess we could look at approval ratings and base it on that, and say the major part of the justification is approval rating   |
| 05:12 | Voice 1 | OK - what's Alley Cleaning? Like, the whole point of an alley is that you don't want to go back there.  |
| 05:19 | Voice 2 | Well the hurricane already screwed a lot of things up, so do we want to clean those too? <sup>2</sup>   |
| 05:29 | Voice 2 | Well see these approvals are overall ratings I guess.   |
| 05:36 | Voice 1 | That does say complaints have risen. That's tough.  |
| 05:57 | Voice 2 | That's pretty hard. So do you want to keep the programs at cost or do you want to build the programs that are lacking. Like do you want to increase the approval rating |

In contrast, participants who were exposed to Line-Item budgets were prone to talk in terms of Objects of expenditure: “equipment”, “pay”, “personnel”, “vehicles” and “fertilizer”, and they were prone to start talking in terms of making cuts sooner and with

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<sup>2</sup> It is worth noting that this was one of several groups that assumed the “hurricane” or “storm” had only recently occurred and the city was in process of cleaning up the mess. (The scenario actually said it was a tornado and had struck the year before).

less discussion of relative benefits. In the following passage, recorded 1 minute and 45 seconds into the session the participants have already started talking in terms of specific cuts:

01:45	Voice 3	We should probably break it down to like absolute necessities and things that are not as important. How do we know exactly where to cut from? How much to we have to cut?
02:01	Voice 1	We cut like a million dollars. \$1.2 Million or something like that. So I think we'll look at the Streets last.
02:35	Voice 3	What kind of things?
02:37	Voice 1	Like Patrol officers detectives, clerical, 911 etc. The chief's salary...
02:48	Voice 2	I wouldn't cut from the Streets
02:50	Voice 1	I don't like that
02:51	Voice 3	I don't like it either.
02:53	Voice 1	Plus like if there's a tornado there's probably a lot of people displaced. There's probably like looting and a high crime rate.
03:08	Voice 3	Did you see some flowers somewhere?
03:11	Voice 1	Yeah - there's supplies - asphalt and concrete, fertilizer and seed. I think we can cut those.
03:22	Voice 3	We could by half the fertilizer.
03:26	Voice 1	You could do like drives or something.
03:30	Voice 3	Take half of it off the proposed. Take half off the seed, half off the fertilizer.
03:36	Voice 1	OK so under Streets.
03:46	Voice 2	It's \$21,000. \$10,500.
03:53	Voice 1	So it gives you how much?
03:54	Voice 3	\$10,500 for seed, and then \$33,400 for gravel.

### *Conclusions*

#### **The framing of budget information does appear to influence the nature of budget discussions.**

This Study, consistent with Grizzle's makes it clear that, as Wildavsky (1984, p. 140) argues "the way a budget is arranged suggests ways of thinking and comparison and that if you change the form you change the kinds of calculations and the probable outcomes". In this study at least, differently framed information applied to the same problem clearly

resulted in different conversations. Consistent with Grizzle, participants using Program documents were much more likely to use terms such as “ratings, “approval, “priority” and “alternative”, and they were more prone to discuss non-financial aspects of the problem and they were more prone to mention departments by name than the other groups.

**Budget framing does not appear to have significant impact on final allocations made by legislators**

The discussion of non-fiscal topics did not seem to have an impact on allocations however, which also seems to parallel Grizzle’s findings. Goals, objectives and other non-fiscal information were acknowledged but the bulk of the discussion in these simulated council sessions was very focused on the task of making numbers work. It was a consistent process across all groups:

1. Identify candidate cuts and bring them up for discussion;
2. reach agreement on what the item means, and one or two possible implications of making a cut;
3. bring up specific amounts (“\$100,000” appears on the Most Frequently Mentioned list);
4. agree on a final amount to cut;
5. add it to the group’s tabulation;
6. Move on to the next cut.

The value of the “budget discussion” (as opposed to “numbers discussion”) lies in the overview perspective that the reform budget can provide. In the study, groups working with Program formats complained about the lack of information, but were able to complete their task rather faster than the other groups – Line-Item in particular.

*Recommendations to Practice***There is a disconnect between budget discussion and budget appropriations**

Group discussions based on differently framed budgets do differ, but there is a disconnect between the discussion and the appropriation process because final appropriations were essentially constant across groups in this study. Most reforms involve significant costs to develop, and furthermore, additional continued costs are involved in processing and maintaining the differently framed data. If that additional information does not have much impact on appropriations, then its value is questionable.

However, if Reform Budget types of information do not seem to have a high impact on legislative bodies, Schones (2004) has shown it has a decided impact within the bureaucracy who has to prepare budget information for the legislature, and in order to do that must think that information through and develop proposed number base on it.

In the 1970s this researcher worked under David Burkhalter, City Manager of Charlotte North Carolina and asked him one day, why he was insisting that budget information be submitted in terms of goals and objectives. “To make them think”, he said. “That’s all”(Burkhalter, 1974). It may be argued that even if reform budget formats are only given lip service at the legislative level (which appears to be the case), it serves them in another way in seeming to hold the bureaucracy accountable. “It makes them think. That’s all.”

### **Training and Education Elected Budget Decision-Makers Is Critical**

It may be argued that most local and state legislative policy makers are not bookkeepers, and for many, policy making and strategic planning is an avocation. In this study the Political Science undergraduate students (who actually may have had more exposure to budgeting than the average elected freshman city councilman) frequently had difficulty determining the meaning of terms in the budget documents regardless of format, and difficulty also relating them to their experience. It was further compounded in that, they apparently did not thoroughly read the material presented to them, perceiving the tornado as a recent rather than year-old event. It is argued here they are not unlike many older adults in that regard. In the simulation it had serious repercussions on how – and more importantly why – they made appropriations as they did. That the ultimate pattern was not significantly different from other groups is very likely due to the limited number of obvious choices they perceived as available to them.

To compensate for a deeper understanding of what they were looking at, the participants in this study relied on their own experiential models of cities which influenced their decision making. That is only to be expected, particularly in an American democratic society elected officials are elected with the idea that they come from their communities, and like those officials, they bring their own preferences and understandings with them. Those understandings form the basis for opinions which may or may not be appropriate in light of more complete information they may/not receive.

- Voice 3 Well you have to protect the infrastructure of the street. If you don't keep it clean and you'll lose the appearance and then you're going to be paying more for
- Voice 1 I mean I'm talking, what I'm thinking about is its like Richmond. You have cigarette butts. You know or like things that have deteriorated over a long time. In order to cut that budget we'd have to install some type of community like we were just describing like this hurricane would make us pull together as a community. We're going to have to cut something and we'd prefer that than like reduce the number of cops on the street. So it has to be like stressed in the school system.
- Voice 3 I don't think we should cut the Police at all because when we need something like that to maintain order

The lesson to Public Administration Practice is to underscore the critical importance of providing briefings, education, workshops and retreats to legislative bodies. Decision-makers need to be familiar with the budget instruments and how to make use of them before going into decision making sessions. Training sessions should occur shortly before the budget sessions (recency effect of framing) Tuttle, Coller and Burton (1997) Without them, officials are left to their own unenlightened opinions as the basis for decision. Providing them – preferably before the start of the budgeting season is worthwhile because the Recency Theory of Framing suggests that at least some of that will carry over when those subjects are dropped and negotiating over hard numbers begins.

Using a Program-Based Budget format rather than overly detailed Line-Item clearly would help to bring about some overview perspectives. That notwithstanding, as Waldavsky points out, “Traditional budgeting lasts, then, because it is simpler, easier, more

controllable, more flexible than modern alternatives like PPB, ZBB, and indexed entitlements” (A. Wildavsky, 1978). It is argued here that there is another reason: it is simply that the Line-Item Budget format is deeply engrained into the broader American consciousness – it is what a budget is “supposed” to look like.

### ***Recommendations for Further Research***

One of the key questions raised by this study is just how it is that framing budget information does affect the discussions and debates, but that does not seem to have much impact on the final allocations. This leads to several follow-on studies to further explore the issue.

- The problem posed in this study was one that required budget cutbacks. The focus of discussion in all the groups was firmly on the problem of identifying cuts. Intuitively, it is suspected that the reason allocations were essentially the same across all groups was probably the simple reality that in an ongoing municipal organization, ongoing activities must continue. As one colleague put it “the Fire Department has to be funded no matter what”.
- However, if a further study was done where the problem is now to dispose of a sizable surplus, the results might well be quite different. The “Fire Department would already be funded” and the problem then becomes how to best use the additional funding. One might expect more discussion and weighing of goals, objectives and other benefits.



- In another dimension, culture may play a part. This study used as subjects 27 undergraduate students from a large urban university, with a presumably fairly homogeneous cultural background (No personal data was gathered, so that is a presumption). It would be interesting to replicate this study with students deliberately selected to represent different backgrounds and heritages, such as Hispanic, Oriental, and Center-City African American.
- It has been established that persons with a strong Need for Cognition are less susceptible to framing than those who do not. People with strong NFC's and/or a strong internal locus of control would perceive framed budget documents differently than others. Participants majoring in accounting, math and engineering might well perceive and discuss the budget problem differently than the Political Science undergraduates used here, and both discussion content and allocations might be different.

It has also been noted in this study that the additional costs associated with going through a budget reform and maintaining it are significant – probably very significant. It does not appear that any estimates have ever been published comparing the relative costs of a Results-Based Budget with a traditional Line-Item one. Developing a comparative study of the relative costs of reform vs. Line-Item budgeting would be useful to public officials considering such a shift.

A further recommendation to reinforce the need for training of decision-makers would involve replicating the study using a 2 x 3 study design. 3 budget format groups with training, and 3 without.

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**APPENDICES**

## APPENDIX A - Transcription of Recorded Sessions

The following is a verbatim transcription of each of the lab groups, arranged by Budget Group Type. The ID field represents the Group Type (Line, Performance, Budget), the Experimental Group number (1-9) and a 3-digit number for the Speaker's Turn.

ID	Type	Time <sup>3</sup>	Voic e	Text
Line 3000	Line	00:00:00	V4	Only line-item mentions conferences
Line 30002	Line	0:00:12.1	V1	I'll be number one
Line 30003	Line	0:00:13.5	V2	I'll be number two
Line 30004	Line	0:00:15.6	V3	I'll be number three
Line 30005	Line	0:00:28.3	V1	So we are to decide where we're going to cut from.
Line 30006	Line	0:00:32.3	V2	We're to cut streets from streets - it seems that would be the most important.
Line 30007	Line	0:00:37.6	V1	I feel like parks should be cut but that's a gut reaction though. I feel bad that these people have had a tornado though. They probably need to raise their spirits. I think that streets and libraries are...
Line 30008	Line	0:00:56.0	V3	I think streets and streets probably should have the priorities
Line 30009	Line	0:01:01.1	V1	You can always buy more books in the future but you always need streets. You can always set up drop bins for people to donate books like other states, but you can't cut streets or streets. So what's involved with streets?
Line 30010	Line	0:01:20.9	V3	
Line 30011	Line	0:01:29.9	V1	They're to provide an attractive and safe transportation system. Flowers are not that big a deal. Can you read a book or look at flowers.
Line 30012	Line	0:01:45.1	V3	We should probably break it down to like absolute necessities and things that are not as important. How do we know exactly where to cut from? How much to we have to cut?
Line 30013	Line	0:02:01.3	V1	We cut like a million dollars. \$1.2 million or something like that. So I think we'll look at the streets last.

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<sup>3</sup> Time read as Hours: Minutes: Seconds: Tenths

Line 30014	Line	0:02:35.5	V3	What kind of things?
Line 30015	Line	0:02:37.2	V1	Like patrol officers detectives, clerical, 911 etc. The chief's <unknown>
Line 30016	Line	0:02:48.7	V2	I wouldn't cut from the streets
Line 30017	Line	0:02:50.2	V1	I don't like that
Line 30018	Line	0:02:51.6	V3	I don't like it either.
Line 30019	Line	0:02:53.9	V1	Plus like if there's a tornado there's probably a lot of people displaced. There's probably like looting and a high crime rate.
Line 30020	Line	0:03:08.7	V3	Did you see some flowers somewhere?
Line 30021	Line	0:03:11.2	V1	Yeah - there's supplies - asphalt and concrete, fertilizer and seed. I think we can cut those.
Line 30022	Line	0:03:22.1	V3	We could by half the fertilizer.
Line 30023	Line	0:03:26.7	V1	You could do like drives or something.
Line 30024	Line	0:03:30.2	V3	Take half of it off the proposed. Take half off the seed, half off the fertilizer.
Line 30025	Line	0:03:36.9	V1	Ok so under streets.
Line 30026	Line	0:03:46.4	V2	It's \$21,000. \$10,500.
Line 30027	Line	0:03:53.2	V1	So it gives you how much?
Line 30028	Line	0:03:54.8	V3	\$10,500 for seed, and then \$33,400 for gravel.
Line 30029	Line	0:04:17.5	V2	Ok gravel there
Line 30030	Line	0:04:18.9	V1	No I think gravel is like for pulling off to the side for motorist assistance isn't it?
Line 30031	Line	0:04:35.0	V2	We shouldn't take anything from concrete or asphalt.
Line 30032	Line	0:04:38.5	V1	What was the cut for fertilizer? Something like \$33,000.
Line 30033	Line	0:04:41.2	V3	No that's a not gravel.
Line 30034	Line	0:05:00.7	V1	Let's take half off fertilizer and gravel and see what that does
Line 30035	Line	0:05:03.0	V1	So you want to do gravel too?
Line 30036	Line	0:05:06.0	V3	Yeah.
Line 30037	Line	0:05:15.2	V1	It's only like half a million - no wait. That's a lot. It's \$100,000. I'm trying to fit
Line 30038	Line	0:05:29.0	V3	It's a start.

Line 30039	Line	0:05:31.8	V1	Yes and when we come back we can allocate a quarter of the seed.
Line 30040	Line	0:05:44.7	V1	Welcome stations. Why do we need two welcome stations?
Line 30041	Line	0:05:48.8	V2	Why do we need \$74,000 per year on the welcome stations?
Line 30042	Line	0:05:53.2	V1	I guess like bathrooms and paying people to clean bathrooms and all the brochures and stuff like maps
Line 30043	Line	0:06:01.2	V2	If we just cut out an entire welcome center what would that save?
Line 30044	Line	0:06:03.9	V3	\$86,040.
Line 30045	Line	0:06:08.0	V1	That's good \$86,040. It's not even \$100,000. Yeah - I like that idea. We'll just get rid of whichever one is the independence welcome station. Scratch that entirely.
Line 30046	Line	0:06:25.4	V3	Lots of luck.
Line 30047	Line	0:06:30.0	V2	Fertilizer apparently
Line 30048	Line	0:06:31.1	V1	Holy crap. We're spending \$300,000 a year on fertilizer.
Line 30049	Line	0:06:40.2	V2	I think I see something that needs to be cut.
Line 30050	Line	0:06:45.0	V3	Welcome station brochures. We can cut the brochures.
Line 30051	Line	0:06:50.2	V1	Yeah but aren't the brochures included in the overall welcome station figure? Is that just the amount for the building? Yes - that's just to rent it.
Line 30052	Line	0:07:05.1	V1	So we want to get rid of one whole welcome station and reduce the fertilizer by like a quarter?
Line 30053	Line	0:07:18.1	V3	We'll just cut.
Line 30054	Line	0:07:20.9	V1	I feel like on of them should just go. Especially if we cut one of the welcome stations completely out. That would reduce a lot of what you would need then for fertilizer and seed.
Line 30055	Line	0:07:47.1	V3	Do you know what the other building facilities are?
Line 30056	Line	0:07:50.0	V1	I don't know. Storage or something? Like the other buildings are the same as both welcome stations combined.
Line 30057	line	0:08:03.0	v3	If you cut one of the welcome stations you could make one of the other building facilities a welcome station.
line 30058	line	0:08:11.2	v1	"Other buildings" is now a welcome station.
line 30059	line	0:08:16.0	v3	That lets us cut of \$183,200. Sounds good to me.

line 30060	line	0:08:20.5	v1	So we're going to do that one?
line 30061	line	0:08:32.8	v3	That means you can probably cut the supplies.
line 30062	line	0:08:37.4	v1	Yeah - like you want to cut all the supplies down by like a quarter? I'm saying like all four of those categories. Cut them down to like a quarter of what they are. Get rid of 3/4 of that cost. So the welcome station brochures would be like \$900.00. Cut this down by \$100,000 bring it to \$322. Two thirds.
line 30063	line	0:09:00.8	v3	Cut this down by \$100,000 bring it to \$322. Two thirds.
line 30064	line	0:09:09.8	v1	So we'll have plenty of compost from the uprooted trees.
line 30065	line	0:09:20.4	v1	Ok so supplies.
line 30066	line	0:09:30.7	v3	We have to figure whether or not to have the brush trucks.
line 30067	line	0:09:35.0	v1	So you're taking off 100. We're going to leave just \$100,000 for the fertilizer, right? Taking off \$218. Should we keep half the seed? Like 625?
line 30068	line	0:09:58.8	v2	No - more like 575
line 30069	line	0:10:18.5	v1	Welcome station brochures.
line 30070	line	0:10:23.5	v3	800
line 30071	line	0:10:25.5	v1	I was thinking like 900.
line 30072	line	0:10:26.5	v2	200. If you want to cut something go look at the streets just to have the brochures.
Line 30073	Line	0:10:33.9	V1	I know - so what's 3,600 minus 900? 2,700. And instructional materials strike that down completely. Is there anything else? The Bluegrass Festival? I feel like this Bluegrass Festival will be like dumb. I'm sorry to beat on the Bluegrass Festival, but it's \$56,000 for this damn thing and that's just for one year. What do you all think? Should we get rid of it entirely or just reduce the cost? I feel like we could just reduce the cost, and maybe the people in the community can donate to the cost of the festival. Like churches or something can raise money or donate pies or whatever people do at Bluegrass Festivals. So should we half that?
Line 30074	Line	0:11:34.1	V3	Yeah.
Line 30075	Line	0:11:36.3	V1	They have to have something to look forward to. That's 2875 right?
Line 30076	Line	0:11:51.9	V3	What about these seeders right here?

Line 30077	Line	0:11:54.5	V1	Are those people we're paying to put seed down? We cut the see down by like a half. We can rid of those seeders. So that's going to be like \$6,050?
Line 30078	Line	0:12:21.0	V2	Are these all cuts?
Line 30079	Line	0:12:21.2	V1	Yes. This is how much I've cut off of there.
Line 30080	Line	0:12:26.4	V2	But you didn't write down how much is left?
Line 30081	Line	0:12:28.3	V1	I could write down what's left. This is like what we've cut off.
Line 30082	Line	0:12:37.7	V2	So we cut off the entire welcome station?
Line 30083	Line	0:12:40.5	V1	So with the fertilizer that's what I cut off. There'd be like \$1,000 in there.
Line 30084	Line	0:12:51.73	V3	We should make this \$8,100. Since we took 2/3 off that, we should take 2/3 off this to make it proportional.
Line 30085	Line	0:13:06.6	V1	I feel bad because all these seeders are going to be unemployed and that's going to cause the welfare to go up. For the seeders what did you say in that? We're not halving it.
Line 30086	Line	0:13:32.0	V3	\$8,174.
Line 30087	Line	0:13:40.8	V1	So we're leaving \$4,000. So we're getting rid of even more. I guess we should total everything. We're getting close. We're probably about half - maybe \$500,000. Well the libraries are going to have to suffer
Line 30088	Line	0:14:28.7	V2	We're about \$600,000 off.
Line 30089	Line	0:15:06.2	V1	Look at the libraries, and see if there isn't something we can cut. Meanwhile I'll total things up.
Line 30090	Line	0:15:29.2	V2	It seems like librarians make \$68,000.
Line 30091	Line	0:15:33.8	V1	They make 68,000? My god that should be \$30,000 a year!
Line 30092	Line	0:15:39.8	V2	Let's take it back down to last year's salary. We can do that. The secretary makes \$28,000. We should take her down too.
Line 30093	Line	0:15:53.7	V1	I feel just terrible. Here's all are parks and recreation ones. That's 449,320, so we get almost a half-million dollars by cutting from park and recreation.
Line 30094	Line	0:16:10.5	V2	From now on we should leave them alone.
Line 30095	Line	0:16:13.8	V1	I've got my ax ready for those others. Those people don't need it.
Line 30096	Line	0:16:24.0	V3	Staff librarians.

Line 30097	Line	0:16:25.5	V1	All right so together just between these two, between streets and parks and recreation you've got \$535,360, so we've got a half million just from those two.
Line 30098	Line	0:16:40.6	V2	So we can't cut more than that - that's what they've made year to date.
Line 30099	Line	0:16:50.3	V1	We just ax the city librarian?
Line 30100	Line	0:16:53.0	V2	Let's bring the staff librarians down to what they made last year. That's \$100,000.
Line 30101	Line	0:17:03.9	V1	I really don't think the city librarian should make \$68,000 a year. You don't have to go to graduate school to be a city librarian, right?
Line 30102	Line	0:17:17.4	V3	Yes you do. To be a librarian you have to go to graduate school.
Line 30103	Line	0:17:26.4	V2	I don't think we need as many staff librarians at \$14,000.
Line 30104	line	0:17:27.9	v2	Yeah I think we should bring it down to the prior year, like \$500,000.
line 30105	line	0:17:33.7	v1	We have 12 of them right?
line 30106	line	0:17:38.3	v3	14 right now.
line 30107	line	0:17:39.7	v1	Good god. I thought this was a small town. Oh - "operates 2 libraries with a combined total of"
line 30108	line	0:17:49.9	v2	You don't need 7 librarians. So maybe we shouldn't cut her as much.
line 30109	line	0:17:56.8	v1	Ok so she's managing two facilities. So she's probably not graduated from high school
line 30110	line	0:18:04.2	v2	It could be a "he".
line 30111	line	0:18:06.7	v1	You're right.
line 30112	line	0:18:10.5	v2	Let's bring to where she was - \$62,600.
line 30113	line	0:18:16.9	v1	They have a staff of 3 librarians at each facility. So if there are 3 librarians at each facility that's 6 right? So how come there are 12 people? It seems a little odd.
line 30114	line	0:18:35.6	v3	Where are these extra librarians?
line 30115	line	0:18:37.4	v1	Where are they? What are they doing? Six of them need to go because they don't exist.
line 30116	line	0:19:11.0	v2	Let's leave the city librarian and cut a lot of the staff.
Line 30117	Line	0:19:14.5	V1	Cut 6 of them?
Line 30118	Line	0:19:16.7	V2	Yes
Line 30119	Line	0:19:17.0	V1	That's a lot of unemployment though.
Line	Line	0:19:19.8	V2	Yeah I know. I feel bad. Maybe we should just

30120				trim down instead.
Line	Line	0:19:23.5	V1	You mean just cut their salary back?
30121				
Line	Line	0:19:26.1	V2	Yes. They don't need raises.
30122				
Line	Line	0:19:30.2	V2	Wait. Here they are making 40. They were making even less.
30123				
Line	Line	0:19:33.6	V2	Do you want to bring that down to \$500,000?
30124				
Line	Line	13:11:31	V1	Yes. I'd rather have a pay cut than no job at all.
30125				
Line	Line	0:19:39.9	V2	Let's just bring everything here down to what it was in the prior year.
30126				
Line	Line	0:19:47.7	V1	So we're taking the prior year total off of the proposed total.
30127				
Line	Line	0:20:27.9	V2	Current wireless installation. Do we need wireless? Do most libraries have wireless?
30128				
Line	Line	0:20:35.1	V1	Yes. So that's only cutting \$112,320 off of that. That's still a hundred grand. We add that to the total so we're over.
30129				
Line	Line	0:20:54.0	V2	Yes. That's people's salaries so we should be a little easy on those categories directly affecting them. We cut that out of 14 people, so I think that's good.
30130				
Line	Line	0:21:04.4	V3	I would be less nice. I would be firing librarians.
30131				
Line	Line	0:21:10.3	V2	More cuts. I don't know what we can do to that.
30132				
Line	Line	0:21:12.2	V3	I'd take \$50,000 away from each library.
30133				
Line	Line	0:21:15.0	V1	Do you think so?
30134				
Line	Line	0:21:23.0	V2	That's about where they were in the current year anyway.
30135				
Line	Line	0:21:27.3	V1	Do we want to do what we did up here for the staff librarians?
30136				
Line	Line	0:21:33.7	V2	Well \$50,000 sounds good. It's a nice round number.
30137				
Line	Line	0:21:40.4	V1	This is like over \$50,000 - ok that's right.
30138				
Line	Line	0:21:42.0	V2	So we're just taking \$100,000 off.
30139				
Line	Line	0:21:45.7	V1	That sounds good.
30140				
Line	Line	0:21:53.7	V2	I think we should add them up again to make sure we're making sane changes.
30141				
Line	Line	0:21:57.6	V1	We don't want angry librarians busting into city hall.
30142				
Line	Line	0:22:15.3	V2	What kind of equipment do they need again? Ladders? Tables I guess. Computers and like that. Training? I feel like that can go.
30143				



Line 30144	Line	0:22:31.6	V2	Yes because if we're cutting back on people they shouldn't be hiring any more librarians. So we just want to take that whole amount. Ok so training's gone.
Line 30145	line	0:23:06.8	v1	I really think they need to keep their conferences seeing as how we're cutting back so much and cutting back hours. Wow, they're paying \$10,000 a year for connectivity to the internet.
Line 30146	line	0:23:29.4	v2	The entire libraries are supposed to get one million? I feel like we've cut enough out of that. I think we should go back to parks and even the streets.
line 30147	line	0:23:36.1	v1	I still say the Bluegrass Festival should go. I'm not gung-ho for that Bluegrass Festival.
line 30148	line	0:23:45.7	v2	How much for the streets? One million at least? It's got to be.
line 30150	line	0:23:47.2	v1	The streets must have something to how much do they have?
line 30151	line	0:23:50.5	v2	5 million?
line 30152	line	0:23:52.4	v1	No streets have only 4 million.
line 30153	line	0:23:56.5	v2	so it's all of those parks
line 30154	line	0:24:00.7	v1	Parks is about the same as streets.
line 30155	line	0:24:03.7	v2	Can I see the streets real quick?
line 30156	line	0:24:06.5	v1	Actually the chief doesn't need his own vehicle. Well, it's not that much though. it's only \$1,000.00
line 30157	line	0:24:19.3	v3	Surveillance is probably more important than librarians.
line 30158	line	0:24:31.4	v1	crime prevention officer
line 30159	line	0:24:33.2	v2	That's DARE -in the elementary schools?
line 30160	line	0:24:39.6	v3	Yeah - definitely, I don't think DARE is very important. As important as crime apprehension.
line 30161	line	0:24:48.8	v1	I think we need only 3 of those right now.
line 30162	line	0:24:50.2	v2	How many do they have?
line 30163	line	0:24:52.5	v1	They have six and we're spending \$300,000. We can cut that much in half. So three of them are gone. Total up how much you get from the librarians.
line 30164	line	0:26:13.2	v2	we get \$7,081.00

line 30165	line	0:26:48.8	v1	Ok so that was \$219,000. Just from the libraries. So right now, with all the cuts we've made we're at \$913,761.
line 30166	line	0:27:29.6	v2	If we look at everything we've done we cut \$400,000. We're four fifty out of parks and then \$106 219 for librarians, and we haven't taken much from streets.
Line 30167	Line	0:28:00.7	V1	Yes we need to take another look at streets
Line 30168	Line	0:28:03.6	V2	And wrap that up.
Line 30169	Line	0:28:13.9	V1	I'm counting how much we need from this 913 number.
Line 30170	Line	0:28:29.4	V2	It looks like \$300,000
Line 30171	Line	0:28:37.9	V1	Yeah, right now we need \$319,000.
Line 30172	Line	0:28:42.2	V2	Out of streets. What did we hit hard?
Line 30173	Line	0:28:46.2	V1	Seed fertilizer. I think we could cut that out even more. And you know didn't they have seeders under that other category? If we cut that down it would make a difference. Right now we have like.
Line 30174	Line	0:29:11.3	V2	47 in round numbers.
Line 30175	Line	0:29:21.5	V3	I think we should go about the streets. We can take away a crime prevention officer.
Line 30176	Line	0:29:27.2	V1	Do you think so?
Line 30177	Line	0:29:32.2	V2	The thing about streets is that there is no real increase over the current year. Like everyone else is proposing. The librarian got a raise. Here with streets everything is kind of consistent.
Line 30178	Line	0:29:41.9	V3	We could take a little of asphalt and concrete. Like \$165,000. Take off \$100,000 here and \$65,000 there.
Line 30179	Line	0:29:48.3	V2	Yes we could do that.
Line 30180	Line	0:30:06.2	V1	So right there that's \$165,000.
Line 30181	Line	0:30:09.4	V2	How much do we need?

Line 30182	Line	0:30:15.7	V1	We needed something like \$319,000. We've covered half of it just by getting rid of some of that. We could even drop asphalt down to like \$300,000. Then we'd have like over \$200 grand, so then we'd only need \$100 grand from somewhere else. Want to do that?
Line 30183	Line	0:30:44.8	V1	So now we have to figure out somewhere else we can get \$100 grand.
Line 30184	Line	0:30:52.9	V2	The Bluegrass Festival?
Line 30185	Line	0:30:54.0	V1	I'm ready for that thing to go. We can have a little dance.
Line 30186	Line	0:30:58.0	V2	Ok.
Line 30187	Line	0:31:03.8	V1	Ok so Bluegrass Festival is gone. Good by Bluegrass Festival and \$56,000 they were planning on spending on you.
Line 30188	Line	0:31:14.4	V3	Bye-bye dueling banjos
Line 30189	Line	0:31:26.8	V1	That's only \$28 grand though. We still need another \$70 grand from somewhere.
Line 30190	Line	0:31:35.1	V3	Recreation specialists. That's definitely on another level.
Line 30191	Line	0:31:42.1	V1	You know what? We could keep the Bluegrass Festival. And give them half of that. I think we only need 4 recreation specialists. Then these people have something to look forward to. We've already cut from them.
Line 30192	Line	0:31:54.8	V2	I don't know about the Bluegrass Festival.
Line 30193	Line	0:31:58.4	V1	I sort of feel bad for not knowing that
Line 30194	Line	0:32:02.5	V2	I still don't understand how it takes \$56,000 to do the festival
Line 30195	Line	0:32:05.8	V1	I know you've got to rent stuff, but I really feel like people could get it done. But what the hell is the recreation specialist? What does that mean?
Line 30196	Line	0:32:15.5	V2	That takes it back to the prior year - it's \$16,000.
Line 30197	Line	0:32:20.1	V1	No, I feel like half of that can go. What is a recreation specialist?
Line 30198	Line	0:32:22.5	V3	I don't know

Line 30199	Line	0:32:24.0	V1	We could cut back the librarians salary. I feel like a recreation specialist can go. If we cut half of that, we would be over what we need. We could keep the group open
Line 30200	Line	0:32:43.7	V2	Unintelligible
Line 30201	Line	0:32:47.8	V3	Nothing like a little surplus - something left over.
Line 30202	Line	0:32:51.02	V2	I feel like we should spend every dollar though.
Line 30203	Line	0:33:05.0	V1	So total from streets we cut 351,040. Add that to 429,020 so we're 800,000. So right now we're at 1,178,761. Yes it's 54,000. So we can just take the \$54,000. We can even take 55 even.
Line 30204	Line	0:34:25.6	V2	Let's spend every possible dollar.
Line 30205	Line	0:34:29.2	V1	So you want to take the \$54,778 from there?
Line 30206	Line	0:34:35.5	V3	Why don't we take half from the recreation specialists and put the rest back into the asphalt.
Line 30207	Line	0:34:43.9	V1	This is fertilizer. We can put the asphalts back into streets and parks.
Line 30208	Line	0:34:51.6	V1	What do you want to do?
Line 30209	Line	0:34:54.1	V2	What are you saying double that and then add half back into asphalt?
Line 30210	Line	0:35:01.6	V3	Half from the recreation specialists and put the difference back into the asphalt.
Line 30211	Line	0:35:08.4	V2	We're taking away from the kids recreation.
Line 30212	Line	0:35:11.0	V1	Yeah - the kids have nothing to do but play stickball.
Line 30213	Line	0:35:20.5	V3	You don't have much faith in kids. I don't think recreation specialists do that much good.
Line 30214	Line	0:35:36.5	V1	I'll total everything up on these pages so we'll have it. Ok - so for parks and recreation the total cut was \$606,568. We basically cut it in half. Or half of our cuts are coming from parks and recreation. From the librarians we took \$351,040. From the streets, the only thing we took from the streets was the DARE officer, right?
Line 30215	Line	0:38:00.4	V2	Yes, poor kids.

Line 30216	Line	0:38:03.8	V1	Poor DARE officer. They're going to be down at the unemployment office. So we only took \$160 basically, from the streets so we aren't going to cut very much. Oops - I miscalculated the librarians. We only took \$319,000. That makes me feel a little better. We're going to add back what we took, so we need to add 157,000 back to asphalt. So we're only going to take off that number right? The \$500,000 back?
Line 30217	Line	0:39:51.6	V2	He suggested we double it so we can add half of it to the asphalt.
Line 30218	Line	0:39:59.6	V1	Right. So we only need to take
Line 30219	Line	0:40:05.7	V2	Half of 167. Is that right?
Line 30220	Line	0:40:12.2	V3	What was that number you had? You had the 1 million. You need \$50,000 more for asphalt.
Line 30221	line	0:40:26.3	v1	We only need to take... We took \$200,000 from the asphalt. So basically can subtract the 157 from \$200,000 to get whatever number that is. So we only need to take \$43,000 from asphalt instead of 200 grand is that right?
line 30222	line	0:40:52.5	v2	We need to take something
line 30223	line	0:40:54.6	v3	We need to take \$50,000 to cover the \$1,200,000.
line 30224	line	0:41:01.1	v2	Yes like there was some sort of
line 30225	line	0:41:05.9	v3	We're at \$1,100,000
line 30226	line	0:41:08.1	v2	Didn't we double that number that we took from the specialists? Didn't we have the number and we just doubled it and give the other half of it to asphalt? It was like \$50,000 and we took \$100,000 away and gave \$50,000 back to asphalt.
line 30227	line	0:41:30.9	v1	What I did is just halved that number - that \$51,314 and just halved it. I think we're going to have to figure the numbers again for this. Right now we're at 844,169, so we've just got to figure out how much we take. We're still \$20,000 short? How did we do that?
line 30228	line	0:42:35.8	v2	You added up all the parks and streets?
line 30229	line	0:42:41.3	v1	Right so we take \$159,000 from streets.
line 30230	line	0:42:41.3	v4	. [They reviewed the numbers, find the error]

line 30231	line	0:44:20.0	v1	All right - that's what we can add back to asphalt. We still needed \$248,000 from everything else besides streets to make up the total.
line 30233	line	0:44:34.6	v2	We're adding back anything
line 30234	line	0:44:37.3	v1	Well right now we're over because we only need \$248,000 to make that total from everything else. If you add up everything else without the streets we got \$984,969, and then I subtracted the \$1, 233, 00 that we need to cut and we got that 248 number. But from what we'd already cut from the streets we had \$351,000. So basically we can take that \$351,000.00 minus what we need to get this from that and can add that number back into the asphalt. We have \$102,470. We can add that back tot asphalt. So each one is getting \$51,000.
line 30235	line	0:45:58.4	v3	I think we only took out \$65,000 from here, so this one should actually be \$100,000. We should make that figure \$400,000 and add the 2 back into the total. That would be \$102,470 added back to concrete.
Line 30236	Line	0:46:36.4	V1	So that will be even more than what concrete had, right?
Line 30237	Line	0:46:43.9	V3	We have it at \$100,000 right now. We'll just add the remaining 2,470.
Line 30238	Line	0:46:53.7	V2	We have to write it cuts where we actually have to.
Line 30239	Line	0:49:04.7	V1	The libraries have over a million dollars and we only cut \$200,000, so they're not hurting so bad.
Line 30240	Line	0:50:59.1	V1	All right that does it.
Line 30241	Line	0:51:01.4	V2	I'm running.
Line 30242	Line	0:51:10.6	V3	That was kind of fun!
Line 30001	Line	0:51:25.7	V1	Yeah but I feel like when I go back through my math I'll think "what was this child doing?"
Line 50002	Line	0:00:30.1	V1	(Reads the scenario).
Line 50003	Line	0:02:41.0	V2	That's how much we have to take off.
Line 50004	Line	0:02:45.8	V3	The total - that's what is it saying?
Line 50005	Line	0:03:03.8	V3	I'm just going to write them down so I can see them.
Line 50006	Line	0:03:14.9	V1	What's the proposed?

Line 50007	Line	0:03:16.6	V2	I guess that's what they're planning to do?
Line 50008	Line	0:03:23.0	V3	Yes - that's how much of the next budget they want to have. But if you look at the budgets they're all up. They want to spend more money than they did before.
Line 50009	Line	0:03:43.7	V2	There was a small increase from that year to that year but then it really jumps. What is this?
Line 50010	Line	0:03:55.4	V3	A Line Item budget?
Line 50011	Line	0:04:04.4	V2	That means for every single thing?
Line 50012	Line	0:04:52.3	V3	So when we do our budget do we take something out of this or do we take it out of the overall budget?
Line 50013	Line	0:04:59.0	V2	We're going to have to decide out of police, where do we want to take it out of? Personnel services, equipment? What? I thought it was more than that.
Line 50014	Line	0:05:14.3	V3	It's five million. Which maybe means it's not finished.
Line 50015	Line	0:05:45.2	V3	So we have 18 police cruisers. 6 detectives DARE program
Line 50016	Line	0:05:53.3	V1	Some people part time in the DARE program.
Line 50017	Line	0:06:07.9	V3	Then there's the grant. 50% that's only available that year to pay for their new computers.
Line 50018	Line	0:06:14.9	V1	What do DARE officers really do? Do you need 8 of those? And two full time?
Line 50019	Line	0:06:27.3	V3	I think it's a big city.
Line 50020	Line	0:06:37.7	V1	That's a good point. 302,000 people.
Line 50021	Line	0:06:47.9	V2	No wait. The population is 38,000.
Line 50022	Line	0:06:53.3	V3	302,000 are the people that come there for work. The people that live there would be going to the schools. So the schools would be smaller.
Line 50023	Line	0:07:29.8	V3	Streets department. They're supposed to provide an attractive and safe transportation system for pedestrians and vehicles.
Line 50024	Line	0:08:32.0	V2	I guess it would help to know how many are rated in each level to know how much money to put towards (each area) but they don't put that.
Line 50025	Line	0:08:43.1	V3	Yeah - they don't tell you how many streets.
Line 50026	Line	0:08:43.4	V2	I mean if they are in excellent condition it would make a difference

Line 50027	Line	0:08:51.5	V3	Or how many minor things.
Line 50028	Line	0:08:58.6	V2	How much have we spent in asphalt over the past few years?
Line 50029	Line	0:09:17.1	V3	So far they've spent almost \$300,000.
Line 50030	Line	0:09:26.4	V2	That's pretty accurate I guess. Close to \$500,000.
Line 50031	Line	0:09:33.3	V3	Well the last two times - two years before it was \$445,487.00.
Line 50032	Line	0:10:09.9	V3	Recreation specialist? What do they do?
Line 50033	Line	0:10:15.9	V2	Does it say how many there are of them?
Line 50034	Line	0:10:18.9	V3	Yes- eight.
Line 50035	Line	0:10:26.1	V2	That's a lot for a city of that size.
Line 50036	Line	0:10:30.1	V3	Yes - it's 26 times.
Line 50037	Line	0:10:42.6	V3	They can't need but so many recreation specialists.
Line 50038	Line	0:10:51.9	V1	So shall we cut the budget 10% on each of these or the total?
Line 50039	Line	0:11:03.4	V3	10% total. A million dollars. A little over that. \$1,233,539 is what the 10% cut has got to be total. So we just have to figure out how to take it out of the figures. Libraries. There are two libraries eight to five Monday through Saturday. Three librarians at each. That's 12 librarians. That doesn't make sense. If there's two libraries with three librarians at each, that should be six librarians.
Line 50040	Line	0:12:07.5	V2	I'm not sure what that number is. I saw it on another sheet too and it wasn't what it said. It said there were only six and then it said there were eight. So I don't know what that is.
Line 50041	Line	0:12:19.0	V1	They probably change like there are two for everything. So they have someone working every day. In most small towns you have it. In my town for instance, you have that. There's the serious library catalogue package. Is there anything about that?
Line 50042	Line	0:13:09.8	V3	It doesn't say anything about that. It could be the serious catalog is on PCs or wireless installation. Since the serious catalog is on the computers, terminals and two PCs. But the computers don't cost anything now because they've already got them. It was a one time thing. It's a lot of money to connect to the internet \$10,000.



Line 50043	Line	0:14:14.3	V2	And it's the same amount for this year. So they've already used \$6,000.
Line 50044	Line	0:14:35.9	V3	What are conferences?
Line 50045	Line	0:14:45.7	V2	I don't know. People using the library for conferences? I don't know. Why would that cost?
Line 50046	Line	0:14:53.1	V3	I think that would be income coming in from the street. Someone's coming to the library. Could this be people going somewhere?
Line 50047	Line	0:15:08.5	V2	Going to library conferences maybe? I'm not sure what that means.
Line 50048	Line	0:15:20.9	V3	Well we can't cut from just one department. That will destroy the budget. So we just have to find little things to cut off the separate departments.
Line 50049	Line	0:15:53.4	V3	Do you want to start with libraries and work our way up? Because it seems that libraries would be the least important. And the police we want to cut last of all.
Line 50050	Line	0:16:05.3	V2	Well with the tornado, it said a lot of property damage was done. I guess a lot of damage was done to streets, parks and things like that as well. Would that mean more money to rebuild because of the damage? So maybe not cut as much from those? Like libraries?
Line 50051	Line	0:16:45.1	V1	So if we want to cut the payroll for the librarians, how would you get the numbers that you'd have to spend if we wanted to cut 6 librarians?
Line 50052	Line	0:17:06.5	V2	How would we know how much that would be?
Line 50053	Line	0:17:09.6	V3	For the current year, why don't we just work with the proposed numbers? If you take that number and divide it by 12 libertarians and that gives you how much for each.
Line 50054	Line	0:17:30.8	V2	So for proposed they're saying there's going to be 14, and they're going to spend...
Line 50055	Line	0:17:35.3	V1	The proposed is just estimated, right?
Line 50056	Line	0:17:41.7	V1	Well so if we look at the current year
Line 50057	Line	0:17:49.3	V2	I guess work with proposed so we can get it down?
Line 50058	Line	0:17:54.7	V1	See what they spent in the current year and then see what they're planning to spend.
Line 50059	Line	0:17:59.8	V1	What's the whole numbers, the big numbers? The proposed is probably higher.
Line 50060	Line	0:18:09.6	V2	For the libraries, it's about \$200,000 more.
Line 50061	Line	0:18:25.8	V3	The library budget went up - a lot. Like \$300,000 from the prior years.

Line 50062	Line	0:19:00.1	V1	Each librarian gets \$43,680.00.
Line 50063	Line	0:19:10.5	V3	If we knock that back down to 12, which means we're not firing anybody but we're just not hiring two more people. That would save how much money?
Line 50064	Line	0:19:28.6	V1	That would save \$87, 360.00.
Line 50065	Line	0:19:37.7	V3	Yeah - let's write that down.
Line 50066	Line	0:19:42.9	V1	That's \$524,160.00.
Line 50067	Line	0:20:05.6	V3	It would be the same as they're spending right now.
Line 50068	Line	0:20:12.7	V2	So we don't hire two more people.
Line 50069	Line	0:20:27.2	V1	Can I see the other numbers one more time? I compared the current with the proposed. What they're spending now is \$10,000. So we're trying to get 12 minus this number here. Did you write that down?
Line 50070	Line	0:21:21.1	V3	I wrote the total and the 10% but I didn't write down what the budget needs to be.
Line 50071	Line	0:21:27.2	V1	\$11,101,854.48.
Line 50072	Line	0:21:54.0	V2	Is there anything else under libraries that really seem unnecessary? I mean as far as books and a computer.
Line 50073	Line	0:22:42.4	V3	What about conferences?
Line 50074	Line	0:22:47.2	V2	I'm not sure.
Line 50075	Line	0:22:50.9	V3	If we don't know what it is it must not be bad.
Line 50076	Line	0:22:54.4	V2	Do they mean going to conferences or having conference spaces and paying to have projectors or equipment?
Line 50077	Line	0:23:04.1	V3	I would think if they're holding conferences they'd be getting money in.
Line 50078	Line	0:23:07.9	V2	I guess that would be under facility costs.
Line 50079	Line	0:23:18.4	V1	Having a separate space for conferences Conferences - is that this one right here? It's no different.
Line 50080	Line	0:23:42.6	V3	I'd rather cut something like conferences than cut something from the police.
Line 50081	Line	0:23:49.6	V1	Yes - do we want to knock all of it out?
Line 50082	Line	0:23:53.9	V2	Let's look at the police first and see what we can do. Because that really jumps up. It's a large increase.

Line 50083	Line	0:24:13.5	V1	Do you see anything about the crime rate or anything? It's a small town - there can't be but so much going on.
Line 50084	Line	0:24:23.7	V3	They don't require any all the way down
Line 50085	Line	0:24:47.2	V3	Why is the motor pool patrol? That cost goes from \$75,000 to the proposed \$90,000. That's kind of a big jump.
Line 50086	Line	0:25:03.2	V1	Are they getting at any costs?
Line 50087	Line	0:25:09.3	V3	No - it's the same 15 cars though
Line 50088	Line	0:25:18.2	V2	Is that for just the car?
Line 50089	Line	0:25:21.8	V3	You mean for motor pool patrol? I guess driving around.
Line 50090	Line	0:25:48.9	V3	And the chief's vehicle?
Line 50091	Line	0:25:59.0	V1	The detective's vehicles up \$6,000 though.
Line 50092	Line	0:26:04.4	V3	That's a lot.
Line 50093	Line	0:26:05.7	V2	Yes - like water doesn't go up. What does go up?
Line 50094	Line	0:26:10.0	V1	Gas.
Line 50095	Line	0:26:10.1	V2	Just gas prices? That's all I can think of because they have maintenance under another category.
Line 50096	Line	0:26:26.9	V1	This is a huge number. I was thinking maintenance too but you're right - it's under another category.
Line 50097	Line	0:26:36.8	V3	This is a huge number is for that federal grant?
Line 50098	Line	0:26:42.2	V1	Would you cut one of these first?
Line 50099	Line	0:26:43.3	V3	I wouldn't want to cut that grant I don't think because that's getting computers in all the patrol cars. And that can't be cut.
Line 50100	Line	0:26:52.7	V1	Would you cut one car? We can always get two in one car.
Line 50101	Line	0:27:05.7	V3	It's not a big place.
Line 50102	Line	0:27:09.9	V1	You still need cars in a small town. I wish we had some crime statistics or something.
Line 50103	Line	0:27:26.5	V2	Yes that would help.
Line 50104	Line	0:27:32.4	V1	Maintenance. What's that for? What's replacement? Training. They don't want much. Conference
Line 50105	Line	0:27:51.5	V2	They've got conferences too.

Line 50106	Line	0:27:58.2	V3	Like a training conference maybe?
Line 50107	Line	0:28:02.6	V1	Yes probably like going on trips or something. I don't know what police stations do, but all these conferences are like business trips
Line 50108	Line	0:28:24.2	V2	Do we think that's a lot of DARE officers? Six?
Line 50109	Line	0:28:41.4	V3	It says six here.
Line 50110	Line	0:28:48.9	V3	It says 2 full time and 8 part time.
Line 50111	Line	0:29:03.3	V1	So it's 10.
Line 50112	Line	0:29:33.7	V2	I think the biggest cut we need to make here is cars because there are 15 cars on duty at one time. They've got 22 on the roster. That means we can cut one or two of these on duty.
Line 50113	Line	0:29:53.4	V1	Where would that put us? How much would that be?
Line 50114	Line	0:30:36.5	V2	That would take us down 6,050.00. I'm getting confused.
Line 50115	Line	0:31:17.9	V1	That's some. Let's look at streets.
Line 50116	Line	0:31:51.0	V4	No, these numbers don't change. Look at trucks
Line 50117	Line	0:32:09.0	V2	Calculating
Line 50118	Line	0:32:22.0	V1	You know in parks we were saying recreation specialists - there were a lot there. There were eight.
Line 50119	Line	0:32:30.7	V2	Let's see - how many parks is that.
Line 50120	Line	0:32:33.8	V3	You mean there are them? Just those three?
Line 50121	Line	0:32:37.2	V1	Well it just says "other"
Line 50122	Line	0:32:56.7	V2	Recreation Specialists. What is that like?
Line 50123	Line	0:33:02.5	V1	It's like a director,
Line 50124	Line	0:33:11.5	V3	And they have to direct.
Line 50125	Line	0:33:19.9	V1	They only cut one supervisor.
Line 50126	Line	0:34:09.8	V3	Groundskeepers. Recreation specialists. We have 8. I make it 48,000.00. Maybe we can pink slip one of them.
Line 50127	Line	0:34:10.4	V1	Well that's where we're at.
Line 50128	Line	0:34:31.0	V3	We to save so much money. We'd save \$100,000. We'll cut a librarian and a patrol car. That's only about \$150,000 and we need a million to cut. And we've only got about 15 minutes

Line 50129	Line	0:34:45.0	V3	Ok let's go back to the libraries. If we cut a librarian.
Line 50130	Line	0:34:54.2	V2	Well we just didn't hire the 2 more.
Line 50131	Line	0:35:00.0	V3	What if we look at facilities? The current year is 343,000; proposed is 429,000. What if we take the same budget for this year and do it next year? That would cut - how much? That means we're not cutting anything- they just can't expand.
Line 50132	Line	0:35:29.1	V1	All right. We already cut \$43,000 out of this budget by taking away the librarians.
Line 50133	Line	0:35:35.2	V3	That's from the top. So just take that number for the facilities.
Line 50134	Line	0:35:48.5	V1	We probably should have done more so like different things. You know - like just cut some proposed.
Line 50135	Line	0:36:00.4	V3	So how much is 429 minus 343?
Line 50136	Line	0:36:18.2	V1	\$85,904.00. Are you writing all this down?
Line 50137	Line	0:36:28.5	V3	Yes. I've got all the stuff that we've cut so far.
Line 50138	Line	0:36:35.2	V1	In that case, let's see. We could cut city librarians. We can't cut budget for personnel, and that's like a lot.
Line 50139	Line	0:37:01.7	V2	Not only don't hire anybody but get rid of some?
Line 50140	Line	0:37:06.1	V1	We've already knocked one of these off.
Line 50141	Line	0:37:10.4	V2	Yes - we didn't hire the two.
Line 50142	Line	0:37:14.6	V3	And that's \$87,000
Line 50143	Line	0:37:40.6	V2	It seems like a lot of librarians but there are 2 libraries and three work at a time. That's six people on at a time. Six people on, six people off. I guess that everyone has a backup. I have a feeling we're taking it all out of the libraries.
Line 50144	Line	0:38:16.8	V3	Parks and recreation.
Line 50145	Line	0:38:20.4	V1	Let's find some of it quickly.
Line 50146	Line	0:38:32.0	V1	What has the most expensive maintenance? The seeders?
Line 50147	Line	0:38:40.5	V2	There are only two of them.
Line 50148	Line	0:38:40.5	V1	Are they very expensive to maintain?

Line 50149	Line	0:38:47.5	V3	I'd knock off something either a pickup truck or a mower. One of those because there are 6 mowers and 8 pickup trucks. So if you took out just one of each. That won't be too hard.
Line 50150	Line	0:39:14.4	V1	It didn't even jump down that much anyway.
Line 50151	Line	0:39:23.4	V3	Yeah the maintenance just went up from 67,000 to 74,000.
Line 50152	Line	0:39:34.0	V2	So those 11 groundskeepers have 8 trucks? Are they using the equipment for anything else?
Line 50153	Line	0:40:17.1	V3	We've got to cut something
Line 50154	Line	0:40:26.6	V2	I wish I knew what the difference between the supervisors, the specialists and the directors.
Line 50155	Line	0:40:37.8	V3	I know the director is like the boss guy over everything. The supervisors and the groundskeepers I would think. Is there one supervisor and a lot of groundskeepers? I don't know the difference between the director and a supervisor.
Line 50156	Line	0:41:06.3	V1	The director is the guy who develops the game plan. The supervisor is just watching over the groundskeepers.
Line 50157	Line	0:41:15.2	V2	And then the specialists - depending on the event? What's going on with different people? Everyone has their own area they work in.
Line 50158	Line	0:41:27.9	V1	As far as this town is concerned there can't be that many places to tool around.
Line 50159	Line	0:41:33.8	V2	Yes but that sounds like a lot - eight.
Line 50160	Line	0:41:38.5	V3	We've already cut one. Do you want to cut another one?
Line 50161	Line	0:41:44.4	V2	We're probably going to need to.
Line 50162	Line	0:41:43.9	V1	Out!
Line 50163	Line	0:41:49.8	V3	That's about \$100,000 right there. How much have we cut so far?
Line 50164	Line	0:42:02.1	V2	I was just trying to do that but my batteries are dead.
Line 50165	Line	0:42:23.9	V1	2 Recreational Specialists.
Line 50166	Line	0:42:45.4	V2	Librarians - did we take two?
Line 50167	Line	0:42:48.5	V1	Yes - so we're at 87.
Line 50168	Line	0:43:07.4	V1	That's \$189,506.00. And how much do we have to cut?
Line 50169	Line	0:43:11.3	V3	\$1,282,000.

Line 50170	Line	0:43:18.5	V3	If we cut out the grant for the police - the technology grant? We have to pay \$500,000 for that. It's a good deal but if we don't have \$500,000.
Line 50171	Line	0:44:19.2	V4	(calculating)
Line 50172	Line	0:44:51.9	V2	\$275,410 is what I've got.
Line 50173	Line	0:45:01.6	V3	There are always grants. We can always get another grant another year. Maybe not that one, but we can find a different one.
Line 50174	Line	0:45:14.1	V2	It's only available this year. You think we should get rid of that?
Line 50175	Line	0:45:29.1	V3	Funding is recommended.
Line 50176	Line	0:45:31.7	V2	Even though we need to reduce expenditures?
Line 50177	Line	0:45:37.8	V3	I'd rather cut the grant than the people or cut out their equipment. They won't be able to do anything. If you cut something they don't have anyway. It's a great grant for the next year.
Line 50178	Line	0:46:12.6	V1	Does that cut it down by \$400,000?
Line 50179	Line	0:46:15.8	V3	If we don't pay the \$500,000 we don't pay at all.
Line 50180	Line	0:46:21.5	V2	It's a one time thing.
Line 50181	Line	0:46:24.0	V1	It's better than cutting people. What these officers can't do they should be able to have technology for. These computers keep people connected like patrols cars.
Line 50182	Line	0:46:54.4	V1	There is a patrol car. And we have 22 officers on duty.
Line 50183	Line	0:47:10.6	V3	What did we cut from the police? Just the one car? Can we cut another for the detectives? There are six cars for 7 detectives. And there are 6 crime prevention cars and 6 officers which I don't even know if they need 6 crime prevention officers.
Line 50184	Line	0:47:36.1	V1	And the vehicles the prices jump the most. My hypothesis is gas.
Line 50185	Line	0:47:47.0	V3	And you want to cut a detective vehicle?
Line 50186	Line	0:47:51.1	V1	Yes and set up a carpool like only senior detectives get their own, or they can switch it off or whatever they want to do.
Line 50187	Line	0:48:03.3	V3	So just one detective vehicle?
Line 50188	Line	0:48:07.4	V1	Will it make a difference?
Line 50189	Line	0:48:09.9	V2	I don't think so. \$6,750 to get rid of one car.

Line 50190	Line	0:48:33.6	V3	We're going to have to cut something big.
Line 50191	Line	0:48:38.7	V1	That's half of what we need right there.
Line 50192	Line	0:48:43.3	V2	I hate to cut that. They don't want you to. But we have five minutes and we still wouldn't be there.
Line 50193	Line	0:48:56.4	V3	Back to streets.
Line 50194	Line	0:49:05.2	V2	What have we taken from there? Anything?
Line 50195	Line	0:49:07.7	V3	Just something. That's on the list. We haven't taken anything from here.
Line 50196	Line	0:49:19.4	V1	We probably have to weight out what is more important - streets or parks and recreation. Probably streets. And we have a lot of spending in parks and recreation.
Line 50197	Line	0:49:30.7	V3	So we cut more from parks and recreation?
Line 50198	Line	0:49:46.1	V1	I really think we just need to go ahead and wrap it up.
Line 50199	Line	0:49:57.8	V3	If we keep the budget for this the same, how much would that be?
Line 50200	Line	0:50:10.6	V2	\$107,190.
Line 50201	Line	0:50:17.0	V3	That's the difference?
Line 50202	Line	0:50:20.0	V2	Right.
Line 50203	Line	0:50:30.8	V3	What if we just leave the budget the same as this year and not do anything to it and cut some stuff from parks. All right - we've already cut two recreation specialists.
Line 50204	Line	0:51:15.9	V1	Buildings
Line 50205	Line	0:51:20.2	V3	Ok - how much do you want to cut from buildings?
Line 50206	Line	0:51:23.2	V1	Just leave it at the current year budget.
Line 50207	Line	0:51:41.9	V2	We're still at only like 470,000.
Line 50208	Line	0:51:54.4	V3	What?
Line 50209	Line	0:51:54.6	V2	\$440,708.
Line 50210	Line	0:51:59.6	V3	How much do we need? \$1,233,539.38.
Line 50211	Line	0:52:24.9	V3	We still need 40 something.
Line 50212	Line	0:52:26.4	V1	We're not going to be able to make it.



Line 50213	Line	0:52:28.8	V3	We are cutting the \$500,000. They can find another grant.
Line 50214	Line	0:52:38.0	V2	We've still got almost \$300,000.
Line 50215	Line	0:52:41.6	V3	And we're also cutting from parks. We are cutting equipment.
Line 50216	Line	0:52:50.6	V1	And add salary to that. We're running out of time.
Line 50217	Line	0:52:56.1	V3	We're going to finish it up.
Line 50218	Line	0:53:03.8	V1	It is 3:15
Line 50219	Line	0:53:07.2	V3	We'll give it five more minutes. We're going to do some rapid cutting here.
Line 50220	Line	0:53:18.7	V2	Vehicles. It really isn't that much.
Line 50221	Line	0:53:26.5	V3	If we cut equipment we can cut supplies too because you have less equipment. You're not going to be doing that much.
Line 50222	Line	0:53:37.4	V2	Seeders - there are only two seeders.
Line 50223	Line	0:53:42.1	V3	We don't want to cut something we only have 2 of, because what if one breaks.
Line 50224	Line	0:53:47.6	V2	Trailers, mowers and pickup trucks. People could just go around together.
Line 50225	Line	0:53:57.3	V3	Yes - let's cut two. That's \$3,300.00 for each pickup trucks. We cut 2 and it's \$6,600.00. And then we cut supplies. Let's just bring it down to the prior year, or just make it \$330,000 even. That brings it to \$897,000. We're still only \$300,000.
Line 50226	Line	0:56:22.1	V3	Libraries? We're going to cut collections. It's \$151,506. We'll just cut it down to the prior year. That's still a lot of books. \$90,000.00 is still buying a lot of books.
Line 50227	Line	0:57:18.0	V3	And we're going to cut conferences out completely.
Line 50228	Line	0:57:47.0	V3	We already cut all but two or three of these.
Line 50229	Line	0:58:02.7	V3	Parks and recreation. We can cut out.
Line 50230	Line	0:58:08.6	V2	What did we cut from there? Just the pickup trucks?
Line 50231	Line	0:58:13.2	V3	And recreation specialists.
Line 50232	Line	0:58:17.5	V3	Our budget is not coming together.
Line 50233	Line	0:58:26.4	V4	Facilitator - put down what you have so far. And that actually is pretty realistic. Sometimes legislative bodies can't agree.
Line 50234	Line	1:01:03.6	V4	End of session

Line 60001	Line	0:00:12.0	V4	Line Item - voices: nasal male=v1; higher clearer male-v2; female=v3-only line-item has personnel (reads scenario)
Line 60002	Line	0:00:23.9	V3	
Line 60003	Line	0:01:55.6	V3	What was that number?
Line 60004	Line	0:02:03.4	V2	The population of Midvale?
Line 60005	Line	0:02:14.3	V3	Which number should we take 10% of?
Line 60006	Line	0:02:59.1	V2	I would imagine it's 10% of this.
Line 60007	Line	0:02:59.7	V3	Of the proposed one?
Line 60008	Line	0:03:00.7	V2	Which is right there - yeah?
Line 60009	Line	0:03:12.5	V2	This is a Line Item budget.
Line 60010	Line	0:03:21.5	V1	It would be nice if we had three copies of this. (reads)
Line 60011	Line	0:04:18.9	V1	Technology grant.
Line 60012	Line	0:04:42.6	V2	Which is the grant?
Line 60013	Line	0:05:25.7	V2	\$500,000. Is that what they match?
Line 60014	Line	0:05:31.1	V1	That's what they match.
Line 60015	Line	0:05:37.0	V2	So they're going to match whatever we put up.
Line 60016	Line	0:05:38.6	V1	Yeah
Line 60017	Line	0:05:53.1	V3	That's only for the police department though. So I guess we can cut that much from the police department. Is that what that means?
Line 60018	Line	0:06:01.2	V2	You have to give something for them to match. That's how the federal grant works.
Line 60019	Line	0:06:08.1	V1	You can't put nothing up and they'd still give you 50%. The federal government will give 50%.
Line 60020	Line	0:06:15.4	V1	For every dollar we put up they give 50 cents.
Line 60021	Line	0:06:22.6	V3	So does that mean we have to put up a million then?
Line 60022	Line	0:06:29.2	V2	No
Line 60023	Line	0:06:32.1	V3	Or do we just have to put up \$500,000.
Line 60024	Line	0:06:40.4	V1	Yeah - I do not understand that

Line 60025	Line	0:06:41.9	V3	Yeah - I don't really understand that part.
Line 60026	Line	0:06:46.1	V2	The matching for the federal grant. It seems to me that's what we're putting up and the federal grant's match will be another \$250,000, which will obviously come to \$750.000
Line 60027	Line	0:07:01.3	V2	Does that make sense?
Line 60028	Line	0:07:02.0	V3	Yeah - I think that's what that will mean.
Line 60029	Line	0:07:06.6	V1	This is the technology grant which is only for equipment.
Line 60030	Line	0:07:13.8	V3	What's the next page say? Is it just more things?
Line 60031	Line	0:07:16.6	V1	Yeah it's for each department. Parks is the next one.
Line 60032	Line	0:07:26.9	V2	For each of us. I guess we shouldn't break it up. In Personnel Services the chief is getting a raise. You hate not to give people raises but at least that starts to save you some money. That's \$4,000 with him alone. That's another \$66,000, \$20,000. That's something anyway.
Line 60033	Line	0:08:10.0	V2	But then you have to think to yourself what's the increasing cost of living? Or is it increasing? You're obviously talking about a place that's had a shortfall financially. Would the cost of living still be going up?
Line 60034	Line	0:08:25.0	V3	What was it that they had? What was their disaster?
Line 60035	Line	0:08:34.1	V1	Maybe we shouldn't be looking that specific yet anyway. Maybe we should look at other things first.
Line 60036	Line	0:08:37.1	V3	I would say that after a tornado the cost of living would go down - right?
Line 60037	Line	0:08:43.3	V2	I thought it would go up. There is scarcity. A lot of property has been damaged.
Line 60038	Line	0:08:50.6	V1	The family members they need the money.
Line 60039	Line	0:09:03.3	V2	All right lets go on with the next one. (Reads).
Line 60040	Line	0:09:19.0	V1	So basically a lot of the economic infrastructure is gone. Factories, service industries. (reads)
Line 60041	Line	0:09:42.5	V1	So basically our goal is to reduce 10% somewhere. This means we have to find a way to take \$1,233,539.39. So we have to find a way to come with that much money to take out of the budget.
Line 60042	Line	0:10:04.2	V2	All right, let's do it.
Line 60043	Line	0:10:10.5	V1	So we have to find a way to take that out of the proposed budgets.

Line 60044	Line	0:10:13.8	V3	I think from those four topics - they've had a tornado. Obviously the police, you know - it's not always good to cut a whole lot from the police and especially if the streets and the parks. I think the libraries are a good place to start, don't you?
Line 60045	Line	0:10:31.8	V1	I don't think we should just take it all out of one.
Line 60046	Line	0:10:37.6	V3	No, I just think that would be a good place to look first.
Line 60047	Line	0:10:43.2	V2	We have to look and see what exactly they're spending the money on. In streets, if it means you're putting up bushes. I don't think now's the right time to be planting bushes. Let's get the infrastructure right.
Line 60048	Line	0:10:56.8	V1	Yes - get the buildings back up. All right. The police proposed budget. For personnel services it's going to be about \$2,824,310.00. Is there an increase there?
Line 60049	Line	0:11:10.0	V2	
Line 60050	Line	0:11:11.8	V1	From last year - it's actually a reduction from last year. Wait - I take that back. It's an increase of about \$150,000. 2671 to the proposed budget now is \$2,224,800.00. Should we worry about the equipment? Or not, since we're getting that matching federal grant. I don't think we should touch that.
Line 60051	Line	0:12:15.3	V2	
Line 60052	Line	0:12:17.1	V2	Yes- because the total cost of equipment is going to be \$732,000.
Line 60053	Line	0:12:21.7	V1	There's no way we can afford that without matching. And the matching is only for this year, right?
Line 60054	Line	0:12:31.4	V2	Of course if we take anything out of it, it's only \$733,000, and it seems pretty much like chump change. I think our biggest thing would be to take out personnel.
Line 60055	Line	0:12:44.4	V1	That's \$153,000.
Line 60056	Line	0:12:59.7	V2	Conferences \$4,500.00. Training is \$28,243.00 total equipment would be 732. I don't think we should take anything out of equipment. Buildings - I don't know what we can take out of buildings.
Line 60057	Line	0:13:19.6	V1	We can't touch buildings. Conferences. What's going on with conferences?
Line 60058	Line	0:13:23.9	V2	Conferences. I think that would be.
Line 60059	Line	0:13:30.1	V1	Is that a requirement? Is that what they're talking about when they're talking about crime prevention, DARE programs?

Line 60060	Line	0:13:35.4	V2	No, it can't be that.
Line 60061	Line	0:13:41.3	V1	It says DARE officers make other presentations.
Line 60062	Line	0:13:44.8	V2	I imagine "conferences" is some sort of training thing.
Line 60063	Line	0:13:48.2	V1	Yeah - they bring in somebody from the FBI or something like that.
Line 60064	Line	0:13:51.6	V2	Lets go on to the next one and see what we can do and then come back.
Line 60065	Line	0:13:56.8	V1	Right now I think we should just take a broad area from each Line Item budget to draw the money out of. Streets department - Line Items budget. (Reads)... Resurfacing streets with a "needed" rating as budget funds permit, which means obviously we can't take out "critical" because they need to get done. But "needed" we might be able to let pass. Resurfacing is done under contract at a cost of \$38.50 per ton. A ton of asphalt covers approximately 200 feet of surface. That's not really good.
Line 60066	Line	0:15:04.2	V2	\$38 per ton.
Line 60067	Line	0:15:06.6	V1	But it only covers 200 feet of street.
Line 60068	Line	0:15:14.6	V2	It's asphalt. What did you expect?
Line 60069	Line	0:15:19.7	V1	I thought it would cover more. It only covers 200 feet of surface.
Line 60070	Line	0:15:29.0	V2	We have a city council.
Line 60071	Line	0:15:36.5	V1	Personnel services: the director is getting \$91,000 the same as last year. The secretary's getting \$28,300 this year and is getting \$300 raise from last year. The engineer gets the same amount as last year. Three supervisors this year is \$136, 500. Last year was just \$135,000 straight out. So we're seeing a 1,500 increase there. Equipment operators. The operators we're going to see a \$15,000 increase from last year. Laborers. We're actually reducing the cost because we lost one laborer. 48 last year at \$1,152,000 and 47 this year at 1,151,500. So we save \$500. Total personnel services: last year \$1,964,000; this year \$1,980,300 which means and increase of about \$16,300. Buildings, I don't know what else we can do but buildings jumped up \$252,000.
Line 60072	Line	0:17:31.1	V3	And this is all with the tornado?

Line 60073	Line	0:17:34.9	V1	Maybe the tornado knocked out some of the buildings
Line 60074	Line	0:17:40.4	V2	You'd think they'd be in the budget somewhere.
Line 60075	Line	0:17:43.8	V3	Yes - you can't tell whether it's before or after.
Line 60076	Line	0:17:46.2	V2	What's going on with the roads themselves? Do we have any idea how many roads are in need or which are critical?
Line 60077	Line	0:18:09.7	V1	It has no mention whatever on how many roads are deemed critical. Let's see if there's anything else on the index. Unfortunately no.
Line 60078	Line	0:18:28.8	V2	So what we're left with is a list of the basic supplies. There's no mention of what they propose to actually work on this year.
Line 60079	Line	0:18:59.2	V1	There just aren't any major increases that we can say we'll stick with what we already have. You hate to cut into bone. It's one thing to trim fat. Asphalt's gone up. Concrete's gone up
Line 60080	Line	0:19:22.7	V2	In terms of price?
Line 60081	Line	0:19:25.2	V1	It doesn't say just how much we're going to spend on it.
Line 60082	Line	0:19:31.0	V2	It still says \$38.50 a ton for asphalt.
Line 60083	Line	0:19:34.3	V3	But we don't know how many tons we need.
Line 60084	Line	0:19:40.1	V2	The same as it was last year.
Line 60085	Line	0:19:45.7	V1	Look at this - seed. Seed has gone from \$17,000. It's a \$2,000 increase each year. I'm looking at this: the prior year, the current year the next year. So i should be looking at the current year, not the year prior.
Line 60086	Line	0:20:05.4	V2	We need to look at proposed because that's where we're going to be taking it out of I think.
Line 60087	Line	0:20:10.5	V1	When we allocate yes - I was looking at increases.
Line 60088	Line	0:20:19.3	V3	What are the major ones that are increases?
Line 60089	Line	0:20:39.6	V2	That's the increase right there. From current year to next year.
Line 60090	Line	0:20:44.0	V1	Well we'll just simply say "sorry, there aren't any increases". You'll have to work on your same budget from last year.
Line 60091	Line	0:20:51.5	V3	Except for from the tornado. We're going to have to have increases in things like...
Line 60092	Line	0:20:57.6	V1	Nowhere in the budget does it say this is specific for tornado damage. This isn't. So we're kind of doing this blindly.

Line 60093	Line	0:21:07.6	V2	Yeah - I was going to say that on the sheet at the beginning of the assignment, this year we're at \$10,377,574.79. Proposed for next year is \$12,335,393.87. And we're supposed to take \$1,233,539.39 out, so essentially, there's a 2 million dollar increase. We're supposed to cut that in half. Between this year and the next year. So while we're taking 10 percent out of the total proposed budget, we're taking half of the total increase from this year to next year.
Line 60094	Line	0:21:57.9	V1	My question is what are the increases for? Are the increases necessary?
Line 60095	Line	0:22:01.6	V2	Exactly. My question is can we just halve all the increases? That way it still looks good on paper. "Oh yeah, we increased it but it's only half as good as what was proposed and we still save our money. That's just a kind of blanket way to do it.
Line 60096	Line	0:22:21.8	V1	It is a blanket way to do it but I don't think they exactly want us to do it that way. Let's keep looking at the Line Items, but nothing pops out.
Line 60097	Line	0:22:30.7	V2	Yes - nothing stands out like the crucial increase
Line 60098	Line	0:22:34.8	V1	There isn't anything like pork barrel spending. It isn't like anyone is throwing money throwing money to this group over here or some larger sum to them than everyone else that's not necessary. Everyone's been pretty reasonable so far.
Line 60099	Line	0:22:48.9	V2	Yes - unless we get to the libraries and the librarian gets a five million dollar pay increase, we could cut that out.

Line 60100	Line	0:23:00.9	V1	Parks and recreation Line Item budget. It just starts right off with personnel services, but it makes no mention of what they actually do. I assume it has to do with parks and recreation upkeep. Personnel services: director is still making the same this year. Actually he's taking a cut. This year he's making \$68,000, next year he's only getting \$65,000.00. The secretary is also. Essentially we're cutting personnel costs. We can't take anything out of that. Buildings. It seems that we're putting more money into the independence welcome station. Putting \$8,000 more into Farquat welcome station, and then putting about \$20,000 more into the other buildings. As a total it's about a \$55,000 increase in the total buildings spending. Equipment maintenance. Cost of equipment maintenance shooting up \$600. Trailers a whopping \$33.00. Brush trucks going up \$1,100. About \$1,500 for seeders; pickup trucks going up \$4,000. Director's vehicle going up about \$122.00.
Line 60101	Line	0:24:55.6	V2	That's an \$8,000.00 increase.
Line 60102	Line	0:24:59.7	V1	Yes- pretty much.
Line 60103	Line	0:25:05.3	V2	All right. What else do we have?
Line 60104	Line	0:25:09.1	V1	Supplies. Fertilizer stays the same. Seed stays the same brochures stays the same. Constructional Materials stays the same.
Line 60105	Line	0:25:35.7	V3	Did we have increases in seed and fertilizer on the other one? Yes? Well if we're not taking it out, let's just cut back to start with anyway. So far we haven't cut anything.
Line 60106	Line	0:25:47.6	V2	We cut the raises. We all kind of agreed to that. So the raises alone from the Police Department come to \$103,000. So we agree no one gets a raise?
Line 60107	Line	0:26:00.9	V1	For this year I suppose.
Line 60108	Line	0:26:03.2	V2	So what are we looking at so far in the Line Items?
Line 60109	Line	0:26:08.2	V1	We could take fertilizer costs out of Parks and Rec and just send some of the fertilizer from the streets department to Parks and Rec?
Line 60110	Line	0:26:16.0	V2	I don't think you can do that.
Line 60111	Line	0:26:18.2	V3	I think we can cut the increases from them.
Line 60112	Line	0:26:24.3	V2	Current year proposed. This number is smaller than what I had.



Line 60113	Line	0:26:44.8	V3	Paid rent?
Line 60114	Line	0:26:48.9	V2	You're kidding! Aw crap! That's the current year. That's proposed. They've already cut the spending.
Line 60115	Line	0:27:12.1	V1	Yes- they've already cut all the personnel costs.
Line 60116	Line	0:27:14.8	V2	I mean the chief alone is taking a \$30,000 hit.
Line 60117	Line	0:27:23.3	V3	The patrol officers are staying the same.
Line 60118	Line	0:27:32.6	V2	Same number though, of patrol officers for the prior year. Can we do that? Can we go back?
Line 60119	Line	0:27:37.4	V3	The chief is losing \$30,000 or more, I think that it would work to cut the patrol officers.
Line 60120	Line	0:27:46.2	V1	Why can't we cut the patrol officers by \$66,000?
Line 60121	Line	0:27:56.1	V2	So we take \$66,000 out of patrol officers pay to go back to the prior year's budget of \$1,100,000.
Line 60122	Line	0:28:19.1	V1	I don't like that idea but it's workable.
Line 60123	Line	0:28:20.4	V2	Why shouldn't they? I mean if the chief is taking that sort of pay cut they should as well.
Line 60124	Line	0:28:26.9	V1	Yes I know. I'm just saying it's bad when you have to do it to the people that serve the community.
Line 60125	Line	0:28:33.2	V2	Yes, I agree. Detectives the same? Put them back in their prior year?
Line 60126	Line	0:28:38.0	V1	What was their prior year? Take out \$21,000?
Line 60127	Line	0:28:52.1	V3	Detectives are what?
Line 60128	Line	0:28:54.6	V2	Same number. Good call.
Line 60129	Line	0:28:58.6	V1	It'd be different if it jumped up by five.
Line 60130	Line	0:29:01.7	V2	Here we have clerical - same number of people \$4,500.00
Line 60131	Line	0:29:06.2	V3	No, wait clerical has gone up.
Line 60132	Line	0:29:14.3	V1	It went up \$1,500 bucks
Line 60133	Line	0:29:16.5	V2	But none of the people stayed the same.
Line 60134	Line	0:29:21.2	V1	I guess that's \$1,500 we can take out. It isn't much.
Line 60135	Line	0:29:28.5	V2	It will take it back to 84. That's 4,500.
Line 60136	Line	0:29:57.1	V2	Maybe we should try to take some out of other personnel now. Except for parks and rec. Have we even looked at libraries?

Line 60137	Line	0:30:03.6	V3	Yeah- lets look at the libraries real quick.
Line 60138	Line	0:30:21.7	V1	Holy cow. What's the librarian getting a raise for?
Line 60139	Line	0:30:26.4	V2	All right. There we go.
Line 60140	Line	0:30:25.4	V1	She's going back to the prior year.
Line 60141	Line	0:30:32.3	V2	She got a \$10,000 pay raise.
Line 60142	Line	0:30:34.5	V1	Yeah - over 2 years
Line 60143	Line	0:30:38.2	V2	I told you there was going to be something in there.
Line 60144	Line	0:30:41.8	V2	She's going back. "Midvale operates 2 libraries with a combined book collection of 752,000 volumes. The libraries are open 8-5 Monday through Saturday, with a staff of 3 librarians at each facility. The catalogs have been computerized using the serious library catalog package, which is accessed by patrons via 4 terminals and 2 pc's at each facility which were installed last year.
Line 60145	Line	0:31:12.4	V3	So that's six librarians divided by \$68,000. No, wait - twelve staff librarians. I don't understand this thing. So that's not a lot of money.
Line 60146	Line	0:31:34.7	V1	These are two different things. The city librarian is one person. The secretary and staff librarians are different. So take that proposed 14,000. Take 611 divided by that. That's the annual payroll. Which is still high. Why are we getting two more librarians?
Line 60147	Line	0:32:01.8	V2	Here's my question. Are they still making the same rate of pay as before? Because 12 makes 314,000. And when you go to 14 all of a sudden it bumps up to \$611,000. Why do we need 311,000 more dollars for two extra librarians?
Line 60148	Line	0:32:21.4	V1	\$300,000 more? No - that's year to date.
Line 60149	Line	0:32:35.3	V1	All right, librarians are making 43,600. So they didn't get a raise - they just added two librarians. So that saves us,
Line 60150	Line	0:33:01.5	V2	Should we cut back the city librarian's pay to the current year which is \$62,000? That will save us \$6,000.
Line 60151	Line	0:33:09.1	V1	Well we should cut it back to the prior year. She's still making \$13,000 more than the staff librarians.
Line 60152	Line	0:33:16.2	V2	And she's still picking up two extra hands.

Line 60153	Line	0:33:17.8	V1	Well we're not going to give her the two extra hands either. No one else is getting extra people, why should she? Of all places, do you think it's fair to add librarians when we're cutting others?
Line 60154	Line	0:33:30.3	V2	I agree
Line 60155	Line	0:33:33.6	V1	So two librarians we don't hire saves us \$87,000, and then we go back to the city librarian's old rate and that saves us another \$8,000.
Line 60156	Line	0:34:05.3	V2	What are we up to right now in terms of total costs?
Line 60157	Line	0:34:32.2	V1	That isn't even a drop in the bucket. We have saved \$187,310.00. What we need to save is \$1.1 million dollars. We're being two detailed.
Line 60158	Line	0:34:51.4	V2	Yes - maybe we should just do blanked statements I guess.
Line 60159	Line	0:35:16.4	V1	I feel like we've done so much work and gotten nothing done.
Line 60160	Line	0:35:20.8	V3	Do we need that grant?
Line 60161	Line	0:35:23.2	V2	It's for the police department.
Line 60162	Line	0:35:27.6	V1	She's getting ready to cut that grant.
Line 60163	Line	0:35:29.0	V3	Well I'm just saying we're using it for technology.
Line 60164	Line	0:35:33.5	V1	We're using it for technology to give officers when we've already cut their pay.
Line 60165	Line	0:35:39.0	V3	Well I was thinking of doing it instead. I was thinking of adjusting with that.
Line 60166	Line	0:35:46.9	V2	Well is there a minimum that we have to give to get the matching?
Line 60167	Line	0:35:52.4	V1	I have no idea.
Line 60168	Line	0:35:55.1	V3	I mean we could get a smaller grant
Line 60169	Line	0:35:57.5	V1	And instead of having all the patrol cars you're going to have - how many patrol cars do they have? 15? So maybe instead of all 15 we have fewer
Line 60170	Line	0:36:09.3	V3	How many police officers do we have? 22? If we put two people in each patrol car.
Line 60171	Line	0:36:21.5	V1	No that wouldn't work. You have to be careful or they'll be out on the street.
Line 60172	Line	0:36:29.3	V1	So if we only give \$250,000
Line 60173	Line	0:36:40.1	V3	Then we would get half of that also, right? Is that how that works?

Line 60174	Line	0:36:49.5	V1	They just give us 50%, so that would give us \$375,000? With the matching involved? \$250 plus 125 is 375.
Line 60175	Line	0:37:17.4	V3	That's 250,000 and that's more than what we have in the payroll.
Line 60176	Line	0:37:25.7	V1	That lets us keep the raises. That's also about half of what we need to equip all of the cars. So we will equip half the cars and go from there
Line 60177	Line	0:37:43.7	V2	How much would we save if we just cut everything back to the prior year?
Line 60178	Line	0:37:49.8	V1	I don't think that's what they want us to do. They want to find something in here we can cut legitimately.
Line 60179	Line	0:37:55.0	V2	The problem is everything is like you said; this department is trying to save.
Line 60180	Line	0:37:57.1	V1	It seems that way
Line 60181	Line	0:38:08.9	V2	Why not just - it seems like a blanket statement but.
Line 60182	Line	0:38:14.9	V3	Do we want to cut that grant back?
Line 60183	Line	0:38:17.1	V1	Lets cut it back.
Line 60184	Line	0:38:33.1	V1	So we cut that back but we keep the pay raises.
Line 60185	Line	0:38:37.6	V2	More than cutting raises - we're cutting them back to the prior year.
Line 60186	Line	0:38:44.7	V3	Yeah but lets not cut those back.
Line 60187	Line	0:38:47.0	V1	All right - no cutbacks.
Line 60188	Line	0:39:07.1	V3	Reserve and crime prevention. That's equipment for reserve and crime prevention? Is that what that means?
Line 60189	Line	0:39:36.8	V2	It's part vehicles
Line 60190	Line	0:39:41.1	V3	Crime prevention vehicles?
Line 60191	Line	0:39:44.2	V1	I guess - I don't know.
Line 60192	Line	0:39:46.4	V3	I mean whatever it is we still have the same number of them.
Line 60193	Line	0:39:51.2	V1	But \$3,000 more spent.
Line 60194	Line	0:40:01.6	V2	Cut the conferences for a year?
Line 60195	Line	0:40:03.6	V3	Yeah - cut conferences.
Line 60196	Line	0:40:04.7	V1	All the way?
Line 60197	Line	0:40:04.7	V3	How much is it?

Line 60198	Line	0:40:08.3	V1	It dropped out of 4,000 for this year from 4,500. Now they're trying to go back up again.
Line 60199	Line	0:40:14.6	V3	Yeah that's out.
Line 60200	Line	0:40:16.9	V1	Nothing?
Line 60201	Line	0:40:17.4	V3	Make it \$4,000
Line 60202	Line	0:40:20.3	V1	It's only \$500.00.
Line 60203	Line	0:40:24.4	V3	Yes - but I don't know what conferences entails. It might be training conferences and stuff like that.
Line 60204	Line	0:40:34.7	V1	Save the 500
Line 60205	Line	0:41:04.1	V1	I think we should leave the police alone for the moment.
Line 60206	Line	0:41:44.1	V1	All right. So far we've saved \$346,000, so we're doing all right.
Line 60207	Line	0:41:48.0	V3	Total Equipment Operators in the streets department has gone down but this has gone up by \$15,000. Do you want to cut that? When the number of people has gone down.
Line 60208	Line	0:42:08.4	V1	What are they getting paid? \$495,000?
Line 60209	Line	0:42:13.6	V2	How many people is that?
Line 60210	Line	0:42:14.3	V3	Fifteen
Line 60211	Line	0:42:17.2	V1	\$33,000 per year
Line 60212	Line	0:42:21.0	V3	But what is 480 divided by 16? \$30,000? That's \$2,000
Line 60213	Line	0:42:35.4	V1	\$2,000 per person.
Line 60214	Line	0:42:37.0	V3	But it's one less person so it's not even that much.
Line 60215	Line	0:42:46.3	V1	That saves us \$45,000.
Line 60216	Line	0:42:48.5	V2	Do you want to cut that?
Line 60217	Line	0:42:49.4	V2	Yeah
Line 60218	Line	0:42:53.9	V1	All I'm thinking is that you're talking about middle class workers in a city that's going to need their middle class workers.
Line 60219	Line	0:42:58.9	V3	Yeah - especially on the streets too.

Line 60220	Line	0:43:02.5	V1	And not only from that perspective but from the perspective of you need a steady middle class in any community. What if we kept them at \$33,000 but cut one of their positions? Instead of 15 employees they had 14.
Line 60221	Line	0:43:25.6	V3	That would save 33,000.
Line 60222	Line	0:43:30.5	V1	Instead of saving \$15,000 and cutting everyone back, you're cutting only one person and save double that.
Line 60223	Line	0:44:04.2	V3	And all of these are staying the same but the prices are going up. I don't know what to do. We can cut these back by 200. Each one of them except for trailers. That's twenty-two dollars. Brush trucks - three of them. That's up \$2,000.00. That's up \$6,000.
Line 60224	Line	0:44:37.8	V1	So all the equipment stays at current year?
Line 60225	Line	0:44:45.0	V3	That would save \$352 right here?
Line 60226	Line	0:45:58.6	V1	\$1650.
Line 60227	Line	0:46:10.3	V3	So we send it back to the current year.
Line 60228	Line	0:46:38.8	V1	So we are taking the street's department projected numbers for this year and drawing them back to the current year numbers.
Line 60229	Line	0:46:48.3	V3	Yes because none of the amount of equipment has changed at all.
Line 60230	Line	0:46:54.1	V3	You know, what we could have done is subtracted between here and here.
Line 60231	Line	0:46:57.1	V1	Wow! We are so smart.
Line 60232	Line	0:47:05.5	V2	So we're sending the total equipment cost back to current year for the proposed year, and saves us \$12,000. It's still a drop in the bucket. It's actually a tenth of what we're trying to save. Then again if we got a tenth out of what we're trying to save out of one sub-department, it's better.
Line 60233	Line	0:47:33.4	V1	Now this is where we're going to save a lot of money. Almost \$100,000.
Line 60234	Line	0:47:39.1	V3	We already know we don't need fertilizer and seed because- no - that was for parks and recreation, right?
Line 60235	Line	0:47:47.1	V2	We still need it, but why are we having these increases?
Line 60236	Line	0:48:00.9	V1	Conferences?
Line 60237	Line	0:48:07.5	V3	That's a weird jump

Line 60238	Line	0:48:09.3	V1	Why is that a jump? That has to be \$5,900 not - that's interesting - oh well.
Line 60239	Line	0:48:36.0	V1	It saves us \$20,000.00
Perf 10001	Performance	0:00:00.0	V1	The city of Midville has a population of 38,874 and encompasses a land area of 28.57 square miles. The problem - last year the industrial part of the city was struck by a major tornado causing severe property damage. The net impact on the city finances as a result meant a need to reduce the municipal budget by approximately 10%. We have.... Ok.... So are we going to do the police department?
Perf 10002	Performance	0:00:43.8	V2	Yeah. The police department budget then the streets budget, then the parks and recreation budget and the library department budget. We need to find allocations for everything.
Perf 10003	Performance	0:00:55.3	V1	so with police department - the main responsibilities of the police are prevention of criminal activity, detection of criminal activity, apprehension of criminal offenders, control of traffic, resolution of day to day conflicts among families friends and neighbors, promote feelings of security in the community. We have 18 police cruisers, which are operating in 3 districts and one closer in. All right. So is this money allocated?
Perf 10004	Performance	0:01:27.6	V2	I would think. This is the money spent...? I'm not sure
Perf 10005	Performance	0:01:34.0	V1	That's the proposed. That's the proposed allocation, and this is the unit cost. So let's see. Ok let's pick one... The NeighborhoodWatch. Ok ten percent of the budget is ... 60% of the budget is for other operations. 10% is for total crime prevention, 8% is for investigation. 22 percent is for emergency communication.
Perf 10006	Performance	0:02:29.8	V2	That's dispatchers.
Perf 10007	Performance	0:02:39.1	V1	So this is the proposed amount of money. So for each one we have to figure out 10 percent. And write out our final allocations. Do our final allocations for each have to add up to 10 percent?
Perf 10008	Performance	0:02:54.6	V2	Or is it 10 percent each?
Perf 10009	Performance	0:02:56.8	V1	10 percent each. (Reads the instructions for making the cuts).
Perf 10010	Performance	0:03:25.1	V2	yeah

Perf 10011	Performance	0:03:32.9	V1	The next most expensive is streets. The third most expensive is cops. And the proposed is... It's not even a belief issue.
Perf 10012	Performance	0:03:46.0	V2	What?
Perf 10013	Performance	0:03:48.8	V1	The proposed amount. The money spending has gone up from the prior year to the current year,
Perf 10014	Performance	0:03:57.4	V3	Right. And the proposal has gone up for this year for the police.
Perf 10015	Performance	0:04:04.1	V1	it's a total
Perf 10016	Performance	0:04:07.6	V2	So it's a total for both and then we take away 10 percent... To cut... Total.
Perf 10017	Performance	0:04:36.2	V1	emergency communications
Perf 10018	Performance	0:04:36.6	V3	If you think about it, the police department encompasses everything. They're going to protect the parks and the library and the people in the streets.
Perf 10019	Performance	0:04:48.9	V2	I don't see parks and libraries being such a priority.
Perf 10020	Performance	0:05:00.3	V1	The DARE program is up ten percent.
Perf 10021	Performance	0:05:07.9	V3	Total crime prevention is up ten percent of the budget.
Perf 10022	Performance	0:05:12.3	V1	I really think prevention is better than treatment so I'd say not.
Perf 10023	Performance	0:05:15.0	V3	Don't cut.
Perf 10024	Performance	0:05:18.1	V2	yeah
Perf 10025	Performance	0:05:18.9	V2	Investigation? 8 percent. So we've got dispatches at 22 percent. Then there's untouchable - that's easy.
Perf 10026	Performance	0:05:54.5	V1	Should we worry more about streets, like maintaining?
Perf 10027	Performance	0:06:04.1	V3	I think it would be easier to cut something from bigger budgets than cut something from smaller budgets.
Perf 10028	Performance	0:06:09.9	V1	Well, Streets is the biggest budget.
Perf 10029	Performance	0:06:15.6	V2	The majority of it is going to annual swept miles. That's the sweeping.
Perf 10030	Performance	0:06:24.1	V1	Yeah, we could cut that. That would be a good temporary cut. I think people would survive that.
Perf 10031	Performance	0:06:30.7	V3	I'm surprised that 41 percent isn't for street maintenance
Perf 10032	Performance	0:06:37.6	V2	Why is it pruning?



Perf 10033	Performance	0:06:41.6	V1	That's the sort of thing that you can easily get the community involved, so it would be like let's start taking care of our own streets.
Perf 10034	Performance	0:06:47.1	V2	Yeah - you have those adopt-a-highways things, like the troops those boy scout troops, the community service people.
Perf 10035	Performance	0:06:53.7	V1	I think we could easily cut back drastically. But we'd have to probably kind of (do something) to keep the streets clean.
Perf 10036	Performance	0:07:01.6	V2	I know, but at 41 percent you're still higher than... You're almost exactly the same as the untouchable. You should be cutting it by 10 percent.
Perf 10037	Performance	0:07:11.8	V1	No what I'm saying is cut it drastically.
Perf 10038	Performance	0:07:15.0	V2	You would cut it drastically?
Perf 10039	Performance	0:07:19.2	V1	yeah
Perf 10040	Performance	0:07:20.7	V3	Well you have to protect the infrastructure of the street. If you don't keep it clean and you'll lose the appearance and then you're going to be paying more for
Perf 10041	Performance	0:07:35.7	V1	I mean I'm talking, what I'm thinking about is it's like Richmond. You have cigarette butts. You know or like things that have deteriorated over a long time. In order to cut that budget we'd have to install some type of community like we were just describing like this hurricane would make us pull together as a community. We're going to have to cut something and we'd prefer that than like reduce the number of cops on the street. So it has to be like stressed in the school system.
Perf 10042	Performance	0:08:05.0	V3	I don't think we should cut the police at all because when we need something like that to maintain order
Perf 10043	Performance	0:08:17.0	V1	But we've got to cut somewhere and I think the street sweeping - that's just ridiculous. 41% of the budget.
Perf 10044	Performance	0:08:24.0	V2	So how much do you think we should cut? Are we cutting from the streets?
Perf 10045	Performance	0:08:32.9	V2	How much would you cut? Because if you think about it ... The streets are going to need a lot of pruning.
Perf 10046	Performance	0:08:48.3	V1	What do you guys think we should cut?
Perf 10047	Performance	0:08:50.3	V3	I think parks and libraries should be the least of your worries when you've just been hit by a major disaster.
Perf 10048	Performance	0:08:52.9	V2	You're going to limit clean up the debris from the roads.

Perf 10049	Performance	0:09:02.8	V2	But you're not going to want to cut the police budgets because they're the ones maintaining order during cleanup. So probably even though they're already low budgets the library and parks and recreation
Perf 10050	Performance	0:09:12.9	V3	The parks and recreation people are going to help with the cleanup. Most of theirs goes to park maintenance.
Perf 10051	Performance	0:09:26.9	V1	And that's park maintenance and street maintenance. Then there's the Bluegrass Festival.
Perf 10052	Performance	0:09:30.0	V2	But then again to get a sense of like being ok and keeping spirit up. You're cutting all kinds of things like parks and library services is going to make everybody feel like they're taking them all and I'm going to move away. Like all my services are being overrun.
Perf 10053	Performance	0:09:51.4	V2	But would you rather live in a city without Bluegrass Festivals but you have a safe community with clean streets.
Perf 10054	Performance	0:10:05.2	V1	I do a lot of grassroots organizing in different internships I've tried, and you need to have these things in order to get people involved and then instead of having to pay you get consumer volunteers. Like in a small town you have a close knit community that's been ravaged by a hurricane. You might see a surge of people that you're not going to need to pay. They're going to come out and clean the streets themselves.
Perf 10055	Performance	0:10:42.2	V1	Libraries should be cut.
Perf 10056	Performance	0:10:48.0	V2	Libraries - 21 percent goes for operating costs. So that'll be staff costs. Only 1 percent goes for technology.
Perf 10057	Performance	0:11:03.0	V3	What does the 18% go to?
Perf 10058	Performance	0:11:04.4	V2	untouchable
Perf 10059	Performance	0:11:12.1	V3	And 10 percent goes to maintenance. So 71% are going for costs.
Perf 10060	Performance	0:11:29.2	V2	So total, all final allocations. The allocations of what?
Perf 10061	Performance	0:11:39.5	V1	Do we just have to cut the total or can we cut like in specific categories? Do you have to cut like 2 percent for all police? Or can you cut 1 percent from this and 1 percent from that.
Perf 10062	Performance	0:12:00.6	V2	"Although your committee has agreed to reduce the budget by 10%, you still have responsibilities to your constituents which will impact what changes you advocate."

Perf 10063	Performance	0:12:23.2	V3	I guess you could specify what you're cutting. Is that what he wants?
Perf 10064	Performance	0:12:27.7	V2	So you guys want to keep the cops.
Perf 10065	Performance	0:12:31.1	V1	like not cut anything from the police department
Perf 10066	Performance	0:12:41.4	V1	Do you guys want to cut anything from the streets department?
Perf 10067	Performance	0:12:49.0	V3	If it wasn't a natural disaster I'd say cut it, but at the same time the streets are going to look the worst.
Perf 10068	Performance	0:12:53.1	V3	And in order to get tourism back to get people to spend more money our streets have to look nice. I mean you can't travel on the streets
Perf 10069	Performance	0:13:08.0	V1	It looks like streets outside our central business district is swept bi-weekly and the central business district is swept daily. That's pretty intense.
Perf 10070	Performance	0:13:21.1	V2	That's like the main part of the city though.
Perf 10071	Performance	0:13:32.2	V1	I think if we have to cut something.
Perf 10072	Performance	0:13:38.5	V3	Maybe every other day.
Perf 10073	Performance	0:13:39.9	V1	Like after a natural disaster you're going to have to cut something, and cutting all ten percent from libraries and parks is a little intense. Especially since libraries are running on minimal funding as is. And that's really not cutting it greatly. You just can do it all by cutting back. You have to cut those programs totally probably. So we're going to have to cut something from police and streets.
Perf 10074	Performance	0:14:13.6	V3	Ok. I'd rather cut from streets than police though.
Perf 10075	Performance	0:14:19.4	V1	Street maintenance - that's when you're talking about resurfacing, asphalt.
Perf 10076	Performance	0:14:23.8	V3	Street cleaning is where you're going to have to be. A tornado causes mostly debris. An earthquake would cause repair. So mostly it's just cleaning up the debris in the streets. So the maintenance should be cut more than cleaning.

Perf 10077	Performance	0:14:40.9	V1	I'm just saying of the money that's to be allocated. It's swept daily. They're already sweeping it daily. It's going to take like three days just to get rid of the mess just as is, and after that they can go back to. Like getting debris isn't as hard as maintenance. Resurfacing and closing down the roads is hard. Whereas just sweeping is easier. What I see in the paper is communities will clean up their streets. And this is a small town. I just don't think that all the neighbors after a disaster are just going to sit there.
Perf 10078	Performance	0:15:36.8	V3	But a lot of these people might have been homeless and they're not living in the city any more. They're probably living in hotels outside the city until their house is rebuilt and it's all cleaned up.
Perf 10079	Performance	0:15:49.2	V1	So that's why I'm saying to cut there. We have to cut from one of them so streets is one possibility
Perf 10080	Performance	0:16:10.8	V3	maybe a little bit
Perf 10081	Performance	0:16:12.3	V2	So we're supposed to do the total?
Perf 10082	Performance	0:16:19.1	V3	From this whole mess. We're supposed to cut 10% from total costs. That is total, correct?
Perf 10083	Performance	0:16:25.5	V1	So the proposed is what? How much to you guys want to cut from it? That's what it's going to come down to.
Perf 10084	Performance	0:16:36.4	V2	Like we have to drop it by about 2 million. Sorry. We have to drop it by \$1,233,000.00.
Perf 10085	Performance	0:16:56.3	V1	so somewhere we have to find a way to get rid of that much money
Perf 10086	Performance	0:16:57.7	V2	How much was being spent on streets?
Perf 10087	Performance	0:17:02.5	V1	Street was four million more or less.
Perf 10088	Performance	0:17:15.8	V3	If you cut it.
Perf 10089	Performance	0:17:28.6	V2	If you cut parks and recreation people aren't going to want to come back either.
Perf 10090	Performance	0:17:32.4	V1	If you cut all the kinds of fun things that the city or town had.
Perf 10091	Performance	0:17:35.7	V2	But without the streets how would you get to the festival and other things?
Perf 10092	Performance	0:17:40.6	V1	You need all of this. Especially every day street sweeping which apparently nobody ever looks at.
Perf 10093	Performance	0:17:52.5	V2	But the faster you clean the city the faster you can implement community programs like festivals.

Perf 10095	Performance	0:18:30.8	V3	What are we going do?
Perf 10096	Performance	0:18:36.2	V3	If we cut street sweeping by 10% how much would we get rid of?
Perf 10097	Performance	0:18:51.8	V2	all of our total cuts have to equal up to about one millions dollars
Perf 10098	Performance	0:18:59.4	V1	So we don't have to...
Perf 10099	Performance	0:19:00.2	V3	No we don't. We just have to add it up.
Perf 10100	Performance	0:19:03.2	V1	let's cut \$50,000 from the program
Perf 10101	Performance	0:19:09.3	V3	My guess is it would be the alley cleaning.
Perf 10102	Performance	0:19:13.9	V1	That's only 7 percent. If you're like that you're probably at your most..... Cities and towns aren't worried about their alleys. Like they're doing the most basic kind of things possible so if you cut that there's probably going to be no cleaning back there. You're sweeping and your maintenance, it's going to be like.
Perf 10103	Performance	0:19:38.9	V2	I think because 41% of it is sweeping I think you can afford the cuts on something that we're spending over a million dollars on.
Perf 10104	Performance	0:19:50.4	V1	Yeah - and because it's daily. And this is only kind of temporary. Just figure it that way. You're just going to have to suck it up.
Perf 10105	Performance	0:20:02.3	V3	Believe it or not we could cut it all. We're at \$1, 826,000.
Perf 10106	Performance	0:20:08.	V2	For sweeping. Not even maintenance. Let's keep it so they can drive on the roads. We're talking about like cleaning cigarette butts, which is definitely like it sucks.
Perf 10107	Performance	0:20:18.8	V2	It'd be more than just cigarette butts. It would be debris.
Perf 10108	Performance	0:20:23.0	V1	But a lot of that is going to involve maintenance. With maintenance you're dealing with things like trees falling in the road. Sweeping is sweeping. It's those huge trucks that go by. Maintenance is when you're talking about when a huge tree falls in the road. You're going to get street maintenance, not street sweepers
Perf 10109	Performance	0:20:39.8	V3	Well then, how much money do you want to cut from that? A half million?
Perf 10110	Performance	0:20:46.3	V1	No, I don't think that much. Because that's almost all there is. I think we could cut \$826,000. Or like \$400,000, but that's still a lot.
Perf 10111	Performance	0:20:59.4	V3	That's almost a half million.

Perf 10112	Performance	0:21:02.8	V1	No it's not - it's \$1,800,000. We can do 350,000. We can just estimate that for now. I really don't think that after a hurricane streets should be cut.
Perf 10113	Performance	0:21:31.4	V2	\$250,000 - all right.
Perf 10114	Performance	0:21:34.3	V1	That's street sweeping. That involves the right of way maintained which means they make sure that cars can get through. So when you're talking about trees falling over - that's their job. I don't think we should cut that. Especially after a natural disaster. But we do want the streets cleaned and alleys - I don't think we should cut. That's \$350,000. That's a fourth of our target?
Perf 10115	Performance	0:22:18.2	V1	The total recreation programs cost 35% of the budget - that doesn't make sense.
Perf 10116	Performance	0:22:21.3	V2	What is the total with the cut? Like the first pitch?
Perf 10117	Performance	0:22:25.7	V1	The total is going to be 1 million...
Perf 10118	Performance	0:22:42.9	V2	next we've got parks and recreation
Perf 10119	Performance	0:22:52.6	V3	Ok - so how much do we want to cut?
Perf 10120	Performance	0:22:58.4	V1	Wow - 85% is spent on mowing and plant care.
Perf 10121	Performance	0:23:07.3	V2	That leaves us 83,000 left to cut. That's a lot of money
Perf 10122	Performance	0:23:12.5	V3	We'll just do it and then if we have to cut some more later we can do it.
Perf 10123	Performance	0:23:24.7	V2	So mowing we have mowed acres.
Perf 10124	Performance	0:23:28.3	V1	This is the most. Welcome stations - look at that - welcome stations cost \$401,000. I think the welcome stations might have to be cut back. Because we can still keep the mowing, the security which is really important, building maintenance.
Perf 10125	Performance	0:23:50.7	V3	Like they're welcome.
Perf 10126	Performance	0:23:52.4	V2	Why would you need to spend that much on welcome stations? Because the building maintenance that takes care of upkeep of the welcome stations, and if you have security then at least you know they're safe there.
Perf 10127	Performance	0:24:03.4	V2	When you think about it when you go to welcome stations, restrooms are free. Maps are free. Visitor information is free; so it's not like you're gaining any money, you're just advertising for your state. But if our state doesn't look up to par.

Perf 10128	Performance	0:24:24.9	V3	Let's take \$100,000 from the welcoming stations.
Perf 10129	Performance	0:24:29.0	V1	10% goes to summer recreation programs. I think that's really important for people who have just been through a disaster. Like they're for kids - summer recreation programs.
Perf 10130	Performance	0:24:40.6	V3	They provide recreation while the families are rebuilding.
Perf 10131	Performance	0:24:47.2	V1	I mean we could cut it but it's only like 5% and it's really good for the community. It's uplifting.
Perf 10132	Performance	0:24:54.2	V3	So what takes up 85%?
Perf 10133	Performance	0:24:55.0	V1	That's the maintenance and plant care. The total park maintenance. So let's leave that for now and go on to libraries. We can come back again. We should cut somewhere.
Perf 10134	Performance	0:25:15.8	V2	It's going to be plant care. Maybe cut a little bit from plants for now. Security, welcome stations and building maintenance is all under plant care.
Perf 10135	Performance	0:25:28.8	V1	so we cut \$100,000
Perf 10136	Performance	0:25:33.7	V3	Which still leaves us \$826,000 total on plant care.
Perf 10137	Performance	0:25:42.7	V1	All these combined?
Perf 10138	Performance	0:25:42.8	V2	yeah
Perf 10139	Performance	0:25:44.2	V1	Let's cut one. Let's do \$200.
Perf 10140	Performance	0:25:50.0	V2	\$200,000 from the welcome stations and plant care?
Perf 10141	Performance	0:25:53.8	V3	Library. Days open annually. Operations cost per day.
Perf 10142	Performance	0:26:02.5	V2	unrealistic - only 1% is technology,
Perf 10143	Performance	0:26:08.2	V1	My parents haven't been. Like they don't have computers. It's not like university libraries.
Perf 10144	Performance	0:26:15.2	V2	I know but still it's sad.
Perf 10145	Performance	0:26:19.0	V3	How much do librarians make?
Perf 10146	Performance	0:26:22.9	V1	Not much. And their jobs are kind of going out of business anyhow because of technology.
Perf 10147	Performance	0:26:34.2	V1	facilities and stuff all add up to
Perf 10148	Performance	0:26:36.6	V2	One million dollars.
Perf 10149	Performance	0:26:39.6	V1	So we can't really cut from here.
Perf 10150	Performance	0:26:42.5	V2	Well it's only 1%. You can't really cut much from that - like maybe a half a percent.

Perf 10151	Performance	0:26:44.2	V1	Like maybe \$100,000 from libraries?
Perf 10152	Performance	0:26:51.8	V3	From total library department or is there a way to break it down?
Perf 10153	Performance	0:26:53.1	V1	From operations cost per day, facilities, stock costs. We're going to need to cut a lot more from streets and from the police department. So let's cut \$100,000 from... We're going to have to close down for a while to raise it. Cut \$100,000 from operations costs?
Perf 10154	Performance	0:27:11.1	V2	
Perf 10155	Performance	0:27:22.5	V1	Let's go back to the cops. What do we have so far?
Perf 10156	Performance	0:27:24.8	V2	\$583,000.
Perf 10157	Performance	0:27:33.8	V1	Shall we cut from?
Perf 10158	Performance	0:27:45.5	V3	What about prevention?
Perf 10159	Performance	0:27:47.8	V1	let's look at facilities that's 14%
Perf 10160	Performance	0:27:57.3	V3	so there's no way we can cut from emergency dispatches
Perf 10161	Performance	0:28:00.6	V3	no we can't do that
Perf 10162	Performance	0:28:01.9	V1	This is the kind of thing we're going to have to cut. We're just going to have to. This is the point at which like city councils have to make, like they have to cut from comparative social services that people need.
Perf 10163	Performance	0:28:13.1	V3	Neighborhood Watch. That's \$92,000.00.
Perf 10164	Performance	0:28:26.4	V1	If you guys want to cut from crime prevention that's fine. But the only reason we have so much crime is because we don't do enough prevention.
Perf 10165	Performance	0:28:34.6	V3	The only other thing I can think of is investigation.
Perf 10166	Performance	0:28:36.1	V1	That's 8%.
Perf 10167	Performance	0:28:43.9	V3	8% adds up all the time. If you keep adding these 8% and 1%
Perf 10168	Performance	0:28:50.5	V1	So cut like \$50,000 from that but we're still going to have to cut from that and we're going to have to cut from the police station sites.
Perf 10169	Performance	0:29:01.1	V3	Police Dispatches is \$1,166,000.
Perf 10170	Performance	0:29:05.0	V2	Do you want to make it an even 1 million?
Perf 10171	Performance	0:29:11.4	V3	Yes - take \$166,000 from emergency communications.



Perf 10172	Performance	0:29:19.1	V2	So what are we getting from them?
Perf 10173	Performance	0:29:21.7	V3	\$166,000 from emergency communications. We're going to have to cut more from streets.
Perf 10174	Performance	0:29:29.9	V1	We can cut Other Presentations. That's \$338,000.
Perf 10175	Performance	0:29:35.1	V3	What is that for?
Perf 10176	Performance	0:29:35.5	V2	That's like cops going to schools. It's where you hear how to behave if you're in a certain situation. But then again it's so important for kids to hear, like 'in this situation you're going to hear-if something happens to your parents. That teaches you to utilize the other programs.
Perf 10177	Performance	0:29:54.7	V2	The only thing I can think of it to cut from investigation.
Perf 10178	Performance	0:29:59.2	V1	I'd rather try to cut more from streets. Safety is so essential. People would rather come back knowing their streets were a wreck but at least they're safe.
Perf 10179	Performance	0:30:12.7	V2	Yes - look what happened with Katrina.
Perf 10180	Performance	0:30:14.9	V1	Street maintenance deals with the right-of-way. So street maintenance is going to deal with the fact that you car can get to your house. So if you're going to have a dirty street. Like if they know they're safe and can get to and from where they need to go, they're going to want to move back more than likely.
Perf 10181	Performance	0:30:39.9	V2	So we have a \$166,000 cut from emergency communications. We're left with \$417,539.00 that we need to cut.
Perf 10182	Performance	0:30:49.8	V1	I think we should cut drastically more off of streets.
Perf 10183	Performance	0:30:57.3	V3	Yeah - but it's such a big chunk of money.
Perf 10184	Performance	0:31:01.5	V1	It's the most of any of them. I think we should bring it down a mil. Just take out the rest of it maybe?
Perf 10185	Performance	0:31:12.8	V3	What?
Perf 10186	Performance	0:31:14.4	V1	We only have another 417,000 right? So cut just 417 from this budget. What do you guys think?
Perf 10187	Performance	0:31:24.1	V3	If we cut \$417,000 basically we're leaving it at 1 million for street sweeping.
Perf 10188	Performance	0:31:31.5	V1	Is there somewhere else we should be cutting instead?
Perf 10189	Performance	0:31:33.9	V3	I'd personally if I had to but I'd rather not. I can personally do something about my street but I can't personally prevent crime by myself.

Perf 10190	Performance	0:32:08.7	V4	{general discussion balancing the figures - math talk
Perf 10191	Performance	0:33:38.4	V1	Originally we cut \$350,000 right? And we decided that the rest of our deficit we were going to take straight from street sweeping. So we took the 350 we already took out and added the 417 so we have that total amount we're taking out.
Perf 10192	Performance	0:34:16.4	V1	So allocations - so we have said how much we're not proposing. Ok for police take
Perf 10193	Performance	0:34:17.4	V4.	[they work though the math and entering the figures on the budget tally sheet]
Prog 20000	Program	00:00:00.0	V4	Program- only program uses word rating
Prog 20001	Program	0:00:02.2	V4	Oh no! Turn it on! Even the reading of it is important
Prog 20002	Program	0:00:16.5	V1	It looks like each.
Prog 20003	Program	0:00:25.5	V2	So we're just taking out unnecessary spending I guess?
Prog 20004	Program	0:00:31.2	V1	Yes pretty much. If you look at every
Prog 20005	Program	0:00:35.7	V2	So it's broken down into ...
Prog 20006	Program	0:00:43.5	V1	Yeah - it's broken down into percent of budget 28, 29, 5....
Prog 20007	Program	0:00:45.5	V3	We just have to figure out where to take money from an account
Prog 20008	Program	0:01:12.7	V1	Are we looking at proposed?
Prog 20009	Program	0:01:23.3	V3	I guess what we could do is look at like differentiating, like prior years. Like what they used to have and what they're proposing and if it's ridiculous.
Prog 20010	Program	0:01:38.6	V1	Why is this going up by like \$60,000?
Prog 20011	Program	0:01:40.8	V2	Because that's what they're proposing. They want to spend 60,000 more dollars. Or like this one. This is like \$2,000. So maybe we take money from there and make it like more of those past and current years.
Prog 20012	Program	0:02:10.8	V3	That is just the police page too.
Prog 20013	Program	0:02:24.6	V1	This is such a small down. Population of 30,000 it's not so bad. It's small.
Prog 20014	Program	0:02:49.0	V3	They're proposing an increase in police of roughly 2 million. Streets are going to kind of stay the same.
Prog 20015	Program	0:03:02.0	V1	On the police page does it say anything about a rise in crime?
Prog 20016	Program	0:03:15.9	V3	No it just kind of lays out their budget. Just what the police are trying to do.

Prog 20017	Program	0:03:33.2	V1	It's not really listed here but it would be nice to know if there's a rise in crime. That way we could see whether or not an increase in their budget is needed.
Prog 20018	Program	0:03:45.3	V3	Their budget is broken down into priorities. And there's also investigating crime, crime prevention areas as well. So eliminating crime prevention activities will reduce the departmental budget by 10% but it will result in an estimated drop of 25% in approval rating because of the high visibility crime prevention activities have in the community.
Prog 20019	Program	0:04:37.8	V1	It says it will drop by 10%
Prog 20020	Program	0:04:40.1	V3	Yeah, if we were to just eliminate the crime prevention. It would drop it by 10%.
Prog 20021	Program	0:04:59.6	V1	I think we're looking to drop each department by 10%?
Prog 20022	Program	0:05:04.9	V2	Yeah I think so. Although maybe not. No, it might be like the total.
Prog 20023	Program	0:05:28.0	V3	That's the number we need to take out - \$1 million 250
Prog 20024	Program	0:05:33.2	V2	Out of the total?
Prog 20025	Program	0:05:37.0	V3	Yeah
Prog 20026	Program	0:05:43.4	V1	Why not cut \$250,000 from each section?
Prog 20027	Program	0:06:11.0	V2	What do the other pages look like? What in there is an increase?
Prog 20028	Program	0:06:40.1	V3	Historically streets have been well maintained. It says that.
Prog 20029	Program	0:06:45.4	V1	It says they're really a necessity for increasing their budget
Prog 20030	Program	0:06:49.7	V3	Other than there's a 3.5 mile area in the central business district that gets more frequent attention.
Prog 20031	Program	0:07:04.6	V1	But still it's going to need attention
Prog 20032	Program	0:07:08.6	V1	There's not much of an increase here though. Like a hundred grand. Are we supposed to be listing why we got these things?
Prog 20033	Program	0:07:31.4	V2	No I think it's just we're talking and then the allocations.
Prog 20034	Program	0:08:02.2	V2	I say we cut budget from the street maintenance, and focus on things that need street maintenance.
Prog 20035	Program	0:08:09.1	V1	What was the prior year statement?
Prog 20036	Program	0:08:11.7	V3	Prior year in total was four million. It going up by almost 400.

Prog 20037	Program	0:08:21.3	V2	So I would cut some of this. Because if it's already good or the standard then more money can be put into other things.
Prog 20038	Program	0:08:35.2	V1	Right. If the standard is already well maintained then there's no need to increase it.
Prog 20039	Program	0:08:39.0	V3	So do we need to stick with the current year or go back to the prior year?
Prog 20040	Program	0:08:45.5	V1	I want to average the two. Go with \$4,150,000.
Prog 20041	Program	0:08:58.7	V2	Do you want me to write this down?
Prog 20042	Program	0:08:58.7	V1	Yeah.
Prog 20043	Program	0:09:15.9	V2	Ok what do you want to do?
Prog 20044	Program	0:09:19.4	V1	We'll make streets.... Cut it to \$4,150,000.
Prog 20045	Program	0:09:37.8	V1	Should we be writing how much that gives us now? We need to reach a goal of \$1,233,000?
Prog 20046	Program	0:09:49.5	V3	That puts us at \$281,429.
Prog 20047	Program	0:10:20.9	V1	Saved?
Prog 20048	Program	0:10:23.1	V3	Yeah.
Prog 20049	Program	0:10:40.2	V3	The parks have an annual Bluegrass Festival that brings visitors from England and California and places all over. As well it's used by citizens every day.
Prog 20050	Program	0:11:04.0	V1	I mean it's hard to cut money from something like this.
Prog 20051	Program	0:11:26.2	V3	It says if we cut recreation programs vandalism, customer satisfaction on the annual survey and eliminates contributions to council's strategic goals incurred. So it's almost like you don't want to touch it.
Prog 20052	Program	0:12:01.5	V2	Are you talking around the streets?
Prog 20053	Program	0:13:07.5	V1	It says we close the libraries on Mondays it will reduce the number of days the libraries are open and cut out approximately 13% of the budget for libraries, and it's kind of expected that citizens will complain. Mondays are like the lightest.
Prog 20054	Program	0:13:30.2	V3	I guess you have to ask yourself if a library being open on Monday is even a necessity even if some citizens complain. Anything we cut, somebody's going to complain about it.
Prog 20055	Program	0:13:46.2	V3	Yeah - it says Monday are the lightest days that they have people turning out. I think we could close down on Mondays.

Prog 20056	Program	0:13:59.6	V2	Close down earlier or not open at all?
Prog 20057	Program	0:14:03.4	V3	I think not open at all.
Prog 20058	Program	0:14:14.8	V1	Well again it's proposed like a \$360,000 jump from the prior year.
Prog 20059	Program	0:14:23.0	V2	Yeah - if you look up here at the operating costs. They went from 81. So I definitely think we can cut something
Prog 20060	Program	0:14:40.7	V1	So what do you want to drop this by?
Prog 20061	Program	0:15:31.2	V3	I still don't understand why there's such a big jump here from the current year to the post. It's \$600,000. With a rating that's not going to change.
Prog 20062	Program	0:15:45.3	V2	And the population is going to grow not that much.
Prog 20063	Program	0:15:48.9	V3	The number of interactions "goes up by 100,000". If we're trying to cut the budgets here and the rating isn't going to change at all then we might as well just keep it as at the current year.
Prog 20064	Program	0:16:08.6	V2	Or we might give them a little more if it's going to grow. Like 89
Prog 20065	Program	0:16:16.4	V3	Let's take it to \$900,000
Prog 20066	Program	0:16:29.6	V1	That's about 141,000.
Prog 20067	Program	0:16:57.2	V3	So if we cut operating costs to \$900,000. That saves us \$141,000
Prog 20068	Program	0:17:31.5	V1	It's 900 plus 425
Prog 20069	Program	0:17:38.3	V3	We've changed the proposed to \$1,325,718.
Prog 20070	Program	0:17:46.7	V2	\$328,500? That's a difference of how much?
Prog 20071	Program	0:17:58.5	V3	Not a hell of a lot
Prog 20072	Program	0:18:01.7	V1	Every little bit counts
Prog 20073	Program	0:18:23.8	V3	That gives us 141,041.
Prog 20074	Program	0:18:39.3	V1	Now we're going back full circle to police and streets
Prog 20075	Program	0:18:45.2	V3	I think we're going to find the most money to cut from the police because there's so much already there.
Prog 20076	Program	0:19:13.6	V1	There's not too much of a jump between priority one and two from the current year to the proposed year.
Prog 20077	Program	0:19:26.7	V3	There's a lot of money proposed for priority three

Prog 20078	Program	0:19:31.0	V2	Which is domestic disturbance. We really don't want to cut that.
Prog 20079	Program	0:19:38.0	V1	The problem is there's really not much to do if we cut from that. Current year and proposed year hasn't changed at all. So maybe we should look somewhere else.
Prog 20080	Program	0:20:10.1	V3	Current year - untouched. Proposed year untouched jumps by almost two million. The overall total jumps by 2.2 million dollars. So we definitely need to cut something.
Prog 20081	Program	0:20:39.2	V2	These two are the same so it'll have to be one of these two that we cut.
Prog 20082	Program	0:20:50.4	V3	I guess like you said every little bit counts.
Prog 20083	Program	0:20:58.8	V1	Well this objective is only about getting approval rating. Not necessarily having any real benefit. I think we should cut something here. And besides in this current year and the proposed the rating drops.
Prog 20084	Program	0:21:31.4	V3	Yes and it's and \$8,000 increase
Prog 20085	Program	0:21:34.9	V2	So that's the prior year?
Prog 20086	Program	0:21:38.3	V1	Maybe a little more
Prog 20087	Program	0:21:38.5	V2	So to like give them \$18?
Prog 20088	Program	0:21:54.8	V1	We go to prior year we get 63,000 roughly. The prior rating was 96% which I think is pretty satisfactory. And we're taking from like DARE, so it will wash.
Prog 20089	Program	0:22:32.3	V3	I mean if we really wanted to we could drop it down to \$450,000
Prog 20090	Program	0:22:36.3	V1	I think we should. We should milk the police department for what we can.
Prog 20091	Program	0:22:57.2	V3	The investigations as well. The proposed has a percentage drop in the crimes that are going to be cleared. There's only a slight increase in the crimes investigated.
Prog 20092	Program	0:23:15.6	V1	Why don't we drop these two? We'll cut this one - take it down to like \$450,000.
Prog 20093	Program	0:23:32.8	V3	Since we're doing so much I guess we should keep a list of what exactly we're taking out.
Prog 20094	Program	0:23:40.1	V1	Why don't we write here beside this what we want to take it to?
Prog 20095	Program	0:23:56.7	V3	This was \$420,000 and the jumped it up \$21,000.
Prog 20096	Program	0:24:02.2	V1	For only a 1% increase. Now if we're saying that 96% is satisfactory.
Prog 20097	Program	0:24:09.0	V2	We could take it down even more. How about \$400,000 flat?

Prog 20098	Program	0:24:23.9	V3	Do we want to touch any of this up here?
Prog 20099	Program	0:24:28.3	V1	We probably should. It jumps by \$60,000. Apprehensions have only gone up by 300. But I don't know if that's
Prog 20100	Program	0:24:51.7	V3	Not even really because that's pretty much 1,300. That's barely over 1,500. That about 200 in apprehensions. Priority 3's have risen. Priority 2's have gone up slightly. Priority 1's have gone up slightly as well. The number of dispatches has gone up as well.
Prog 20101	Program	0:25:49.5	V3	It says the police department is pursuing a federal grant to put computers in all patrol cars. The grant is matching 50% of whatever the proposed budget is for this. It's only available this so despite the need to reduce expenditures, funding for this grant is recommended. So we can cut this down and it will match 50% of what we put up.
Prog 20102	Program	0:26:47.1	V1	So should we cut it at all?
Prog 20103	Program	0:26:52.3	V3	Let's cut it slightly just to give ourselves more money. We can average between the two. That would be \$133,000. We're at \$1,133,000 which gives us \$33,000.
Prog 20104	Program	0:27:12.8	V2	I say we do it.
Prog 20105	Program	0:27:53.8	V1	That gives us 1,983,000
Prog 20106	Program	0:28:19.1	V3	We're proposing \$651,460
Prog 20107	Program	0:29:14.2	V1	What's our goal?
Prog 20108	Program	0:29:19.6	V2	\$1,233,539. What's our total so far?
Prog 20109	Program	0:29:44.1	V3	We have so far \$1,073,935.
Prog 20110	Program	0:29:56.0	V1	We've already met our goal.
Prog 20111	Program	0:30:03.8	V2	So we don't have that much to go.
Prog 20112	Program	0:30:06.3	V1	On our parks here. Ratings 95%, 98%, 95% look at goal.
Prog 20113	Program	0:30:20.9	V1	It's a good \$63,000. We could just go back to the prior year. And it doesn't say anything about attendance or anything changing.
Prog 20114	Program	0:30:51.7	V3	We could cut it even further than that.
Prog 20115	Program	0:31:41.6	V1	We could cut it significantly and meet our goal just from that alone.
Prog 20116	Program	0:31:51.5	V3	We roughly \$160,000.

Prog 20117	Program	0:32:04.2	V1	We could cut this down to \$100. That would give us \$146,933. That's a pretty big drop but still it's parks, and if the fiscal year the police department needs their funding for these computers which would probably give a lot more benefit than nice looking parks. It needs to be done.
Prog 20118	Program	0:32:40.4	V3	I think we can cut it to \$800.
Prog 20119	Program	0:33:14.6	V1	That gives us a good chunk of change.
Prog 20120	Program	0:34:04.6	V3	We add in - that's 85% that's 10% that's 35% that's doesn't add up.
Prog 20121	Program	0:34:17.5	V1	What?
Prog 20122	Program	0:34:20.1	V3	That's 85% of the budget, that's 10% and that's 35%? It doesn't add.
Prog 20123	Program	0:34:31.2	V3	So we cut that down to 800 and we still add in the proposed amount.
Prog 20124	Program	0:34:38.5	V1	So these numbers are off.
Prog 20125	Program	0:35:08.4	V3	I guess we can just drop that figure by \$146,000 and just propose that. Just put that down as what we're allocating.
Prog 20126	Program	0:35:44.3	V3	So we'd be proposing for parks \$967,246.
Prog 20127	Program	0:35:58.9	V1	That saves us - what's the difference?
Prog 20128	Program	0:36:04.8	V3	It would be \$146,933.
Prog 20129	Program	0:36:15.1	V1	We're still short. We're now \$1,159,000.
Prog 20130	Program	0:36:30.7	V3	We need 700 grand.
Prog 20131	Program	0:36:38.1	V2	I say we cut more from the libraries.
Prog 20132	Program	0:36:50.1	V1	How much did we cut originally?
Prog 20133	Program	0:36:54.2	V2	You allocated \$1,325,000. So you saved \$140.
Prog 20134	Program	0:37:06.6	V1	What if we cut it back to \$800?
Prog 20135	Program	0:37:13.0	V2	Let's do it.
Prog 20136	Program	0:37:31.8	V3	I have these two numbers. I have \$1,220,868.
Prog 20137	Program	0:37:56.1	V1	We're pretty close. We need \$13,600.
Prog 20138	Program	0:38:05.0	V2	Let's take it out of books.
Prog 20139	Program	0:38:44.0	V1	\$13,600 will put us right over.



Prog 20140	Program	0:38:46.1	V3	So we can just take it out of the libraries.
Prog 20141	Program	0:38:51.8	V1	Just subtract \$13,000 from this number.
Prog 20142	Program	0:39:23.4	V3	That brings us to \$1,312,118.
Prog 20143	Program	0:39:47.1	V1	That's not really that big a drop for that.
Prog 20144	Program	0:39:48.2	V3	Yeah that's not bad.
Prog 20145	Program	0:39:57.3	V1	So our final allocations for police department.
Prog 20146	Program	0:40:00.5	V2	How much we saved?
Prog 20147	Program	0:40:05.8	V1	No, the total allocations.
Prog 20148	Program	0:40:35.6	V1	What do we have for streets?
Prog 20149	Program	0:40:36.3	V2	\$ 4,150,000 and parks was \$960,240. And the Libraries is \$1,312,000.
Prog 20150	Program	0:41:17.5	V1	Ok
Prog 20151	Program	0:41:19.0	V3	That concludes this board meeting.
Prog 20152	Program	0:41:21.8	V2	Good work gentlemen.
Perf 70002	Performance	0:00:15.8	V1	So we have to reduce the budget by \$1,233,539.39. That is like \$320,000 per department.
Perf 70003	Performance	0:00:26.3	V2	Per department. Ok.
Perf 70004	Performance	0:00:26.7	V1	But the police department has way more money in it right now than the other departments. Streets also, so those two probably get reduced by a lot.
Perf 70005	Performance	0:00:36.3	V3	By reducing things, reduce each part of it?
Perf 70006	Performance	0:00:40.4	V1	Just overall.
Perf 70007	Performance	0:00:42.5	V2	So we're reducing in each department as long as it adds up to like \$1 million.
Perf 70008	Performance	0:00:47.2	V1	Right. We could just cut libraries and we'd have it. But obviously we don't want to do that. So I say we look at each department and see what we can cut. Look over and see if you see anything that's not necessary first.
Perf 70009	Performance	0:01:09.6	V1	Street Sweeping is taking up a lot of money.
Perf 70010	Performance	0:01:13.5	V2	What are you looking at exactly: the prior or proposed?
Perf 70011	Performance	0:01:17.1	V1	it's proposed to spend \$1,800,226.00. That much on street sweeping.

Perf 70012	Performance	0:01:28.6	V3	Crime Prevention - DARE Program - \$3,450. Neighborhood Watch: \$12,180.
Perf 70013	Performance	0:01:34.4	V1	Neighborhood Watch is worthless.
Perf 70014	Performance	0:01:36.8	V3	Emergency communications and dispatches is \$50,500.
Perf 70015	Performance	0:01:42.8	V1	I think that's probably good. I mean emergency communications is important.
Perf 70016	Performance	0:01:48.9	V1	Neighborhood Watch could take care of itself. That's \$12,000 right there.
Perf 70017	Performance	0:01:55.6	V3	How much do we have to reduce everything?
Perf 70018	Performance	0:01:57.7	V1	\$1,233,000. This is just \$12,000?
Perf 70019	Performance	0:02:04.0	V3	yes
Perf 70020	Performance	0:02:03.7	V1	Ok let's cut it. Get a pen and mark it out.
Perf 70021	Performance	0:02:09.3	V2	One thing about the libraries department is the total operating costs. Over \$1 million dollars.
Perf 70022	Performance	0:02:23.9	V1	That's probably everything though.
Perf 70023	Performance	0:02:33.8	V1	I'm trying to figure what all these numbers on the left mean. Oh, workload - I see. This is complicated. It's going to take me a minute to wrap my head around...
Perf 70024	Performance	0:02:48.0	V3	What are you looking at - libraries?
Perf 70025	Performance	0:02:50.7	V2	what's mainly involved is cutting jobs
Perf 70026	Performance	0:02:55.5	V1	Look, I don't want to cut street maintenance, because street maintenance is really important, especially in Richmond with all the dirty streets. I don't want to cut street maintenance, but couldn't we reduce street sweeping by a lot? How much do we need our streets swept?
Perf 70027	Performance	0:03:16.4	V2	How about if we do each department one at time? So we're all on the same page.
Perf 70028	Performance	0:03:23.8	V2	ok - so you removed NeighborhoodWatch completely
Perf 70029	Performance	0:03:30.9	V1	Crime prevention, that's good.
Perf 70030	Performance	0:03:35.9	V2	We could probably reduce that.
Perf 70031	Performance	0:03:38.7	V1	Crime prevention?
Perf 70032	Performance	0:03:40.1	V2	DARE programs.
Perf 70033	Performance	0:03:39.6	V1	It is not much money though.
Perf 70034	Performance	0:03:41.7	V2	yeah - it's only \$3.000

Perf 70035	Performance	0:03:43.2	V3	The biggest one is emergency communication dispatches.
Perf 70036	Performance	0:03:47.5	V1	Wait a minute - what's this over here? Why is this \$95,000? That's what's weird. Neighborhood Watch, we cut it out and it's like \$12,000, but then over here it says \$92,000.
Perf 70037	Performance	0:04:16.2	V2	So maybe we don't cut all of it. Maybe we cut some of it, like half.
Perf 70038	Performance	0:04:20.1	V1	I think it is \$92,000, and if we cut other presentations too, that's another \$338,000.
Perf 70039	Performance	0:04:29.3	V1	Oh, that's workload. I see. I have no idea what that means, but that's like some number that means something or other.
Perf 70040	Performance	0:04:38.4	V2	So we're looking at the total cost.
Perf 70041	Performance	0:04:45.5	V3	So the total cost for the Neighborhood Watch is \$92,000.
Perf 70042	Performance	0:04:47.5	V1	Why don't we reduce that by half? I don't even understand what Neighborhood Watch dollars go to.
Perf 70043	Performance	0:04:55.7	V2	To keep neighborhoods safe, I guess.
Perf 70044	Performance	0:04:57.3	V3	Don't they use volunteers?
Perf 70045	Performance	0:05:00.9	V1	People are going to volunteer anyway.
Perf 70046	Performance	0:05:05.1	V2	maybe it's for the signs that are around the neighborhood
Perf 70047	Performance	0:05:10.5	V1	Yeah but that's \$92,000 dollars. Let's just cut it by half.
Perf 70048	Performance	0:05:10.7	V3	What's that? \$41,000?
Perf 70049	Performance	0:05:15.1	V1	Well let's just reduce it by an easy number.
Perf 70050	Performance	0:05:16.8	V2	\$40,000.00.
Perf 70051	Performance	0:05:25.3	V3	so we're going to we're going to keep \$40,000.00
Perf 70052	Performance	0:05:26.6	V1	No, we're going to cut \$40,000 and leave it at \$52,000 and those numbers.
Perf 70053	Performance	0:05:43.3	V1	Let's try to cut the police budget by 10% at least and right now we've only cut it by 1%.
Perf 70054	Performance	0:05:58.8	V3	Look how big this number is.
Perf 70055	Performance	0:06:01.3	V3	Good god. That's huge.
Perf 70056	Performance	0:06:03.5	V1	we need to cut this by \$500,000.00 from the police
Perf 70057	Performance	0:06:07.3	V2	Yeah - they're 5 million .that's a lot.
Perf 70058	Performance	0:06:11.5	V1	It's like 50% of the budget right there.

Perf 70059	Performance	0:06:17.1	V3	Couldn't we reduce this huge number? For the emergency communication dispatches?
Perf 70060	Performance	0:06:25.6	V2	Well, actually, look at those DARE programs.
Perf 70061	Performance	0:06:28.3	V1	Emergency communications is like calling the car and the cops come to your house. I'm not sure if we can cut that. I think that what it is. Does it say up here?
Perf 70062	Performance	0:06:35.5	V2	Is that like staffing?
Perf 70063	Performance	0:06:38.4	V1	Read this stuff up here.
Perf 70064	Performance	0:06:47.1	V2	<reads description>
Perf 70065	Performance	0:07:08.1	V1	We can cut like a little bit. Like \$100,000 from emergency communications.
Perf 70066	Performance	0:07:16.2	V3	Well if that's what you think is most important then look at the DARE program.
Perf 70067	Performance	0:07:21.9	V1	We're going to need to cut something off this. Obviously what we're mainly going to need to cut is investigations because it's \$400,000. I'm really having a hard time reading this. Look at this: this says \$100,000.00, this says \$441,000.00. But this says 8% of the total budget. Why does it say \$441,000.00? Is that a misprint? Oh never mind - it's 5 million dollars. That's right. The biggest one is other operations. What the hell is other operations?
Perf 70068	Performance	0:08:11.3	V2	That says "untouchable" so we can't touch that. So what ever it is, it has to stay. Its cars and DARE. We have to cut from these three.
Perf 70069	Performance	0:08:25.2	V1	How much is DARE?
Perf 70070	Performance	0:08:27.2	V2	DARE is \$95,000.00.
Perf 70071	Performance	0:08:30.2	V1	Well let's cut it by \$50,000.
Perf 70072	Performance	0:08:37.4	V1	Let's cut Neighborhood Watch by another \$10,000. If we're going to cut that by 50, let's cut Neighborhood Watch by 50.
Perf 70073	Performance	0:08:44.2	V3	\$50,000.00?
Perf 70074	Performance	0:08:45.3	V1	Yes - cut that by \$50,000 and put that at \$42,000.00.
Perf 70075	Performance	0:09:08.8	V2	and then from the crimes investigation
Perf 70076	Performance	0:09:09.8	V3	How much is that in total that we're cutting?
Perf 70077	Performance	0:09:14.6	V2	That's \$100,000. You want to cut \$500,000 from police?

Perf 70078	Performance	0:09:21.3	V2	You think we should cut out the \$100,000 from the investigation like crime investigation or do you think elsewhere?
Perf 70079	Performance	0:09:31.2	V1	Let's just cut \$160,000.00. Let's allocate \$100,000 for that. Which one are you talking about?
Perf 70080	Performance	0:09:36.7	V3	Investigating crimes. From which one? This one? \$441?
Perf 70081	Performance	0:09:40.5	V1	I was thinking that from this one we should just put it at 1 million, and cut \$166,000 from it. Hopefully they'll be able to make it work.
Perf 70082	Performance	0:09:59.7	V3	Ok and this is the crime investigation and that's a lot. I'm thinking we could cut \$100,000.
Perf 70083	Performance	0:10:11.7	V1	What we're talking about how this is going to affect anything. That's a guess. Should we cut another \$100,000?
Perf 70084	Performance	0:10:21.2	V1	So, so far we've cut \$366,000. Can we cut like another \$150,000?
Perf 70085	Performance	0:10:27.4	V3	Well did you add the 50,000? So 200,000.
Perf 70086	Performance	0:10:35.7	V2	I would think we would cut it from the one with the most, because the other ones don't.
Perf 70087	Performance	0:10:37.3	V1	We can't cut it from the one with the most. It turns out most of this is untouchable.
Perf 70088	Performance	0:10:43.5	V1	Here we go: other presentations. See this? I have no idea what that is. No idea at all. Is that DARE?
Perf 70089	Performance	0:10:56.4	V3	No - DARE we already cut from.
Perf 70090	Performance	0:11:00.7	V1	Oh- total crime prevention. That's untouchable see this total crime prevention thing?
Perf 70091	Performance	0:11:06.3	V2	no wait - no it's not that's the total there
Perf 70092	Performance	0:11:10.6	V3	Oh I see. Check this out. Other presentations is \$336,000. Let's cut \$100,000.
Perf 70093	Performance	0:11:17.8	V2	Yeah - from this?
Perf 70094	Performance	0:11:22.3	V1	We're almost there. And then let's cut. What's this big number right here?
Perf 70095	Performance	0:11:26.9	V3	Do we add that to \$236? What do you want to cut - \$50,000 from them?
Perf 70096	Performance	0:11:36.3	V1	Yeah we need to cut like \$50,000. What is this though? "Total crime prevention". Let's just cut \$50,000 from that.
Perf 70097	Performance	0:11:49.1	V3	What number is that? \$527?
Perf 70098	Performance	0:11:52.7	V1	The problem with this is that the final allocations don't really cover what we're actually cutting. Oh no - it seems like it. What's our committee number?

Perf 70099	Performance	0:12:13.8	V2	All right, moving on to the next one, which is parks and recreation. We are cutting how much again? \$1,300,000 or something like that?
Perf 70100	Performance	0:12:24.9	V1	Yeah - we just cut \$516,000.
Perf 70101	Performance	0:12:42.7	V3	How much do we need to cut in total?
Perf 70102	Performance	0:12:45.1	V1	\$1,333,000
Perf 70103	Performance	0:12:50.2	V1	As much as we can I'd like to not cut libraries.
Perf 70104	Performance	0:12:57.5	V3	And you're saying we can do a lot from streets?
Perf 70105	Performance	0:12:59.0	V1	A lot from streets. Do you want to work on streets real quick?
Perf 70106	Performance	0:13:03.9	V1	My plan is for street sweeping, they sweep the central business district daily. I say if we cut it down to like bi-daily - like they didn't sweep it every day, I can't tell you how much that would save but it seems like a lot.
Perf 70107	Performance	0:13:32.7	V2	So how much is it in all, for the streets?
Perf 70108	Performance	0:13:34.1	V1	Right now street sweeping is \$1,826,000. That's a lot.
Perf 70109	Performance	0:13:39.5	V2	That is a lot.
Perf 70110	Performance	0:13:43.9	V1	And it seems we could cut that by \$500,000. If we swept it bi-daily. That's one of the problems with this format I can't tell.
Perf 70111	Performance	0:13:52.6	V3	You want to cut that by \$500,000?
Perf 70112	Performance	0:13:52.6	V1	yeah
Perf 70113	Performance	0:13:55.0	V3	How much is it right now?
Perf 70114	Performance	0:13:55.8	V1	It's \$1,826,000.
Perf 70115	Performance	0:13:56.5	V3	That's ridiculous.
Perf 70116	Performance	0:13:57.0	V2	that's a lot of money
Perf 70117	Performance	0:13:57.3	V1	Right now it's as much as crime prevention. It's more.
Perf 70118	Performance	0:14:01.5	V3	They just sweep it daily?
Perf 70119	Performance	0:14:03.7	V1	Yeah - they sweep it daily in the central business district, and it seems like if we just went to bi-daily.
Perf 70120	Performance	0:14:09.2	V2	How about twice a week or something?

Perf 70121	Performance	0:14:10.9	V1	Three times a week it would be cutting it. Cutting that portion in half. It doesn't say how much that portion actually accounts for but let's just guess it's \$500,000.
Perf 70122	Performance	0:14:20.4	V3	You want to cut \$500,000?
Perf 70123	Performance	0:14:37.3	V1	Yeah - I say we just cut it by that. That's all we really need to do for streets. Then we only need to cut like \$17,000 from libraries and parks.
Perf 70124	Performance	0:14:52.4	V2	Ok - we agree.
Perf 70125	Performance	0:14:52.1	V1	Right now we have cut \$1,016,000. So we only need to make up the difference which is \$1,233,539.59.
Perf 70126	Performance	0:15:20.1	V3	and we have \$1,016,000
Perf 70127	Performance	0:15:26.5	V2	And now we're doing parks and we don't think that we want to touch libraries.
Perf 70128	Performance	0:15:32.7	V1	As much as possible.
Perf 70129	Performance	0:15:45.2	V2	We have mowing. Maybe we could cut a little bit from there.
Perf 70130	Performance	0:15:50.0	V3	Welcome stations? That's a lot!
Perf 70131	Performance	0:15:55.0	V1	We need to cut \$217,530.00.
Perf 70132	Performance	0:16:03.4	V2	Welcome stations - that's \$401,195. That's ridiculous. We can cut that by half.
Perf 70133	Performance	0:16:09.8	V1	cut out \$200,000
Perf 70134	Performance	0:16:10.9	V2	\$200,000? Ok.
Perf 70135	Performance	0:16:13.3	V2	Because you don't want to touch the summer programs.
Perf 70136	Performance	0:16:17.6	V2	Yeah - the children are important.
Perf 70137	Performance	0:16:23.9	V1	Well let's just move on. We got \$200,000 out of parks. Let's try to cut \$17,539.41 from libraries.
Perf 70138	Performance	0:16:35.9	V2	Facilities. Staff costs are the most. Collections maintenance it's like \$151,000. I don't know what that is.
Perf 70139	Performance	0:16:48.0	V1	Keeping track of that's keeping track of the books. Collections are like books.
Perf 70140	Performance	0:16:54.1	V2	Do you want to look at parks again because all this stuff is small? \$10,000? I don't think it's worth the effort.
Perf 70141	Performance	0:16:57.9	V1	Well let's look at parks again. Or we can look at streets. Alley cleaning - \$300,000. Why don't we just cut \$20,000 from that?

Perf 70142	Performance	0:17:15.4	V3	Sounds fabulous.
Perf 70143	Performance	0:17:52.2	V1	We've cut \$1,236,000. We need to mark our final allocations.
Prog 40001	Program	00:00.0	V4	Unit 4: program - voices: deep female=v1; higher female=v2; male=v3-only program uses the word rating
Prog 40002	Program	00:00.8	V3	Recording
Prog 40003	Program	00:05.1	V3	All right what are we doing
Prog 40004	Program	00:05.3	V2	We have a library, parks department, streets police, and the demographics
Prog 40005	Program	00:27.4	V1	Does it actually say how much money we have to cut?
Prog 40006	Program	00:29.2	V3	Ten percent
Prog 40007	Program	00:29.3	V1	Which is
Prog 40008	Program	00:40.2	V3	We have to decide where to cut that ten percent from - like street police parks or libraries.
Prog 40009	Program	00:50.3	V2	Well we know we need streets and we know we need police.
Prog 40010	Program	00:54.6	V2	As for parks.
Prog 40011	Program	00:58.1	V3	Well let's take some from each one.
Prog 40012	Program	01:03.0	V1	You know we can take some money from each of them except for police probably.
Prog 40013	Program	01:07.2	V2	Yes - you still need police help.
Prog 40014	Program	01:09.8	V1	I say we take some money from parks and libraries.
Prog 40015	Program	01:12.7	V3	We can take like 2.5% from each one - each department as appropriate
Prog 40016	Program	01:16.7	V2	Yes - we divide it up.
Prog 40017	Program	01:21.7	V3	So it goes over the budget of each one
Prog 40018	Program	01:24.8	V2	Each department as appropriate.
Prog 40019	Program	01:27.6	V3	So are we just going to go through each one of these budgets and decide how much we can cut from them?
Prog 40020	Program	01:31.4	V1	Yes. I mean what we can do is take 2.5% from each one of them but at the same time it's kind of like saying that parks is a necessity and that's bizarre, so maybe we should do 5% library and 5% parks. Or maybe 6% from libraries and parks and 2% from the remainder.



Prog 40021	Program	02:00.2	V2	That makes it fairer - everyone gets a cut
Prog 40022	Program	02:02.2	V3	We should cut a higher percent from parks. They have the smallest budget. They have a 1 million dollar budget, compared to 5 million for police.
Prog 40023	Program	02:14.2	V1	That would be a significant chunk of money. Does it say what they were allocated? What they actually spend their money on? Because what we could do is say stipulations and say this money is for this specific purpose.
Prog 40024	Program	02:39.5	V2	The police don't really have what they need their money for. It just says what they've been doing.
Prog 40025	Program	02:47.5	V3	It has patrol costs, investigation costs and prevention costs.
Prog 40026	Program	02:55.1	V1	Let's just decide this: are we going to cut money for all four or just libraries and parks? Xxx, what do you think? Should we cut money from all four?
Prog 40027	Program	03:06.2	V2	Yes but in different degrees.
Prog 40028	Program	03:11.9	V3	So we all agree we're going to cut money from each department.
Prog 40029	Program	03:14.7	V2	Yes just different percentages. And probably the least amount of money will go to <unintelligible> the police.
Prog 40030	Program	03:27.2	V1	And we can do it 3 and 3 and 2 and 2.
Prog 40031	Program	03:36.0	V3	We can't really go by percentage. We have to go by costs because each department has a different size budget.
Prog 40032	Program	03:48.3	V1	Exactly how long does he expect us to talk about this?
Prog 40033	Program	03:50.2	V3	Until the end of class.
Prog 40034	Program	03:56.5	V1	Let's start with police. We've got patrol costs which are 20% of the budget. They've got investigation costs.
Prog 40035	Program	04:10.4	V2	I guess we can say what department we want to cut it out of. You actually don't want to take anything from here.
Prog 40036	Program	04:23.0	V3	And then they have other operations which are untouchable and are 55% of the budget.
Prog 40037	Program	04:27.9	V1	Well especially since their approval ratings are up.
Prog 40038	Program	04:36.7	V2	You don't want to hit them hard, especially if the job they are doing is 98% adequate. Obviously they're doing something right.
Prog 40039	Program	0:04:51.72	V1	I guess we could look at approval ratings and base it on that, and say the major part of the justification is approval rating

Prog 40040	Program	05:12.0	V1	Ok - what's alley cleaning? Like, the whole point of an alley is that you don't want to go back there.
Prog 40041	Program	05:19.8	V2	Well the hurricane already screwed a lot of things up, so do we want to clean those too?
Prog 40042	Program	05:29.5	V2	Well see these approvals are overall ratings I guess.
Prog 40043	Program	05:36.5	V1	That does say complaints have risen. That's tough.
Prog 40044	Program	05:57.3	V2	That's pretty hard. So do you want to keep the programs at cost or do you want to build the programs that are lacking. Like do you want to increase the approval rating? <sup>4</sup>
Prog 40045	Program	06:06.8	V3	So they all have the same approval rating?
Prog 40046	Program	06:12.3	V1	Libraries and parks have a similar budget. This is \$14.6 and this is \$11.1.
Prog 40047	Program	06:32.4	V1	Where's the fourth one?
Prog 40048	Program	06:36.7	V2	That means when the hurricane rolled through the streets got pretty messed up. So you're not going to be able to cut much from there. They're already in bad shape. People need to get around.
Prog 40049	Program	06:53.3	V1	I think neither one should get funds cut from them. Do you guys agree?
Prog 40050	Program	07:02.7	V2	We need police to maintain order and we need streets because people need to get places to get food and there's probably some streets are cut off. So libraries and parks are going to get hit the most. Are people going to go to the library when they're trying to rebuild the town?
Prog 40051	Program	07:19.0	V1	Yes, that's true.
Prog 40052	Program	07:23.0	V3	So we want to cut the most from parks.
Prog 40053	Program	07:26.3	V2	Yes.
Prog 40054	Program	07:57.7	V2	So what percentage do we want to take from parks? We have to percent total.
Prog 40055	Program	08:08.8	V1	Are we going to make police and streets primary?
Prog 40056	Program	08:18.8	V2	I kind of pictured streets at the same level as police. We're going to have the police patrol the streets. So we have a two-fold thing here. The police must patrol the streets.
Prog 40057	Program	08:35.5	V1	Unless they want to patrol on foot.

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<sup>4</sup> Committee 4 is making use of Program Budget format and debating issues as predicted by the developers

Prog 40058	Program	08:46.7	V1	Ok one-one, two-two, three-three. Two and two. Or do we want to go as high as four and four. Or one - like one percent from
Prog 40059	Program	09:02.6	V2	You're saying 4% from the total?
Prog 40060	Program	09:03.3	V1	Yeah
Prog 40061	Program	09:06.0	V2	I was about to say that's a big percentage.
Prog 40062	Program	09:08.9	V1	That's not even any one percent. It's like you're saying you want to be fair but you're really just not. I guess the fairest way would be three-three, two-two.
Prog 40063	Program	09:23.5	V2	Yeah. I agree with that.
Prog 40064	Program	09:26.3	V1	So 6% is from the ones that are less and then 4%
Prog 40065	Program	09:36.0	V2	Yeah - I agree with that.
Prog 40066	Program	09:36.5	V1	What do you think?
Prog 40067	Program	09:46.1	V3	I'm trying to figure out...
Prog 40068	Program	09:46.9	V1	Are we supposed to argue about it?
Prog 40069	Program	09:51.9	V2	No - you shouldn't have police cut.
Prog 40070	Program	09:55.7	V1	I mean maybe before we come to the conclusion, maybe when we're finished we should go through the dialogue in an educated way. We can say like since the tornado we've decided that parks and libraries aren't as going to be needed as much as police and streets. And then I can say "well I think maybe 4% should be taken, and then you can say "oh that's not fair". Each of us can say something. That way he can get something besides our final decisions. It's how we got there.
Prog 40071	Program	10:41.2	V1	We need to cut parks that's a lot
Prog 40072	Program	10:43.2	V3	Look at the attendance of the parks. They have 2,000 people attend the parks in the summer and 300,000 people in the city. They have these programs and a little fewer than 2,000 people attend. And their maintenance is 85% of the budget so we should cut a lot from that. We could cut it down to a little below the previous year. Cut out like \$200,000. What would that be?

Prog 40073	Program	11:33.4	V1	Yeah you can make point with what you're saying. Take 4% from the parks and specifically from maintenance because only 2000 people out of 300,000 citizens.
Prog 40074	Program	11:48.9	V3	It's excessive and there's not going to be enough money period to look after the parks after this hurricane. So if we cut \$200,000 out that would be 17%. But we'd still have to cut a little over a million from the rest. Do we want to cut that? \$200,000 is just an arbitrary number. It could be more or less
Prog 40075	Program	12:21.8	V1	How much is allocated to maintenance? Where does the \$200,000 come from?
Prog 40076	Program	12:29.5	V3	Just from parks. Allocated to maintenance is \$926,533. So maybe like \$400,000?
Prog 40077	Program	12:42.6	V2	If you're cutting maintenance the parks are pretty torn up from tornados.
Prog 40078	Program	12:51.0	V3	There's not going to be enough money to fix that anyway.
Prog 40079	Program	12:55.6	V2	And plus I think people would rather focus maintenance on their immediate problems. They need more maintenance on streets and to repair their homes. They need police out there.
Prog 40080	Program	13:05.1	V1	We could just say "anything allocated to maintenance in parks is going to be allocated to streets".
Prog 40081	Program	13:20.7	V3	That's a lot. You mean the whole thing? I mean there's some big Bluegrass Festival that they need this to pay for.
Prog 40082	Program	13:36.0	V2	You want to cut that by half?
Prog 40083	Program	13:37.8	V3	More or less than \$200,000.
Prog 40084	Program	13:45.0	V2	What's the total?
Prog 40085	Program	13:51.2	V3	\$1,114,178
Prog 40086	Program	13:53.3	V1	They're getting that much money?
Prog 40087	Program	13:57.2	V3	They have a little budget
Prog 40088	Program	14:01.3	V2	That will make it 2,200? What is that?
Prog 40089	Program	14:05.2	V3	17%
Prog 40090	Program	14:11.7	V2	Ok I agree with it.
Prog 40091	Program	14:19.2	V2	There's one here - is this the finals sheet?
Prog 40092	Program	14:20.2	V3	Yeah so write it down. Just make notes on the bottom

Prog 40093	Program	14:30.5	V2	So we want to cut how much? \$200,000.00. Which is 17.95%?
Prog 40094	Program	14:55.7	V1	Yes
Prog 40095	Program	14:57.6	V2	And our next cut was going to be at libraries
Prog 40096	Program	15:09.4	V1	And the total amount of money that we have to cut from the overall budget. Did you say it was one million?
Prog 40097	Program	15:13.2	V3	\$1,233,429.
Prog 40098	Program	15:19.2	V1	So even after we cut the \$200,000 from parks we still have like a million.
Prog 40099	Program	15:20.4	V2	A lot to deal with
Prog 40100	Program	15:25.2	V3	So we could cut more from parks.
Prog 40101	Program	15:27.5	V1	Well let's do libraries and then we can figure out where we are.
Prog 40102	Program	15:30.6	V2	And make provisions.
Prog 40103	Program	15:47.0	V2	We got operating costs are \$857,000 and it's showing that more people were using it this year than last year. Their projection is that more people are going to be using it this coming year. And we can't touch this.
Prog 40104	Program	16:18.9	V3	60% of the residents have library cards. That's great.
Prog 40105	Program	16:33.4	V1	That seems odd if you think about it. That the projection doesn't included fact that there was a hurricane.
Prog 40106	Program	16:41.3	V2	Right the projection is just for a normal state. So there's going to be a drastic change.
Prog 40107	Program	16:47.7	V1	There will be a certain cost in repairing their schools and hospitals and like that. We don't know how devastating the tornado was. Especially if it hit the downtown areas where there's banks and hospitals, there's more resources too.
Prog 40108	Program	17:02.4	V2	So how much do we want to cut out of \$867,000? Well actually it's proposed as...
Prog 40109	Program	17:19.4	V1	It's going to have to be like \$400,000.
Prog 40110	Program	17:23.0	V2	What was the alternative?
Prog 40111	Program	17:23.2	V3	Closing the libraries on Mondays will cut the budget by 13%. It's the lightest day that the library gets people.
Prog 40112	Program	17:35.0	V1	We could do that and let's take some money from you just out securing the libraries.
Prog 40113	Program	17:42.1	V2	Yeah I agree with the alternative.

Prog 40114	Program	17:49.6	V1	Is it an alternative or is it another solution plus whatever else we could do? We can't just close it out and save 13%.
Prog 40115	Program	17:57.9	V3	We could do more.
Prog 40116	Program	18:00.0	V1	So let's just do that and then we also have to cut other things.
Prog 40117	Program	18:09.1	V2	Ok so how much would that be?
Prog 40118	Program	18:11.1	V3	13%. \$190,678.
Prog 40119	Program	18:55.5	V2	And that was 13%?
Prog 40120	Program	19:03.6	V2	Ok so we're around \$300,000 right now.
Prog 40121	Program	19:06.1	V1	I think we need to take another \$200,000 out of libraries
Prog 40122	Program	19:18.2	V3	She is saying what? \$400,000?
Prog 40123	Program	19:23.9	V2	Yes - almost \$400,000.
Prog 40124	Program	19:25.6	V3	I think we should take more from parks.
Prog 40125	Program	19:28.8	V2	Yeah - because a lot of people it seems use the library.
Prog 40126	Program	19:40.5	V3	We're taking \$200,000 now. I say we double it to \$400,000.
Prog 40127	Program	19:46.8	V1	So that's what - 36%?
Prog 40128	Program	19:57.5	V3	So we're a little more than halfway through our cuts.
Prog 40129	Program	20:03.2	V2	And then do we want to cut streets or police?
Prog 40130	Program	20:06.9	V3	Want to read at streets?
Prog 40131	Program	20:24.0	V1	<reads scenario>
Prog 40132	Program	21:02.8	V1	There's a lot of money in street sweeping. 48% of the budget is due to street sweeping and alley cleaning. And there are still a lot of complaints.
Prog 40133	Program	21:12.7	V2	They're going to need a major cleanup because you're going to have debris in the road, so it's not like you're going to be able to cut that. You've got to clear everything off the road before you can actually repair it. What are the little things we could cut?
Prog 40134	Program	21:33.5	V3	What's the alternative?

Prog 40135	Program	21:36.2	V1	The alternative is reducing miles of streets re-sealed from 27 to 7 which would reduce department budget by approximately only 10%. However the result would be an estimated increase of 35% in the number of critical streets in the following years. So by doing that we're just raising the problem in the following years. We can put it off but we'd get our 10% cut.
Prog 40136	Program	21:55.2	V3	
Prog 40137	Program	22:02.4	V2	What is it used for?
Prog 40138	Program	22:05.3	V3	Repairing streets. Repaving them and stuff.
Prog 40139	Program	22:10.5	V1	50% of the budget is completely untouchable.
Prog 40140	Program	22:13.6	V3	So if we didn't do that we'd just do it the next year,
Prog 40141	Program	22:19.4	V2	I think our main concern with streets is we need to clean this year's first before we can repair them.
Prog 40142	Program	22:24.4	V3	What's 10% of the budget though?
Prog 40143	Program	22:33.1	V1	It doesn't say what the actual number is.
Prog 40144	Program	22:36.0	V3	Well what's their budget?
Prog 40145	Program	22:38.5	V1	For the proposed is \$4,433,000.
Prog 40146	Program	22:55.4	V3	That's \$433,000.
Prog 40147	Program	23:02.1	V1	So that's a big chunk of our numbers right there. That's like half of it.
Prog 40148	Program	23:06.4	V2	We almost reached the one million
Prog 40149	Program	23:14.1	V3	I say go for it.
Prog 40150	Program	23:16.4	V2	And then we can pretty much leave police alone.
Prog 40151	Program	23:17.7	V3	Well, let's add up the numbers.
Prog 40152	Program	23:22.2	V1	Ok - how much was it?
Prog 40153	Program	23:37.7	V4	<calculating>
Prog 40154	Program	23:54.2	V3	We're at \$1,033,000.00.
Prog 40155	Program	24:02.9	V1	So we technically have about 180,000 more to go.
Prog 40156	Program	24:09.6	V3	Let's cut it from the police.
Prog 40157	Program	24:15.2	V1	So how much was it?

Prog 40158	Program	24:17.3	V3	So far with those three cuts we have \$1,033,000.
Prog 40159	Program	24:26.9	V2	And we have to have \$1,233,000
Prog 40160	Program	24:29.7	V1	That means we don't have to cut that much from the police. Ok, so let's look at what we can cut from the police.
Prog 40161	Program	24:41.9	V1	We could even make the assumption that because of the tornado and the tragedy people are in less need of police. Keeping order is important but its like people are so focused on getting their lives back together that you're not going to have as many street crimes and stuff like that, but at the same time I do feel there is a need there.
Prog 40162	Program	25:09.7	V3	It could be there's national guard there.
Prog 40163	Program	25:13.9	V2	But according to the demographics it has become more diverse and people are moving into the area. And people get a little crazy when disasters happen, so it could actually cause more looting. Because you have your electrical systems are down; telephone lines are down. You don't know what's going on. So you need to step up police.
Prog 40164	Program	25:33.8	V1	Yes - sometimes the crazies do come out. I'd been thinking that people are so concentrated on other problems.
Prog 40165	Program	25:43.5	V2	Like a normal person would be thinking 'oh my god my home' but then you have crazy people. Especially according to the demographics it's becoming more diverse. So I want to cut as least as possible from the police budget.
Prog 40166	Program	26:01.8	V1	Do we feel that we've cut enough from other budgets? Can we just take that number and subtract and say that's the budget? Or do we feel that extra \$200,000 will be needed by the police. Because if it is we're going to have to go back and add a couple - like \$50,000 to each of the others.
Prog 40167	Program	26:21.5	V2	I feel we've legally cut enough from parks and it seems like people do use libraries.
Prog 40168	Program	26:29.6	V1	We have to think of it in terms of necessity though.
Prog 40169	Program	26:32.2	V2	Right - it's not really necessary.
Prog 40170	Program	26:34.2	V1	Yes parks are nice and libraries are nice but are they really necessary?
Prog 40171	Program	26:42.7	V2	Yes - are they necessary for life to go on?



Prog 40172	Program	26:52.2	V1	Although libraries do provide shelter for the homeless unfortunately. Which a lot of people could end up being after this time.
Prog 40173	Program	27:01.5	V2	I mean yes - would you use libraries for shelter?
Prog 40174	Program	27:03.3	V1	It could be and evacuation plan but I think that this is more along the lines of the tornado's already happened and we have to recover from it, so we don't have to deal with it like that.
Prog 40175	Program	27:20.8	V2	What's the total? <calculating>
Prog 40176	Program	28:07.7	V3	So it's down there to \$99,000, and we have left over we cut.
Prog 40177	Program	28:27.2	V2	\$399,000 to cut.
Prog 40178	Program	28:38.6	V3	That's 3% of our budget.
Prog 40179	Program	28:40.0	V2	I'm ok with that
Prog 40180	Program	28:40.4	V1	That's fine
Prog 40181	Program	28:51.3	V1	Do we have to figure out the actual percentage - what percentage of that individual budget was taken and then what percentage of the overall budget was taken?
Prog 40182	Program	29:00.1	V3	We just have to get the final allocation - how much we gave each department.
Prog 40183	Program	29:15.1	V3	So for parks it's \$400,000 from the proposed.
Prog 40184	Program	29:21.3	V2	And give me a number for that.
Prog 40185	Program	29:35.2	V3	What's our proposed budget for parks now?
Prog 40186	Program	30:12.2	V2	And no libraries proposed.
Prog 40187	Program	31:20.1	V1	I'm still confused about what he wants us to record. Does he just want what we wrote down?
Prog 40188	Program	31:28.4	V2	Well we've been recording the whole time.
Prog 40189	Program	31:34.0	V3	He just wants the transcript.
Prog 40190	Program	32:29.6	V2	Ok so what we've got here is libraries are still getting a million, parks are getting around \$700,000, streets are getting 3 million and police are getting five million.
Prog 40191	Program	32:40.2	V3	So we cut a lot from parks?
Prog 40192	Program	32:42.2	V2	Yes. Parks got cut mainly, and libraries did. Police and streets still have a lot of money.

Prog 40193	Program	26:52.2	V1	Although libraries do provide shelter for the homeless unfortunately. Which a lot of people could end up being after this time.
Prog 40194	Program	33:38.5	V3	Equals \$11, 101,849. That sounds about right.
Prog 80003	Program	0:00:11.3	V1	The total number of the proposed. We're here to find out what 10% of that is.
Prog 80004	Program	0:00:23.1	V3	So that's the budget we want to get out?
Prog 80005	Program	0:00:24.2	V1	We need to get to a certain dollar amount.
Prog 80006	Program	0:00:27.3	V3	We have to get rid of that much.
Prog 80007	Program	0:00:30.6	V2	So that is the total number - never mind.
Prog 80008	Program	0:00:34.3	V3	So we need to find out where we can save that much money.
Prog 80009	Program	0:00:38.0	V1	We have to save basically \$1,233,000 out of this \$12,335,000.00. So the problem is where we're going to get that from. Who is that? You said the libraries?
Prog 80010	Program	0:00:57.3	V3	Yeah - I'd say the libraries and the parks. We need the police unless there's something that isn't really necessary.
Prog 80011	Program	0:01:05.3	V2	What's the reason for this \$2 million increased budget?
Prog 80012	Program	0:01:08.7	V2	Which one?
Prog 80013	Program	0:01:10.9	V1	This one straight up. Prior year, current year and then this - proposed. It goes up by \$2 million.
Prog 80014	Program	0:01:18.2	V2	Ok so there's about \$2 million in the police budget.
Prog 80015	Program	0:01:21.9	V1	This appears to keep the constituents happy, so they probably promised an increased police force. So we shouldn't take too much away from it.
Prog 80016	Program	0:01:30.3	V3	Well it also depends on how safe your city it, right?
Prog 80017	Program	0:01:35.61	V1	Yeah
Prog 80018	Program	0:01:35.9	V2	Also the big thing is that everything increased a little bit, but the most was the police, so maybe it's like you were saying it's like a policy made or for some reason.
Prog 80019	Program	0:01:49.7	V2	Yes and next is libraries. Like \$200,000 about?
Prog 80020	Program	0:02:42.2	V4	They're computing something
Prog 80021	Program	0:03:06.3	V1	That's how much it increased by. About a million.

Prog 80022	Program	0:03:12.6	V2	From what? Police?
Prog 80023	Program	0:03:12.6	V1	Police -yeah. Let's do the streets.
Prog 80024	Program	0:04:12.2	V2	Did anything decrease?
Prog 80025	Program	0:04:14.0	V1	No.
Prog 80026	Program	0:04:32.2	V2	Are you working on the parks?
Prog 80027	Program	0:04:42.1	V3	That's all? It only went up by \$24,000?
Prog 80028	Program	0:04:44.1	V1	Yeah
Prog 80029	Program	0:04:47.1	V2	That would be a lot for parks.
Prog 80030	Program	0:04:50.4	V3	I know - who put that much money into parks?
Prog 80031	Program	0:04:53.4	V1	They put money into parks
Prog 80032	Program	0:04:55.7	V3	Why?
Prog 80033	Program	0:04:57.8	V2	To help plant trees.
Prog 80034	Program	0:05:02.0	V3	Well where I'm from its all trees. We only have one park and nobody goes.
Prog 80035	Program	0:05:08.3	V2	This in Louisa?
Prog 80036	Program	0:05:09.3	V3	Yes. You ever been there?
Prog 80037	Program	0:05:48.4	V1	\$194,000.00
Prog 80038	Program	0:05:50.3	V2	That right?
Prog 80039	Program	0:05:52.2	V3	Yes
Prog 80040	Program	0:05:55.8	V1	So I think we've got this hurricane thing that came through and what you were saying is that most of the city's economy is has to do with real estate.
Prog 80041	Program	0:06:09.5	V2	Yeah - and industrial, residential and business.
Prog 80042	Program	0:06:18.2	V1	So I think that in terms of budget maybe streets would be my number one priority. I don't know if that would make sense to everybody else.
Prog 80043	Program	0:06:26.9	V2	Yes - streets is always this on-going thing.
Prog 80044	Program	0:06:31.8	V3	Yes and it's a daily problem too.
Prog 80045	Program	0:06:42.5	V3	Don't we have to look at these to see where we even take it out of each thing?

Prog 80046	Program	0:06:47.7	V2	Yeah.
Prog 80047	Program	0:06:55.5	V1	Good god. Oh it's the police department.
Prog 80048	Program	0:07:02.9	V3	Oh here we go. We'll start with streets. For most of the money went to street sweeping. I'm not kidding you. It says 1.8 million. Jesus. That's ridiculous to me.
Prog 80049	Program	0:07:20.2	V2	Valid complaints.
Prog 80050	Program	0:07:27.2	V3	I don't see street sweeping as all that important.
Prog 80051	Program	0:07:38.9	V1	I guess it's important when weighed with the damage done by the tornado.
Prog 80052	Program	0:07:51.1	V3	I can't understand. Does street sweeping mean more than I think it means?
Prog 80053	Program	0:07:55.4	V2	40% of gross budget or percent total of budget.
Prog 80054	Program	0:08:12.0	V3	How does he expect us to be heard with all this background noise?
Prog 80055	Program	0:08:16.6	V1	What does this say?
Prog 80056	Program	0:08:20.3	V3	"Reseal all streets ranked critical on annual street condition survey." I think that's important.
Prog 80057	Program	0:08:25.5	V1	Here's a total.
Prog 80058	Program	0:08:27.0	V2	Something like \$4 million. So what did it say?
Prog 80059	Program	0:08:37.2	V3	Oh - they've got an old school.
Prog 80060	Program	0:08:39.3	V1	Yeah that's right. Here's the total and that's what makes it hook.
Prog 80061	Program	0:08:48.5	V3	You could take a lot away from street sweeping. What would make it go up almost \$200,000?
Prog 80062	Program	0:09:03.5	V2	So maybe reduce it to what it was before, or do you think that
Prog 80063	Program	0:09:10.6	V3	But these are different.
Prog 80064	Program	0:09:12.4	V2	Bear with us I wouldn't make that big a difference.
Prog 80065	Program	0:09:27.5	V3	But we also have to think after the hurricane the streets are going to be pretty bad off. So that's after factoring out complaints
Prog 80066	Program	0:09:39.3	V2	Police too. That's it. Looting and all that stuff. Stealing and like that.
Prog 80067	Program	0:09:49.8	V1	So keep street cleaning at what it's at?
Prog 80068	Program	0:09:51.1	V3	Yeah - I didn't even think about that.

Prog 80069	Program	0:09:55.9	V2	I think that the best way to go about it is to figure out which departments need to be reduced and the go to those departments and try to take off 10%. So let's look at the four and pick out two of them. That way we're not going through each individual budget.
Prog 80070	Program	0:10:21.6	V2	So police I think it's always needed, and so we could reduce it by 600.
Prog 80071	Program	0:10:31.1	V1	So we could reduce it by like a little, right?
Prog 80072	Program	0:10:35.1	V3	Yes - that jumped really high.
Prog 80073	Program	0:10:39.5	V1	Parks didn't increase by that much.
Prog 80074	Program	0:10:42.3	V2	Let me see what the total
Prog 80075	Program	0:10:43.9	V3	I think the libraries are ridiculous. There's no sense in that.
Prog 80076	Program	0:10:49.6	V1	There's sense in it. But it's just that after a hurricane it's probably the most feasible thing to take away
Prog 80077	Program	0:10:57.9	V2	So the libraries too? Yeah I think those two departments. So 10% - that's what we have to reduce it by \$1,200,000.
Prog 80078	Program	0:11:21.7	V1	That's the total budget that we have to reduce?
Prog 80079	Program	0:11:25.9	V2	We could do that totally by taking out all the police. Something like that. But police is important so I think maybe we should take just a little bit. And then. These two don't even add up to police. So definitely for the police we are going to have to be taking stuff away.
Prog 80080	Program	0:12:02.0	V1	But then again are we doing to need police for the problems relating to the storm? So not too much.
Prog 80081	Program	0:12:07.2	V2	Maybe what do you guys think? Should we start with half of what police got?
Prog 80082	Program	0:12:16.5	V1	Is that 1 million?
Prog 80083	Program	0:12:17.9	V2	Yeah it's 1 million
Prog 80084	Program	0:12:19.5	V1	No the libraries
Prog 80085	Program	0:12:21.1	V2	Libraries? That's one hundred.
Prog 80086	Program	0:12:27.8	V3	That's the thing: police are really important. Because it's the main thing taking up the most money.

Prog 80087	Program	0:12:42.9	V2	Because even if we were to take it down by half that would be 800,000 left for the police. If we were to take out half from the police that would be 800,000 and plus another 400,000? I don't know where in hell we're going to get that from. Even if these all added up, they don't add up to \$400,000.
Prog 80088	Program	0:13:16.0	V2	It's probably going to be more than 50% of what police has. Probably like at least 60 or 65% or whatever this is.
Prog 80089	Program	0:13:36.5	V3	Does it explain why the police went up so high?
Prog 80090	Program	0:13:40.7	V2	Let's look again and maybe we can figure out why.
Prog 80091	Program	0:13:50.3	V3	If there's a good reason it jumped up. Oh. The money to increase apprehensions by 10% by installing computers in all patrol vehicles. I don't feel like that is important. The police department has pursued a federal grant to add computers to all patrol cars, including base stations and servers. The new equipment will drastically improve police ability to check driver identification, criminal activities.
Prog 80092	Program	0:14:42.5	V2	You think when you're trying to rebuild a place that's been dusted by hurricane or whatever, that's probably not important.
Prog 80093	Program	0:14:50.1	V3	Yes - they can do it old school
Prog 80094	Program	0:14:51.3	V2	Exactly. Definitely I think police are very important because after you have like looters.
Prog 80095	Program	0:14:58.5	V3	Yes but not for this reason - to check drivers licenses
Prog 80096	Program	0:15:03.5	V2	What was it - 10%?
Prog 80097	Program	0:15:09.2	V3	It's like 1 million. They can apply again.
Prog 80098	Program	0:15:28.2	V1	This is all after the hurricane, right?
Prog 80099	Program	0:15:31.6	V3	I don't know.
Prog 80100	Program	0:15:35.6	V2	Yeah I think so because the other one was talking about ... It seems like all this stuff was after the hurricane.
Prog 80101	Program	0:15:47.2	V1	This package sucks.
Prog 80102	Program	0:16:05.0	V3	The most money is going to this which we don't even find as important.
Prog 80103	Program	0:16:24.8	V2	I calculated 60% of this and it came out to about \$980,000.00.
Prog 80104	Program	0:16:32.2	V3	That we would have to take away?

Prog 80105	Program	0:16:32.5	V2	Yes and so that would leave them with whatever 40% of that is. \$600,000.
Prog 80106	Program	0:16:45.7	V1	So we'd still need about \$300,000.
Prog 80107	Program	0:16:52.2	V3	And none of the other places even have that.
Prog 80108	Program	0:16:56.5	V2	If we took away 60% we'd leave them with \$650,000 of an increase.
Prog 80109	Program	0:17:07.9	V3	Right but we'd still need \$300,000 which these barely make up. So we're going to have to take away more. I want the police to have the money.
Prog 80110	Program	0:17:57.6	V2	The other groups here seem a little smarter. They're discussing things more than we are.
Prog 80111	Program	0:18:06.5	V3	We all agree, so we don't need to. We should be on town council.
Prog 80112	Program	0:18:12.3	V1	70%? We're up to 1,150,000.00, so that is like 70%. That's almost our whole budget. If we take away 70% from the police that's almost the whole budget right there.
Prog 80113	Program	0:18:32.1	V3	How about 65%. I feel like taking away 70% is a lot. I wish we had a real calculator.
Prog 80114	Program	0:18:56.2	V3	I just feel that the parks and stuff are just insignificant compared to the city.
Prog 80115	Program	0:19:03.4	V1	Where are you going to take your family on Sunday without parks?
Prog 80116	Program	0:19:08.1	V3	The back yard? We have a pool and a basketball court.
Prog 80117	Program	0:19:12.3	V2	But you live in Louisa. So you know where the tornado hit?
Prog 80118	Program	0:19:19.7	V3	I'm just saying that the streets are more of a focus than the parks or the libraries unless they were severely torn down or something
Prog 80119	Program	0:19:31.0	V1	With 65% we've got \$1,600,000.00
Prog 80120	Program	0:19:33.8	V3	That's pretty good.
Prog 80121	Program	0:19:36.5	V1	That's pretty good and then we can take a little bit from the rest of them.
Prog 80122	Program	0:19:41.0	V2	How much percent?
Prog 80123	Program	0:19:41.2	V1	65% \$1,060,493.00.
Prog 80124	Program	0:19:49.6	V3	All right so if we take away that much how much would they still make?
Prog 80125	Program	0:19:59.4	V2	How much would we have left?
Prog 80126	Program	0:20:11.4	V3	Oh, see, I didn't realize the parks had baseball fields. When I think of a park I think of like one swing set. Schools have parks.
Prog 80127	Program	0:20:42.5	V1	But I wonder if those parks are included in that budget. So the kids can go play during recess?

Prog 80128	Program	0:20:50.2	V3	They have two big ones that are 135 and then 98 acres, and then 10 small parks that go from .5 to 10 acres. So some of them are really small.
Prog 80129	Program	0:21:03.9	V2	What are the previous year's expenditures? So if we did what you said it would only leave us with \$571,030
Prog 80130	Program	0:21:25.1	V3	That's a lot of money though.
Prog 80131	Program	0:21:27.9	V2	Not compared to a million.
Prog 80132	Program	0:21:30.2	V3	But that would be an increase right?
Prog 80133	Program	0:21:33.2	V2	Yeah this is what they'd have as the rest. If we took 65% away, that would be the number right there.
Prog 80134	Program	0:21:42.0	V3	But that would be an increase from the last year.
Prog 80135	Program	0:21:45.6	V2	How much did they have for last year?
Prog 80136	Program	0:21:50.1	V3	\$3.6 million plus the 571,000.
Prog 80137	Program	0:21:57.3	V2	No these numbers here are the increases.
Prog 80138	Program	0:22:01.2	V3	Right - he only did 65% of that.
Prog 80139	Program	0:22:03.9	V1	So the 35% applies to whatever the current year is. Which is one million. The question is, is this a whole new sum of money or is it in addition to this?
Prog 80140	Program	0:22:30.6	V3	I think this is this year and this is for next year and that was the year before.
Prog 80141	Program	0:22:36.0	V1	Oh, that makes sense.
Prog 80142	Program	0:22:37.2	V2	What is it?
Prog 80143	Program	0:22:37.9	V3	This is this year, this is last year and this is next year.
Prog 80144	Program	0:22:43.9	V1	So they're going to spend all this in this year. They spent all this last year. So they'd still get an increase of like \$571,000, which brings them up to like 430?
Prog 80145	Program	0:23:02.4	V2	Yeah - it's still a fair amount of increase I guess. They'd still get this - million.
Prog 80146	Program	0:23:07.7	V3	All right - so we all agree on this?
Prog 80147	Program	0:23:10.7	V1	65%? Yes we agree.
Prog 80148	Program	0:23:16.1	V2	And then I took \$80,000 from the libraries. That's like minimum.



Prog 80149	Program	0:23:23.3	V1	Libraries - what the hell do they do? Nothing. They have a lot of books. They staff four librarians, catalogs.
Prog 80150	Program	0:23:39.0	V2	They shouldn't be asking college kids about libraries.
Prog 80151	Program	0:23:46.3	V3	They only have two computers. Approximately 60% of residents have library cards.
Prog 80152	Program	0:23:56.0	V2	When I took out \$80,000 I wound up with \$1,140,493.00. So that would still leave us with about \$100,000. Of course we can take away more than \$80,000.00 but the libraries are apparently pretty bad off.
Prog 80153	Program	0:24:15.4	V3	This makes no sense to me. To keep libraries open a total of 624 days per year.
Prog 80154	Program	0:24:24.7	V1	I think it's saying here that they want to close on Mondays.
Prog 80155	Program	0:24:35.8	V3	So that would reduce the budget by 13% anyway.
Prog 80156	Program	0:24:43.9	V2	See I don't think they should close them on Mondays because there may be that citizen complaints will rise, and maybe raised by the school board since the libraries are heavily used by school children.
Prog 80157	Program	0:25:02.9	V3	I'd say close on Friday.
Prog 80158	Program	0:25:06.9	V1	That's true. I don't know if anybody goes on Friday.
Prog 80159	Program	0:25:31.9	V3	See I don't like how it's not giving us what we can take money from. Because I'm sure there are things to take money from as opposed to something else. Like if the library where I'm from - we have summer reading programs. I'm sure there's something that could be cut that wouldn't bother anybody. But we can't see that.
Prog 80160	Program	0:26:07.4	V1	I don't know either. Should we just go with the 80,000 or you said we could probably take more, right?
Prog 80161	Program	0:26:14.7	V2	Maybe just a little bit. Maybe \$90,000 and then something from streets would probably have to go.
Prog 80162	Program	0:26:19.5	V3	Well look - right here it says the ratings are 98% with this money and then it's the exact same thing with more money, so it's almost like they don't need more money. What's the point in jumping up if that's the case?
Prog 80163	Program	0:26:40.5	V2	Shall we make it \$100,000? 95,000?
Prog 80164	Program	0:26:40.6	V1	Yeah. I think that's a good idea.

Prog 80165	Program	0:26:44.6	V3	So we could really- how much was the increase? \$194,000? So we could actually probably take away \$90,000.
Prog 80166	Program	0:26:55.3	V1	Ok so you want to do \$90,000?
Prog 80167	Program	0:26:57.4	V3	Yes because if the ratings don't change with that big jump of money, what's the point?
Prog 80168	Program	0:27:07.7	V1	Yes - wasteful spending.
Prog 80169	Program	0:27:10.6	V3	People are happy with it whether it's \$800,000 or a million. We might as well cut that by \$90,000. How much would that be?
Prog 80170	Program	0:27:42.9	V3	Write down libraries beside that.
Prog 80171	Program	0:27:54.4	V3	That doesn't make sense.
Prog 80172	Program	0:27:55.2	V2	That's what I'm saying.
Prog 80173	Program	0:27:57.9	V3	So we don't need to take that much?
Prog 80174	Program	0:28:00.2	V2	No. Hold on.
Prog 80175	Program	0:28:20.8	V1	The library only got \$74,000
Prog 80176	Program	0:28:24.5	V3	No that's the park. They got \$194,000.
Prog 80177	Program	0:28:31.4	V1	Oh yeah. So the libraries only got 194,000. That makes sense right?
Prog 80178	Program	0:28:29.0	V3	Take away \$90,000 and the ratings are still the same.
Prog 80179	Program	0:28:37.6	V1	I think the problem is that we've got. We only need like
Prog 80180	Program	0:28:44.3	V3	No, that's not the number. We only took away \$571,000 from the police. You're adding this number wrong.
Prog 80181	Program	0:28:54.6	V2	We only took 571,000 away from them. This is what we're giving them for an increase.
Prog 80182	Program	0:29:03.8	V3	Oh, so you are right. So we have way too much money.
Prog 80183	Program	0:29:04.3	V2	All these numbers get confusing.
Prog 80184	Program	0:29:11.4	V3	So we can take less from the police.
Prog 80185	Program	0:29:11.9	V2	I think we can. I think we can definitely take less from the police.
Prog 80186	Program	0:29:24.2	V3	All right the number we need is 123.
Prog 80187	Program	0:29:41.6	V3	Let's make this maybe 50%?
Prog 80188	Program	0:29:48.0	V1	Even if, for example if we were going to take 90,000. That would be 15?

Prog 80189	Program	0:29:57.2	V3	\$90,000 is not a lot to take out.
Prog 80190	Program	0:30:02.3	V1	We've still got \$700,000 more to go, so maybe \$90,000 is fair.
Prog 80191	Program	0:30:14.8	V3	That's something we can definitely work with to get rid of because it seems that customers are fine whether it's 900,000 or a million.
Prog 80192	Program	0:30:28.8	V2	That leaves us about \$70,000 to get then.
Prog 80193	Program	0:30:37.1	V3	We still need to get \$70,000?
Prog 80194	Program	0:30:41.4	V3	All right. So I guess we could take away 94 instead of just 90?
Prog 80195	Program	0:30:48.2	V2	I guess so.
Prog 80196	Program	0:30:47.4	V3	I mean \$4,000 from somewhere. It's going to be easier to take \$4,000 right from this than streets or parks that barely have anything.
Prog 80197	Program	0:31:02.5	V1	How much did we take away again? \$90,000?
Prog 80198	Program	0:31:06.3	V3	70?
Prog 80199	Program	0:31:09.9	V2	We'll leave them with \$100,000.
Prog 80200	Program	0:31:10.9	V1	\$104,000.
Prog 80201	Program	0:31:23.7	V3	Do you want to take away \$100? Because that will be 104. If we took away 100,000 from them would it bring them back?
Prog 80202	Program	0:31:28.2	V1	That would give them an increase of \$94,000?
Prog 80203	Program	0:31:38.2	V3	And that's picking up the current years. We give out 150.
Prog 80204	Program	0:31:45.1	V1	So it would be 1,366. Yes I think that's still a pretty good amount to allocate.
Prog 80205	Program	0:32:03.4	V3	So we'll give libraries \$100,000 and then that takes us up to 160.
Prog 80206	Program	0:32:04.1	V2	Then we only have one hundred and something to go.
Prog 80207	Program	0:32:10.5	V3	Let's just take 90.
Prog 80208	Program	0:32:13.4	V2	And it still works?
Prog 80209	Program	0:32:17.8	V3	Yeah - it comes out to \$1,165,000
Prog 80210	Program	0:32:21.2	V2	So we're pretty close to the budget there.
Prog 80211	Program	0:32:31.1	V3	Yeah like I said we need about 67 or so.
Prog 80212	Program	0:32:32.5	V1	So it's 90 instead of 100?
				Yeah - 90. That a good number.

Prog 80213	Program	0:32:35.3	V3	All right lets start to make the streets that have the most.
Prog 80214	Program	0:32:48.0	V3	Ok looking again at the valid complaints. It only drops 25 complaints after adding a lot of money. So again it's probably not even significant.
Prog 80215	Program	0:33:18.3	V2	What's the total we need to get to?
Prog 80216	Program	0:33:22.5	V1	\$1,233,539.00.
Prog 80217	Program	0:33:45.9	V2	Yes - it's \$68,420.00 that we still have to find. So we may need to re-think it.
Prog 80218	Program	0:33:51.5	V3	So we may need to take more from the libraries by chance?
Prog 80219	Program	0:34:03.1	V1	If we took \$100,000.00 from the libraries that would drop it back to \$98,000.00.
Prog 80220	Program	0:34:09.1	V2	We took \$90,000.00 from the libraries and only \$60,000.00 from police. 65%
Prog 80221	Program	0:34:13.5	V3	So let's take 10 thousand more from the library.
Prog 80222	Program	0:34:21.1	V2	We've got \$58,000. And then what?
Prog 80223	Program	0:34:32.9	V1	Why haven't we touched the streets or the parks? So should we take 30 from the streets and then.
Prog 80224	Program	0:34:47.6	V2	We could take easily about \$35,000 from police. You're still getting more than last year. Almost \$600,000. So how much do you want to take away?
Prog 80225	Program	0:34:59.0	V3	Let's try 70. Did you write down 70?
Prog 80226	Program	0:35:01.6	V2	70,000?
Prog 80227	Program	0:35:03.3	V3	Percent
Prog 80228	Program	0:35:04.4	V1	Ok we're going to do 70% of 142, which is 99, then plus 90 125. We're over. So maybe between 65 and 70. 67?
Prog 80229	Program	0:35:40.7	V3	Don't we have to write something? Working without a calculator makes it harder than anybody else.
Prog 80230	Program	0:35:59.8	V1	If we were to do 67 it would be 1,093,194
Prog 80231	Program	0:36:15.1	V3	So then we'd only need. See that's still too much.
Prog 80232	Program	0:36:33.9	V1	If we added 90 to that it would be 18. \$1,180,000.00 which is still \$40,000.00 too much.
Prog 80233	Program	0:36:48.3	V2	I mean keep it at 65% and if you want to increase it just move the decimal. And if you took away from the increase that makes it \$571,000. And you took about.

Prog 80234	Program	0:37:01.0	V3	\$31,000?
Prog 80235	Program	0:37:02.3	V2	You're still going to make \$68,420.00. So if you take \$50,000 from that which will leave them with \$521,036.00. That will leave us with \$8,421.00. We can take 4 from the parks and 4 from streets.
Prog 80236	Program	0:37:23.0	V1	We haven't taken anything from streets or parks.
Prog 80237	Program	0:37:27.4	V2	Yeah - I think we should leave the parks.
Prog 80238	Program	0:37:31.1	V3	Yeah - I'd take more from streets because of street cleaning. That's a lot of money.
Prog 80239	Program	0:37:36.3	V1	So what is the final decision? Whatever you said, just write that down. However you remember it.
Prog 80240	Program	0:37:52.9	V1	It would be 65 point something percent. So I guess take away some. How much do you guys want to take away? \$50,000? \$60,000?
Prog 80241	Program	0:38:09.3	V3	\$50,000
Prog 80242	Program	0:38:22.0	V2	That's how much the police would give up.
Prog 80243	Program	0:38:25.5	V3	That's still a pretty good increase.
Prog 80244	Program	0:38:34.8	V2	And so that would leave us with \$18
Prog 80245	Program	0:38:38.0	V3	What? We'd still have to find \$18,000?
Prog 80246	Program	0:38:44.0	V2	Yeah.
Prog 80247	Program	0:38:44.5	V3	Oh yeah - we can do that. Streets has \$170,000?
Prog 80248	Program	0:38:52.7	V2	18 and 421 if we did that. And I want to take like \$60,000 away from streets
Prog 80249	Program	0:39:04.7	V3	I mean that's fine. They're still getting half a million.
Prog 80250	Program	0:39:13.8	V2	We have 501. So they'd still be getting that and then this would still be at 501. So 8,421. It's crazy I know
Prog 80251	Program	0:39:47.7	V1	Yeah it is.
Prog 80252	Program	0:39:56.1	V3	All right - streets.
Prog 80253	Program	0:39:58.7	V1	Did you break it out or what?
Prog 80254	Program	0:40:00.6	V2	Yeah. If we take 60,000 away from the 571,000, you come up with 501,000. So that's a half million still to go for the police.
Prog 80255	Program	0:40:33.0	V1	I don't know where it's coming from and I'm confused.

Prog 80256	Program	0:40:34.2	V3	All right. Hand me a piece of paper. They are proposing that the police are going to get \$1,631,529. And then put what we're proposing. We only want them to get \$501,036. Put us and them. And then they want libraries to get 194,625. And our proposal was \$90,000, so \$104,625.00.
Prog 80257	Program	0:41:38.3	V1	Out of police?
Prog 80258	Program	0:41:40.5	V3	No, we took way more than \$60,000.00. We took 65% and the \$60,000.00 more.
Prog 80259	Program	0:41:57.4	V1	Whatever this is. We didn't scratch the \$60,000.00. It's 65 point something. We took \$60,000.00 from their increase.
Prog 80260	Program	0:42:12.5	V3	Yeah but we cut the increase. They wanted to give them a million dollars to begin with.
Prog 80261	Program	0:42:17.2	V2	Right. So we cut it again.
Prog 80262	Program	0:42:19.7	V3	We cut it twice. We cut it first and then we cut it by \$60,000.00.
Prog 80263	Program	0:42:27.0	V1	We cut them by \$130,000.00.
Prog 80264	Program	0:42:51.2	V4	Doing hand-calculations.
Prog 80265	Program	0:43:00.4	V2	Right, so \$3,000.00 from streets.
Prog 80266	Program	0:43:07.4	V3	I mean also we can take it from streets.
Prog 80267	Program	0:43:09.7	V1	Do we need \$13,000? So where do you guys what to take it from? Streets?
Prog 80268	Program	0:43:23.4	V3	Streets.
Prog 80269	Program	0:43:23.1	V1	All right so what's 107?
Prog 80270	Program	0:43:28.5	V3	I would take \$4,000 from parks. Four and seven is eleven, so we'd still need money.
Prog 80271	Program	0:43:47.2	V1	We need 13 more.
Prog 80272	Program	0:43:47.8	V2	Just even?
Prog 80273	Program	0:43:51.8	V1	Yeah, \$13,000 even.
Prog 80274	Program	0:44:00.9	V3	Add up these numbers and see how much we have. That would be an even number.
Prog 80275	Program	0:44:17.0	V1	Only 11,000.
Prog 80276	Program	0:44:21.9	V2	We could take 10,000 from this, 4,000 from this and 9,000 from this in streets.
Prog 80277	Program	0:44:45.2	V1	Now we just have to put it all down.

Perf 70002	nance	5.8	/1	So we have to reduce the budget by \$1,233,539.39. That's like \$320,000 per department.
Perf 70003	nance	3.3	/2	department. Ok.
Perf 70004	nance	3.7	/1	But the police department has way more money in it right now than the other departments. Streets also, so those two probably get reduced by a lot.
Perf 70005	nance	3.3	/3	By reducing things, reduce each part of it?
Perf 70006	nance	3.4	/1	Just overall.
Perf 70007	nance	2.5	/2	So we're reducing in each department as long as it adds up to like \$1 million.
Perf 70008	nance	7.2	/1	Right. We could just cut libraries and we'd have it. But obviously we don't want to do that. So I say we look at each department and see what we can cut. Look over and see if you see anything that's not necessary first.
Perf 70009	nance	3.6	/1	Street sweeping is taking up a lot of money.
Perf 70010	nance	3.5	/2	What are you looking at exactly: the prior or proposed?
Perf 70011	nance	7.1	/1	it's proposed to spend \$1,800,226.00. That much on street sweeping.
Perf 70012	nance	3.6	/3	Crime Prevention DARE program \$3,450. Neighborhood Watch: \$12,180.
Perf 70013	nance	4.4	/1	Neighborhood Watch is worthless.
Perf 70014	nance	3.8	/3	Emergency communications and dispatches is \$50,500.
Perf 70015	nance	2.8	/1	I think that's probably good. I mean emergency communications is important.
Perf 70016	nance	3.9	/1	Neighborhood Watch could take care of itself. That's \$12,000 right there.
Perf 70017	Performance	0:01:55.6	V3	How much do we have to reduce everything?
Perf 70018	Performance	0:01:57.7	V1	\$1,233,000. This is just \$12,000?
Perf 70019	Performance	0:02:04.0	V3	yes
Perf 70020	Performance	0:02:03.7	V1	Ok let's cut it. Get a pen and mark it out.
Perf 70021	Performance	0:02:09.3	V2	One thing about the libraries department is the total operating costs. Over \$1 million dollars.
Perf 70022	Performance	0:02:23.9	V1	That's probably everything though.
Perf 70023	Performance	0:02:33.8	V1	I'm trying to figure what all these numbers on the left mean. Oh, workload - I see. This is complicated. It's going to take me a minute to wrap my head around...

Perf 70024	Performance	0:02:48.0	V3	What are you looking at - libraries?
Perf 70025	Performance	0:02:50.7	V2	what's mainly involved is cutting jobs
Perf 70026	Performance	0:02:55.5	V1	Look, I don't want to cut street maintenance, because street maintenance is really important, especially in Richmond with all the dirty streets. I don't want to cut street maintenance, but couldn't we reduce street sweeping by a lot? How much do we need our streets swept?
Perf 70027	Performance	0:03:16.4	V2	How about if we do each department one at time? So we're all on the same page.
Perf 70028	Performance	0:03:23.8	V2	ok - so you removed Neighborhood Watch completely
Perf 70029	Performance	0:03:30.9	V1	Crime prevention, that's good.
Perf 70030	Performance	0:03:35.9	V2	We could probably reduce that.
Perf 70031	Performance	0:03:38.7	V1	Crime prevention?
Perf 70032	Performance	0:03:40.1	V2	DARE programs.
Perf 70033	Performance	0:03:39.6	V1	It's not much money though.
Perf 70034	Performance	0:03:41.7	V2	yeah - it's only \$3,000
Perf 70035	Performance	0:03:43.2	V3	The biggest one is emergency communication dispatches.
Perf 70036	Performance	0:03:47.5	V1	Wait a minute - what's this over here? Why is this \$95,000? That's what's weird. Neighborhood Watch, we cut it out and it's like \$12,000, but then over here it says \$92,000.
Perf 70037	Performance	0:04:16.2	V2	So maybe we don't cut all of it. Maybe we cut some of it, like half.
Perf 70038	Performance	0:04:20.1	V1	I think it is \$92,000, and if we cut other presentations too, that's another \$338,000.
Perf 70039	Performance	0:04:29.3	V1	Oh, that's workload. I see. I have no idea what that means, but that's like some number that means something or other.
Perf 70040	Performance	0:04:38.4	V2	So we're looking at the total cost.
Perf 70041	Performance	0:04:45.5	V3	So the total cost for the Neighborhood Watch is \$92,000.
Perf 70042	Performance	0:04:47.5	V1	Why don't we reduce that by half? I don't even understand what Neighborhood Watch dollars go to.
Perf 70043	Performance	0:04:55.7	V2	To keep neighborhoods safe, I guess.
Perf 70044	Performance	0:04:57.3	V3	Don't they use volunteers?
Perf 70045	Performance	0:05:00.9	V1	People are going to volunteer anyway.



Perf 70046	Performance	0:05:05.1	V2	maybe it's for the signs that are around the neighborhood
Perf 70047	Performance	0:05:10.5	V1	Yeah but that's \$92,000 dollars. Let's just cut it by half.
Perf 70048	Performance	0:05:10.7	V3	What's that? \$41,000?
Perf 70049	Performance	0:05:15.1	V1	Well let's just reduce it by an easy number.
Perf 70050	Performance	0:05:16.8	V2	\$40,000.00.
Perf 70051	Performance	0:05:25.3	V3	so we're going to we're going to keep \$40,000.00
Perf 70052	Performance	0:05:26.6	V1	No, we're going to cut \$40,000 and leave it at \$52,000 and those numbers.
Perf 70053	Performance	0:05:43.3	V1	Let's try to cut the police budget by 10% at least and right now we've only cut it by 1%.
Perf 70054	Performance	0:05:58.8	V3	Look how big this number is.
Perf 70055	Performance	0:06:01.3	V3	Good god. That's huge.
Perf 70056	Performance	0:06:03.5	V1	we need to cut this by \$500,000.00 from the police
Perf 70057	Performance	0:06:07.3	V2	Yeah - they're 5 million .that's a lot.
Perf 70058	Performance	0:06:11.5	V1	It's like 50% of the budget right there.
Perf 70059	Performance	0:06:17.1	V3	Couldn't we reduce this huge number? For the emergency communication dispatches?
Perf 70060	Performance	0:06:25.6	V2	Well, actually, look at those DARE programs.
Perf 70061	Performance	0:06:28.3	V1	Emergency communications is like calling the car and the cops come to your house. I'm not sure if we can cut that. I think that what it is. Does it say up here?
Perf 70062	Performance	0:06:35.5	V2	Is that like staffing?
Perf 70063	Performance	0:06:38.4	V1	Read this stuff up here.
Perf 70064	Performance	0:06:47.1	V2	<reads description>
Perf 70065	Performance	0:07:08.1	V1	We can cut like a little bit. Like \$100,000 from emergency communications.
Perf 70066	Performance	0:07:16.2	V3	Well if that's what you think is most important then look at the DARE program.

Perf 70067	Performance	0:07:21.9	V1	We're going to need to cut something off this. Obviously what we're mainly going to need to cut is investigations because it's \$400,000. I'm really having a hard time reading this. Look at this: this says \$100,000.00, this says \$441,000.00. But this says 8% of the total budget. Why does it say \$441,000.00? Is that a misprint? Oh never mind - its 5 million dollars. That's right. The biggest one is other operations. What the hell are other operations?
Perf 70068	Performance	0:08:11.3	V2	That says "untouchable" so we can't touch that. So what ever it is, it has to stay. Its cars and DARE. We have to cut from these three.
Perf 70069	Performance	0:08:25.2	V1	How much is DARE?
Perf 70070	Performance	0:08:27.2	V2	DARE is \$95,000.00.
Perf 70071	Performance	0:08:30.2	V1	Well let's cut it by \$50,000.
Perf 70072	Performance	0:08:37.4	V1	Let's cut Neighborhood Watch by another \$10,000. If we're going to cut that by 50, let's cut Neighborhood Watch by 50.
Perf 70073	Performance	0:08:44.2	V3	\$50,000.00?
Perf 70074	Performance	0:08:45.3	V1	Yes - cut that by \$50,000 and put that at \$42,000.00.
Perf 70075	Performance	0:09:08.8	V2	and then from the crimes investigation
Perf 70076	Performance	0:09:09.8	V3	How much is that in total that we're cutting?
Perf 70077	Performance	0:09:14.6	V2	That's \$100,000. You want to cut \$500,000 from police?
Perf 70078	Performance	0:09:21.3	V2	You think we should cut out the \$100,000 from the investigation like crime investigation or do you think elsewhere?
Perf 70079	Performance	0:09:31.2	V1	Let's just cut \$160,000.00. Let's allocate \$100,000 for that. Which one are you talking about?
Perf 70080	Performance	0:09:36.7	V3	Investigating crimes. From which one? This one? \$441?
Perf 70081	Performance	0:09:40.5	V1	I was thinking that from this one we should just put it at 1 million, and cut \$166,000 from it. Hopefully they'll be able to make it work.
Perf 70082	Performance	0:09:59.7	V3	Ok and this is the crime investigation and that's a lot. I'm thinking we could cut \$100,000.
Perf 70083	Performance	0:10:11.7	V1	What we're talking about how this is going to affect anything. That's a guess. Should we cut another \$100,000?
Perf 70084	Performance	0:10:21.2	V1	So, so far we've cut \$366,000. Can we cut like another \$150,000?
Perf 70085	Performance	0:10:27.4	V3	Well did you add the 50,000? So 200,000.

Perf 70086	Performance	0:10:35.7	V2	I would think we would cut it from the one with the most, because the other ones don't.
Perf 70087	Performance	0:10:37.3	V1	We can't cut it from the one with the most. It turns out most of this is untouchable.
Perf 70088	Performance	0:10:43.5	V1	Here we go: other presentations. See this? I have no idea what that is. No idea at all. Is that DARE?
Perf 70089	Performance	0:10:56.4	V3	No - DARE we already cut from.
Perf 70090	Performance	0:11:00.7	V1	Oh- total crime prevention. That's untouchable see this total crime prevention thing?
Perf 70091	Performance	0:11:06.3	V2	no wait - no it's not that's the total there
Perf 70092	Performance	0:11:10.6	V3	Oh I see. Check this out. Other presentations are \$336,000. Let's cut \$100,000.
Perf 70093	Performance	0:11:17.8	V2	Yeah - from this?
Perf 70094	Performance	0:11:22.3	V1	We're almost there. And then let's cut. What's this big number right here?
Perf 70095	Performance	0:11:26.9	V3	Do we add that to \$236? What do you want to cut - \$50,000 from them?
Perf 70096	Performance	0:11:36.3	V1	Yeah we need to cut like \$50,000. What is this though? "Total crime prevention". Let's just cut \$50,000 from that.
Perf 70097	Performance	0:11:49.1	V3	What number is that? \$527?
Perf 70098	Performance	0:11:52.7	V1	The problem with this is that the final allocations don't really cover what we're actually cutting. Oh no - it seems like it. What's our committee number?
Perf 70099	Performance	0:12:13.8	V2	All right, moving on to the next one, which is parks and recreation? We are cutting how much again? \$1,300,000 or something like that?
Perf 70100	Performance	0:12:24.9	V1	Yeah - we just cut \$516,000.
Perf 70101	Performance	0:12:42.7	V3	How much do we need to cut in total?
Perf 70102	Performance	0:12:45.1	V1	\$1,333,000
Perf 70103	Performance	0:12:50.2	V1	As much as we can I'd like to not cut libraries.
Perf 70104	Performance	0:12:57.5	V3	And you're saying we can do a lot from streets?
Perf 70105	Performance	0:12:59.0	V1	A lot from streets. Do you want to work on streets real quick?
Perf 70106	Performance	0:13:03.9	V1	My plan is for street sweeping, they sweep the central business district daily. I say if we cut it down to like bi-daily - like they didn't sweep it every day, I can't tell you how much that would save but it seems like a lot.

Perf 70107	Performance	0:13:32.7	V2	So how much is it in all, for the streets?
Perf 70108	Performance	0:13:34.1	V1	Right now street sweeping is \$1,826,000. That's a lot.
Perf 70109	Performance	0:13:39.5	V2	That is a lot.
Perf 70110	Performance	0:13:43.9	V1	And it seems we could cut that by \$500,000. If we swept it bi-daily. That's one of the problems with this format I can't tell.
Perf 70111	Performance	0:13:52.6	V3	You want to cut that by \$500,000?
Perf 70112	Performance	0:13:52.6	V1	yeah
Perf 70113	Performance	0:13:55.0	V3	How much is it right now?
Perf 70114	Performance	0:13:55.8	V1	It's \$1,826,000.
Perf 70115	Performance	0:13:56.5	V3	That's ridiculous.
Perf 70116	Performance	0:13:57.0	V2	that's a lot of money
Perf 70117	Performance	0:13:57.3	V1	Right now it's as much as crime prevention. It's more.
Perf 70118	Performance	0:14:01.5	V3	They just sweep it daily?
Perf 70119	Performance	0:14:03.7	V1	Yeah - they sweep it daily in the central business district, and it seems like if we just went to bi-daily.
Perf 70120	Performance	0:14:09.2	V2	How about twice a week or something?
Perf 70121	Performance	0:14:10.9	V1	Three times a week it would be cutting it. Cutting that portion in half. It doesn't say how much that portion actually accounts for but let's just guess its \$500,000.
Perf 70122	Performance	0:14:20.4	V3	You want to cut \$500,000?
Perf 70123	Performance	0:14:37.3	V1	Yeah - I say we just cut it by that. That's all we really need to do for streets. Then we only need to cut like \$17,000 from libraries and parks.
Perf 70124	Performance	0:14:52.4	V2	Ok - we agree.
Perf 70125	Performance	0:14:52.1	V1	Right now we have cut \$1,016,000. So we only need to make up the difference which is \$1,233,539.59.
Perf 70126	Performance	0:15:20.1	V3	and we have \$1,016,000
Perf 70127	Performance	0:15:26.5	V2	And now we're doing parks and we don't think that we want to touch libraries.
Perf 70128	Performance	0:15:32.7	V1	As much as possible.

Perf 70129	Performance	0:15:45.2	V2	We have mowing. Maybe we could cut a little bit from there.
Perf 70130	Performance	0:15:50.0	V3	Welcome Stations? That's a lot!
Perf 70131	Performance	0:15:55.0	V1	We need to cut \$217,530.00.
Perf 70132	Performance	0:16:03.4	V2	Welcome stations - that's \$401,195. That's ridiculous. We can cut that by half.
Perf 70133	Performance	0:16:09.8	V1	cut out \$200,000
Perf 70134	Performance	0:16:10.9	V2	\$200,000? Ok.
Perf 70135	Performance	0:16:13.3	V2	Because you don't want to touch the summer programs.
Perf 70136	Performance	0:16:17.6	V2	Yeah - the children are important.
Perf 70137	Performance	0:16:23.9	V1	Well let's just move on. We got \$200,000 out of parks. Let's try to cut \$17,539.41 from libraries.
Perf 70138	Performance	0:16:35.9	V2	Facilities. Staff costs are the most. Collections maintenance it's like \$151,000. I don't know what that is.
Perf 70139	Performance	0:16:48.0	V1	Keeping track of that's keeping track of the books. Collections are like books.
Perf 70140	Performance	0:16:54.1	V2	Do you want to look at parks again because all this stuff is small? \$10,000? I don't think it's worth the effort.
Perf 70141	Performance	0:16:57.9	V1	Well let's look at parks again. Or we can look at streets. Alley cleaning - \$300,000. Why don't we just cut \$20,000 from that?
Perf 70142	Performance	0:17:15.4	V3	Sounds fabulous.
Perf 70143	Performance	0:17:52.2	V1	We've cut \$1,236,000. We need to mark our final allocations.
Prog 90002	Program	0:00:03.5	V1	All right, we've got to read through this. It's an over-twelve million dollar budget, and we have to reduce it by \$1.2 million.
Prog 90003	Program	0:00:18.4	V2	What's the entire budget?
Prog 90004	Program	0:00:19.3	V1	The entire budget is all of that adds up to \$12,380 something and we have to reduce it by 10% we have to take out \$1.2
Prog 90005	Program	0:01:01.2	V2	I wouldn't deduct a whole lot from the police department.
Prog 90006	Program	0:01:04.7	V3	Which department do you think is least important?
Prog 90007	Program	0:01:07.3	V2	I think parks and recreation.
Prog 90008	Program	0:01:14.6	V3	Priorities would be police, streets parks and libraries in that order.

Prog 90009	Program	0:01:25.5	V1	I'd take the majority of it out of parks and libraries before I'd take money out of streets and police.
Prog 90010	Program	0:01:35.4	V3	So it says "Midvale operates the city currently maintains two large parks, independence and Farquat, of 135 and 98 acres respectively, 3 baseball and 1 soccer field as well as 10 smaller parks ranging in size from .5 to 10 acres in size. Independence park also contains a 25 acre lake and the basin - an amphitheater built into the hillside, with an open stage at waterside."
Prog 90011	Program	0:02:10.3	V2	What are they currently getting out of the total budget?
Prog 90012	Program	0:02:23.6	V2	Prior year is \$1,040,000; this year \$1,080,000; so it increased by nearly \$50,000.00.
Prog 90013	Program	0:02:43.2	V1	When you say the cuts it says the population affected by this, right?
Prog 90014	Program	0:02:48.7	V2	Population affected: city residents and visitors from surrounding counties. Some special events including the annual Bluegrass Festival draw visitors from as far away as California and England. Increased revenues result.
Prog 90015	Program	0:03:23.4	V1	So one thing seems to be important is that for the past 12 years they've done that and taking a large amount of money from them would probably greatly impact at least this Bluegrass Festival. For the police one. What does it say the impact on the police would be? That's the most important one.
Prog 90016	Program	0:04:00.7	V2	As far as the problem or the strategic goal?
Prog 90017	Program	0:04:09.8	V1	"The major responsibilities of police are: prevention of criminal activity, detection of criminal activity, apprehension of criminal offenders, control of traffic. Resolution of day-to-day conflicts among family, friends, and neighbors, creation and maintenance of a feeling of security in the community, promotion and preservation of civil order.
Prog 90018	Program	0:04:36.9	V2	That's pretty much the police.
Prog 90019	Program	0:04:58.1	V1	"All citizens of Midvale benefit directly from law enforcement. So pretty much all of that funding goes to police protection of the citizens of the city.
Prog 90020	Program	0:05:22.7	V3	Yeah you're right - like you said it seems like that's the one that's most important to all the citizens.
Prog 90021	Program	0:05:24.2	V1	Yeah all citizens benefit. Some citizens benefit from the parks and Bluegrass Festival.

Prog 90022	Program	0:05:30.5	V3	If you cut from the police you have to cut the bare minimum. You can't be like 'let's get all our money cuts from the police'.
Prog 90023	Program	0:05:43.5	V2	Let's look at streets. Maintenance. Street rights of way. "a program is in place whereby city engineering staff annually inspects the streets and assigns each segment a 3 point ranking: "good or excellent", "needs repair" or "critical". Also does public transportation.
Prog 90024	Program	0:06:22.4	V1	Does it give a percentage of who uses public transportation?
Prog 90025	Program	0:06:30.5	V3	No but it does give a list of 'valid complaints'
Prog 90026	Program	0:06:36.0	V2	So it's pretty much for maintenance and cleaning purposes.
Prog 90027	Program	0:06:44.6	V3	Yeah pretty much streets sidewalks, alleys.
Prog 90028	Program	0:06:44.6	V1	What's the libraries department?
Prog 90029	Program	0:06:56.2	V2	Two libraries, 250,000 books, other things. "Approximately 60% of the residents have library cards."
Prog 90030	Program	0:07:30.8	V1	It seems like this is the lowest priority. So there are two libraries. So what about schools and stuff? They have libraries in schools as well as public libraries. It says here "patronized by school aged children" and older adults as well. So they could stand to have the biggest cuts. Because the children are probably reading books they've been told to read in classes.
Prog 90031	Program	0:08:23.3	V2	Well the alternative is closing the libraries Monday would reduce the annual number of open days from 600 to 500 reducing the total library budget by approximately 13%. That was the first thing I saw when reading the definition of the problem - the amount of time it was open. If you look at who's affected here, it says school aged children. They're going to be in school. Some of the older residents may be retired, but they're able to adjust more to hours than others. So I would think we should cut down on the hours, cut down on the days open would actually be good thing. You'd obviously get some complaints but simply closing it on Monday would reduce it almost 100 hours which would be 13 percent of their budget which is 1.4 million. So that would take \$140,000 off the library budget.

Prog 90032	Program	0:09:51.9	V1	So I think that's a good idea. Closing the libraries on Monday will reduce the budget by 13%, but the primary people affected are going to be the school aged children and older residents which we have to assume will be retired. And on Mondays the children are in class.
Prog 90033	Program	0:10:25.4	V2	How much would that take out of the total budget? \$140,000.00?
Prog 90034	Program	0:10:56.1	V1	Can we do anything more with the libraries? We don't have many pc's or librarians on staff at each facility.
Prog 90035	Program	0:11:25.6	V2	Yes now that you look at it, the libraries are the least affected, because with the parks you have people coming from out of state. You've got to keep that whole festival thing. That's doing more for the city than budget cuts would.
Prog 90036	Program	0:12:06.2	V1	What about taking off librarians? Maybe we're overstaffed. How many libraries is it?
Prog 90037	Program	0:12:14.2	V3	Four at each library.
Prog 90038	Program	0:12:14.6	V2	How about two at each library? How much is that? Does it say their salaries or anything?
Prog 90039	Program	0:12:39.9	V3	No.
Prog 90040	Program	0:12:42.1	V2	This is kind of difficult.
Prog 90041	Program	0:12:56.0	V2	Do how much to we have to take out to make up that 1.2 million?
Prog 90042	Program	0:13:09.2	V2	At least she took a little bit out of parks.
Prog 90043	Program	0:13:13.2	V3	I don't know if you read this but they're looking to design and carry out recreation specialists, and it goes through a whole thing about nature walks, botanical gardens, night walks and different programs like that. This is a program that's supposed to achieve close to 2,000 school aged children in recreation programs and it gives a cost there. That's one hundred grand right there. Where it was \$101,000.
Prog 90044	Program	0:13:55.4	V3	So it's gone up by \$5,000. That's a significant bit.
Prog 90045	Program	0:14:10.8	V1	They can do it without the money.
Prog 90046	Program	0:14:11.8	V3	They can do that on their own.
Prog 90047	Program	0:14:15.5	V2	The only thing they say is limiting recreation programs result in cost savings of 10% and that's 10% of their whole budget. But it may also result in an increase in vandalism, decreased satisfaction etc. Stuff like that. Pretty much complaints.



Prog 90048	Program	0:14:44.1	V1	If they do what they say it results in 10%?
Prog 90049	Program	0:14:47.6	V2	If they cut it. If we cut the program we save 10% which would be \$110,000. Its chump change for what we need but.
Prog 90050	Program	0:15:03.2	V1	I guess we'll just - make a last resort out of it?
Prog 90051	Program	0:15:10.5	V3	Yes. If we need \$100,000 at the end we know where to find it.
Prog 90052	Program	0:15:19.0	V1	What about streets?
Prog 90053	Program	0:15:38.2	V2	Their objective is to maintain cleanliness, to result in fewer than 100 valid customer complaints annually. They haven't had fewer than 100 complaints in any of the years.
Prog 90054	Program	0:16:11.8	V1	"Reducing miles of street segments to be resealed from 27 to 7 would reduce department budget by approximately 10%. However, the result would be an estimated increase of 35% in the number of "critical" streets in following years as well as an increase in complaints from citizens and business leaders about the condition of roads."
Prog 90055	Program	0:16:20.7	V3	That what you said, 10%?
Prog 90056	Program	0:16:31.7	V2	10% off the total budget is 430,000.
Prog 90057	Program	0:16:38.8	V1	The thing is they're saying it only going to be for a little bit, right?
Prog 90058	Program	0:16:46.1	V3	I think so. As a citizen you have to look at it. You've got to get your city back. You have to understand that the government has to make some cuts.
Prog 90059	Program	0:17:02.6	V1	They're not going to quit doing maintenance; they're just going to reduce it.
Prog 90060	Program	0:17:05.7	V2	Reducing the miles of streets maintained. Instead of resealing street section, they'll only do the most critical. I can buy into that. I mean look at the streets in Richmond.
Prog 90061	Program	0:17:29.6	V1	If you think about it that makes the most sense. It's the least dangerous thing we can do, because that park thing if we cut it people could actually get in trouble.
Prog 90062	Program	0:17:42.7	V2	Yeah the park has a lot more negative. With roads? What's the worst that can happen except maybe accidents? We're still resealing. Obviously there are criteria that a road has to meet to be resealed. You can't get to a certain point without going to that.
Prog 90063	Program	0:18:06.4	V1	So let's go ahead and do that. 440,000?

Prog 90064	Program	0:18:14.7	V2	\$443,000 plus the \$146,000 from the libraries. About \$189,000. Basically we need another \$507,000.
Prog 90065	Program	0:19:10.5	V3	What I don't understand is this, and how it affects the budget the budget.
Prog 90066	Program	0:19:27.6	V1	That's a huge proposed.
Prog 90067	Program	0:19:28.2	V3	That's only three grand more than it was last year. I don't think we should take it unless we need three grand somewhere. I think with the city you've got to worry about more than how clean the streets are at a time when your business is about to go under. That's like almost the entire budget - what you already budgeted.
Prog 90068	Program	0:20:15.8	V1	Can we reduce that? The amount they're putting into street cleaning? If we reduce it by - like a seventh - I'm thinking of a 7-day week, and you reduce the amount you do every day. That would take a lot - a seventh is what? 48? So take 7% or something?
Prog 90069	Program	0:20:34.7	V2	
Prog 90070	Program	0:20:36.0	V1	I'm thinking a seventh of 48.
Prog 90071	Program	0:20:48.8	V2	48 into 6 is 8 so reduce it 8%?
Prog 90072	Program	0:21:04.2	V1	Which would leave you 40%
Prog 90073	Program	0:21:05.6	V2	Yeah pretty much. So that's 8% out of 2 million.
Prog 90074	Program	0:21:20.3	V1	Let's take out 10% what's that? That comes to \$213,000.
Prog 90075	Program	0:22:32.7	V2	That's 489,000 there so all we need is \$400,000 more.
Prog 90076	Program	0:22:49.2	V1	So that's what they're proposed budget is for this year.
Prog 90077	Program	0:22:52.1	V2	Which includes all the percentages, the operations and the untouchables which we can't do anything with. Yeah - I agree with that.
Prog 90078	Program	0:23:09.6	V1	Yeah - clean it every other day
Prog 90079	Program	0:23:14.1	V2	They want less than 100 complaints in a year.
Prog 90080	Program	0:23:20.2	V3	That hasn't been reached anyway in the past two or three years.
Prog 90081	Program	0:23:26.1	V1	Complaints are either going to skyrocket or they're going to drop because people are worried about their houses.
Prog 90082	Program	0:23:34.5	V2	People are going to be worried about more stuff than that. And I guess that leave the police department.

Prog 90083	Program	0:23:44.6	V3	We also have the parks we can fall back on.
Prog 90084	Program	0:23:54.4	V2	Ok so we have 20% of the budget going to priority one response which means within four minutes for dispatch; 15 minutes for priority three which is domestic. I don't know - I don't think we should touch that.
Prog 90085	Program	0:24:10.0	V1	Yeah - I don't think we should. We need to leave that one alone. What's that 9%?
Prog 90086	Program	0:24:18.9	V2	9% comes out of anticipated apprehensions, city share of grant.
Prog 90087	Program	0:24:25.4	V1	Which means what?
Prog 90088	Program	0:24:30.7	V2	They want to increase apprehensions by 10% by installing computers in patrol vehicles. They pursued a grant to add computers to all patrol cars including base stations and servers that will drastically improve police ability to check drivers, id criminal activities and activities of patrol unit's. The grant is matching 50% and is available only this year. Despite the need to reduce expenditures funding for this grant is recommended.
Prog 90089	Program	0:25:09.9	V1	Oh man. I don't know if I'd cut that either. That's the only opportunity they'll get.
Prog 90090	Program	0:25:17.1	V3	Their anticipated apprehensions are low aren't they? 1,600. 10% of that is what 160?
Prog 90091	Program	0:25:31.8	V1	Like determining at this is that most things that they have now come from an archaic town. That makes this grant important. No other states are cities are trying to come to our city, and we don't have anything to show.
Prog 90092	Program	0:25:55.4	V3	Plus it's only 9% of the budget. I mean all of this except for that. We already said we couldn't.
Prog 90093	Program	0:26:04.5	V1	I don't know if I could reduce that. Let's continue. Crimes investigated. Crimes committed.
Prog 90094	Program	0:26:56.2	V1	So what's the proposed \$500,000 for this?
Prog 90095	Program	0:27:03.0	V2	That's their share of the grant.
Prog 90096	Program	0:27:06.3	V1	That's what they're going to put up. The grant's going to match half of it. So the grant is going to match \$250,000. So how much are the computers?
Prog 90097	Program	0:27:34.8	V2	The only thing we have here is an alternative of eliminating crime prevention activities which is this. That would reduce the department's budget by 10%. The result would be an estimated 20% drop in approval ratings.

Prog 90098	Program	0:28:07.2	V2	If we eliminate this. That's 10% of 580.
Prog 90099	Program	0:28:17.5	V3	So you'd lose all your Neighborhood Watches there.
Prog 90100	Program	0:28:26.9	V1	What if we cut it in half?
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Prog 90104	Program	0:28:54.0	V3	\$291,000.00?
Prog 90105	Program	0:28:59.9	V1	That's more than we need for the budget cut I think.
Prog 90106	Program	0:31:51.9	V2	Parks maintenance. That's 85% of the budget. So if you've got to do something that would be the place to do it.
Prog 90107	Program	0:31:58.2	V1	Reduce it by 10% would cut the maintenance a little bit.
Prog 90108	Program	0:32:01.1	V2	I don't think that would hurt the activities any. 75% of the budget. So should we take another 10%?
Prog 90109	Program	0:32:13.9	V1	Reduce that by 20%.
Prog 90110	Program	0:32:18.5	V2	Yeah ten here and ten here which would be like \$200,000.
Prog 90111	Program	0:33:21.2	V2	We're over by some. We have to put some back in.
Prog 90112	Program	0:33:48.5	V1	We're over by \$83,000. Where can we put that back? Where would that be most effective if we put it back?
Prog 90113	Program	0:34:01.1	V2	Wouldn't we have to put it back in the same department we took it from?
Prog 90114	Program	0:34:06.4	V1	I guess we could put it back in the same department but did we cut the whole thing up?
Prog 90115	Program	0:34:10.8	V2	Yeah we cut some kind of budgets.
Prog 90116	Program	0:34:12.2	V1	So let's just cut - that's 83,000 right? So that's almost like 80% of it right?
Prog 90117	Program	0:34:21.1	V2	80% yeah.
Prog 90118	Program	0:34:22.4	V1	So just cut that to 2%. That will eliminate the amount of times we do this. That makes the most sense. That way we don't get rid of anything that we've done.
Prog 90119	Program	0:35:02.5	V2	So we're dropping this down to 2%?
Prog 90120	Program	0:35:10.7	V2	So overall from the parks department we took 12%.

Prog 90121	Program	0:35:14.4	V1	18%.
Prog 90122	Program	0:35:59.5	V1	I think that's fine. We didn't, like you said, eliminate anything.
Prog 90123	Program	0:42:10.2	V2	And this completes our meeting.
Prog 90001	Program	0:00:00.0	V4	Unit 9 program: v1 =mid-range; v2 = deeper; v3 =higher –only program has word “ratings”
Prog 90002	Program	0:00:03.5	V1	All right, we've got to read through this. It's an over-twelve million dollar budget, and we have to reduce it by \$1.2 million.
Prog 90003	Program	0:00:18.4	V2	What's the entire budget?
Prog 90004	Program	0:00:19.3	V1	The entire budget is all of that adds up to \$12,380 something and we have to reduce it by 10% we have to take out \$1.2
Prog 90005	Program	0:01:01.2	V2	I wouldn't deduct a whole lot from the police department.
Prog 90006	Program	0:01:04.7	V3	Which department do you think is least important?
Prog 90007	Program	0:01:07.3	V2	I think parks and recreation.
Prog 90008	Program	0:01:14.6	V3	Priorities would be police, streets parks and libraries in that order.
Prog 90009	Program	0:01:25.5	V1	I'd take the majority of it out of parks and libraries before I'd take money out of streets and police.
Prog 90010	Program	0:01:35.4	V3	So it says "Midvale operates the city currently maintains two large parks, independence and Farquat, of 135 and 98 acres respectively, 3 baseball and 1 soccer field as well as 10 smaller parks ranging in size from .5 to 10 acres in size. Independence park also contains a 25 acre lake and the basin - an amphitheater built into the hillside, with an open stage at waterside."
Prog 90011	Program	0:02:10.3	V2	What are they currently getting out of the total budget?
Prog 90012	Program	0:02:23.6	V2	Prior year is \$1,040,000; this year \$1,080,000; so it increased by nearly \$50,000.00.
Prog 90013	Program	0:02:43.2	V1	When you say the cuts it says the population affected by this, right?
Prog 90014	Program	0:02:48.7	V2	Population affected: city residents and visitors from surrounding counties. Some special events including the annual Bluegrass Festival draw visitors from as far away as California and England. Increased revenues result.

Prog 90015	Program	0:03:23.4	V1	So one thing seems to be important is that for the past 12 years they've done that and taking a large amount of money from them would probably greatly impact at least this Bluegrass Festival. For the police one. What does it say the impact on the police would be? That's the most important one.
Prog 90016	Program	0:04:00.7	V2	As far as the problem or the strategic goal?
Prog 90017	Program	0:04:09.8	V1	"The major responsibilities of police are: prevention of criminal activity, detection of criminal activity, apprehension of criminal offenders, control of traffic. Resolution of day-to-day conflicts among family, friends, and neighbors, creation and maintenance of a feeling of security in the community, promotion and preservation of civil order.
Prog 90018	Program	0:04:36.9	V2	That's pretty much the police.
Prog 90019	Program	0:04:58.1	V1	"All citizens of Midvale benefit directly from law enforcement. So pretty much all of that funding goes to police protection of the citizens of the city.
Prog 90020	Program	0:05:22.7	V3	Yeah you're right - like you said it seems like that's the one that's most important to all the citizens.
Prog 90021	Program	0:05:24.2	V1	Yeah all citizens benefit. Some citizens benefit from the parks and Bluegrass Festival.
Prog 90022	Program	0:05:30.5	V3	If you cut from the police you have to cut the bare minimum. You can't be like 'let's get all our money cuts from the police'.
Prog 90023	Program	0:05:43.5	V2	Let's look at streets. Maintenance. Street rights of way. "a program is in place whereby city engineering staff annually inspects the streets and assigns each segment a 3 point ranking: "good or excellent", "needs repair" or "critical". Also does public transportation.
Prog 90024	Program	0:06:22.4	V1	Does it give a percentage of who uses public transportation?
Prog 90025	Program	0:06:30.5	V3	No but it does give a list of 'valid complaints'
Prog 90026	Program	0:06:36.0	V2	So it's pretty much for maintenance and cleaning purposes.
Prog 90027	Program	0:06:44.6	V3	Yeah pretty much streets sidewalks, alleys.
Prog 90028	Program	0:06:44.6	V1	What's the libraries department?
Prog 90029	Program	0:06:56.2	V2	Two libraries, 250,000 books, other things. "Approximately 60% of the residents have library cards."

Prog 90030	Program	0:07:30.8	V1	It seems like this is the lowest priority. So there are two libraries. So what about schools and stuff? They have libraries in schools as well as public libraries. It says here "patronized by school aged children" and older adults as well. So they could stand to have the biggest cuts. Because the children are probably reading books they've been told to read in classes.
Prog 90031	Program	0:08:23.3	V2	Well the alternative is closing the libraries Monday would reduce the annual number of open days from 600 to 500 reducing the total library budget by approximately 13%. That was the first thing I saw when reading the definition of the problem - the amount of time it was open. If you look at who's affected here, it says school aged children. They're going to be in school. Some of the older residents may be retired, but they're able to adjust more to hours than others. So I would think we should cut down on the hours, cut down on the days open would actually be good thing. You'd obviously get some complaints but simply closing it on Monday would reduce it almost 100 hours which would be 13 percent of their budget which is 1.4 million. So that would take \$140,000 off the library budget.
Prog 90032	Program	0:09:51.9	V1	So I think that's a good idea. Closing the libraries on Monday will reduce the budget by 13%, but the primary people affected are going to be the school aged children and older residents which we have to assume will be retired. And on Mondays the children are in class.
Prog 90033	Program	0:10:25.4	V2	How much would that take out of the total budget? \$140,000.00?
Prog 90034	Program	0:10:56.1	V1	Can we do anything more with the libraries? We don't have many pc's or librarians on staff at each facility.
Prog 90035	Program	0:11:25.6	V2	Yes now that you look at it, the libraries are the least affected, because with the parks you have people coming from out of state. You've got to keep that whole festival thing. That's doing more for the city than budget cuts would.
Prog 90036	Program	0:12:06.2	V1	What about taking off librarians? Maybe we're overstaffed. How many libraries is it?
Prog 90037	Program	0:12:14.2	V3	Four at each library.
Prog 90038	Program	0:12:14.6	V2	How about two at each library? How much is that? Does it say their salaries or anything?
Prog 90039	Program	0:12:39.9	V3	No.

Prog 90040	Program	0:12:42.1	V2	This is kind of difficult.
Prog 90041	Program	0:12:56.0	V2	Do how much to we have to take out to make up that 1.2 million?
Prog 90042	Program	0:13:09.2	V2	At least she took a little bit out of parks.
Prog 90043	Program	0:13:13.2	V3	I don't know if you read this but they're looking to design and carry out recreation specialists, and it goes through a whole thing about nature walks, botanical gardens, night walks and different programs like that. This is a program that's supposed to achieve close to 2,000 school aged children in recreation programs and it gives a cost there. That's one hundred grand right there. Where it was \$101,000. So it's gone up by \$5,000. That's a significant bit.
Prog 90044	Program	0:13:55.4	V3	They can do it without the money.
Prog 90045	Program	0:14:10.8	V1	They can do that on their own.
Prog 90046	Program	0:14:11.8	V3	The only thing they say is limiting recreation programs result in cost savings of 10% and that's 10% of their whole budget. But it may also result in an increase in vandalism, decreased satisfaction etc. Stuff like that. Pretty much complaints.
Prog 90047	Program	0:14:15.5	V2	If they do what they say it results in 10%?
Prog 90048	Program	0:14:44.1	V1	If they cut it. If we cut the program we save 10% which would be \$110,000. Its chump change for what we need but.
Prog 90049	Program	0:14:47.6	V2	I guess we'll just - make a last resort out of it?
Prog 90050	Program	0:15:03.2	V1	Yes. If we need \$100,000 at the end we know where to find it.
Prog 90051	Program	0:15:10.5	V3	What about streets?
Prog 90052	Program	0:15:19.0	V1	Their objective is to maintain cleanliness, to result in fewer than 100 valid customer complaints annually. They haven't had fewer than 100 complaints in any of the years.
Prog 90053	Program	0:15:38.2	V2	"Reducing miles of street segments to be re-sealed from 27 to 7 would reduce department budget by approximately 10%. However, the result would be an estimated increase of 35% in the number of "critical" streets in following years as well as an increase in complaints from citizens and business leaders about the condition of roads."
Prog 90054	Program	0:16:11.8	V1	That what you said, 10%?
Prog 90055	Program	0:16:20.7	V3	



Prog 90056	Program	0:16:31.7	V2	10% off the total budget is 430,000.
Prog 90057	Program	0:16:38.8	V1	The thing is they're saying it only going to be for a little bit, right?
Prog 90058	Program	0:16:46.1	V3	I think so. As a citizen you have to look at it. You've got to get your city back. You have to understand that the government has to make some cuts.
Prog 90059	Program	0:17:02.6	V1	They're not going to quit doing maintenance; they're just going to reduce it.
Prog 90060	Program	0:17:05.7	V2	Reducing the miles of streets maintained. Instead of resealing street section, they'll only do the most critical. I can buy into that. I mean look at the streets in Richmond.
Prog 90061	Program	0:17:29.6	V1	If you think about it that makes the most sense. It's the least dangerous thing we can do, because that park thing if we cut it people could actually get in trouble.
Prog 90062	Program	0:17:42.7	V2	Yeah the park has a lot more negative. With roads? What's the worst that can happen except maybe accidents? We're still resealing. Obviously there are criteria that a road has to meet to be resealed. You can't get to a certain point without going to that.
Prog 90063	Program	0:18:06.4	V1	So let's go ahead and do that. 440,000?
Prog 90064	Program	0:18:14.7	V2	\$443,000 plus the \$146,000 from the libraries. About \$189,000. Basically we need another \$507,000.
Prog 90065	Program	0:19:10.5	V3	What I don't understand is this, and how it affects the budget the budget.
Prog 90066	Program	0:19:27.6	V1	That's a huge proposed.
Prog 90067	Program	0:19:28.2	V3	That's only three grand more than it was last year. I don't think we should take it unless we need three grand somewhere. I think with the city you've got to worry about more than how clean the streets are at a time when your business is about to go under. That's like almost the entire budget - what you already budgeted.
Prog 90068	Program	0:20:15.8	V1	Can we reduce that? The amount they're putting into street cleaning? If we reduce it by - like a seventh - I'm thinking of a 7-day week, and you reduce the amount you do every day. That would take a lot - a seventh is what? 48?
Prog 90069	Program	0:20:34.7	V2	So take 7% or something?
Prog 90070	Program	0:20:36.0	V1	I'm thinking a seventh of 48.
Prog 90071	Program	0:20:48.8	V2	48 into 6 is 8 so reduce it 8%?

Prog 90072	Program	0:21:04.2	V1	Which would leave you 40%
Prog 90073	Program	0:21:05.6	V2	Yeah pretty much. So that's 8% out of 2 million.
Prog 90074	Program	0:21:20.3	V1	Let's take out 10% what's that? That comes to \$213,000.
Prog 90075	Program	0:22:32.7	V2	That's 489,000 there so all we need is \$400,000 more.
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## APPENDIX B - Scenario

### City of Midvale Demographic Characteristics

The City of Midvale has a population of 38,874 and encompasses a land area of 28.57 sq. miles/

The City serves as a trade, manufacturing, distribution and service center to approximately 302,000 people due to its location at the geographic center of a four-county region and its ready access to major transportation facilities. Over the past two decades, the City’s economy has increasingly diversified to manufacturing trade and services. Principal industries now include cable and fiber optics, wholesale grocery, retail trade, communications, utilities, health care, textiles, real estate, and furniture.

#### The problem

Last year, the industrial part of the city was struck by a major tornado, causing severe property damage that destroyed a number of businesses and several homes. The net impact on city finances has resulted in the need to decrease the municipal budget by approximately 10%

In order to accomplish this reduction fairly, you and other members of city council decided to break into task forces and closely examine small groups of departments rather than attempting to deal with the entire budget.

Your group has agreed to examine four departments: Police, Streets and Parks and Recreation and libraries. Your assignment is to develop an approved budget that represents a net 10% reduction for the four combined

Although your committee has agreed to reduce the budget by 10%, you still have responsibilities to your constituents which will impact what changes you advocate.

Allocations From Line-Item			
	Prior Year	Current year	Proposed
<b>Police</b>	\$ 3,611,055.52	\$ 3,691,498.50	\$ 5,323,027.10
<b>Streets</b>	\$ 4,033,270.00	\$ 4,324,238.50	\$ 4,431,429.00
<b>Parks</b>	\$ 1,040,752.21	\$ 1,089,703.17	\$ 1,114,178.67
<b>Libraries</b>	\$ 1,107,085.20	\$ 1,272,134.62	\$ 1,466,759.10
<b>Total</b>	\$ 9,792,162.93	\$ 10,377,574.79	\$ 12,335,393.87
		<i>Reduce BY 10%:</i>	\$ 1,233,539.39

## Police - Line Item Budget

The major responsibilities of police are: Prevention of criminal activity, Detection of criminal activity, Apprehension of criminal offenders, Control of traffic. Resolution of day-to-day conflicts among family, friends, and neighbors, Creation and maintenance of a feeling of security in the community, Promotion and preservation of civil order.

**Patrol:** The city maintains a fleet of 18 police cruisers that patrol the city's neighborhoods which are broken up into three districts (Downtown, North and South) Three units are assigned to each district to respond to dispatches and patrol when not responding.

**Investigation:** The Detective bureau is manned by 6 detectives who investigate crimes and apprehend suspects.

**Crime Prevention:** The department employs 2 full time and 8 part time officers in the DARE program. D.A.R.E. (Drug Abuse Resistance Education) is a collaborative effort by D.A.R.E. officers, educators, students, parents, and the community to offer an educational program in the classroom to increase youth resistance to peer pressure to experiment with tobacco, drugs, and alcohol. D.A.R.E. officers also make numbers of other presentations, and promote the city's Neighborhood Watch Program

**Technology Grant:** The Police Department has pursued a Federal Grant to add computers to all patrol cars, including base stations and servers. The new equipment will drastically improve police ability to check driver identification, criminal activities and the activities of other patrol units. The Grant is matching (50%) and is available only this year. Despite the need to reduce expenditures, funding for this grant is recommended.

Item	Allocations			
	Prior Year	Current year Budgeted	YTD Est.	Proposed
<b>Personnel Services</b>				
Chief	87,000	91,350	54,810	54,810
Patrol officers	22	22	22	22
<i>Total Cost</i>	1,100,000	1,166,000	1,166,000	1,166,000
Detectives	7	7	7	7
<i>Total Cost</i>	420,000	441,000	441,000	441,000
Clerical	3	3	3	3.00
<i>Total Cost</i>	84,000	88,500	88,500	88,500
911 Center	17	18	18	18.00
<i>Total Cost</i>	680,000	756,000.00	756,000.00	756,000.00
Crime Prevention Officers	6	6	6	6
<i>Total Cost</i>	300,000	318,000	318,000	318,000
<b>Total Personnel Services</b>	<b>\$ 2,671,000</b>	<b>\$ 2,860,850</b>	<b>\$ 2,860,850</b>	<b>\$ 2,824,310</b>
<b>Total Buildings</b>	<b>\$ 3,250,000</b>	<b>\$ 3,300,000</b>	<b>\$ 1,980,000</b>	<b>\$ 3,400,000</b>
<b>Equipment</b>				
Motor Pool				
Patrol (active)	15	15	15	15
<i>Total Cost</i>	75,000	82,500	49,500	90,750
Reserve & Crime Prevention Vehicles	6	6	6	6
<i>Total Cost</i>	24,000	26,400	15,840	29,040
Chief's Vehicle	1	1	1	1
<i>Total Cost</i>	1,200	1,320	792	1,452
Detectives Vehicles	6	6	6	6
<i>Total Cost</i>	30,000	33,000	19,800	36,300
<i>Total Motor Pool</i>	<u>\$ 130,200</u>	<u>\$ 143,220</u>	<u>\$ 85,932</u>	<u>\$ 157,542</u>
Other Equipment				
Maintenance	60,000	62,000	37,200	64,000
Replacement	8,500	9,250	5,550	10,000
New	946	1,200	455	1,200
<i>Total Other Equipment</i>	<u>\$ 69,446</u>	<u>\$ 72,450</u>	<u>\$ 43,205</u>	<u>\$ 75,200</u>
Matching for Federal Grant				500,000.00
<b>Total Equipment</b>	<b>\$ 199,646</b>	<b>\$ 215,670</b>	<b>\$ 129,137</b>	<b>\$ 732,742</b>
<b>Training</b>	<b>\$ 26,710</b>	<b>\$ 28,609</b>	<b>\$ 17,165</b>	<b>\$ 28,243</b>
<b>Conferences</b>	<b>\$ 4,500</b>	<b>\$ 4,000</b>	<b>\$ 2,400</b>	<b>\$ 4,500</b>
<b>Total Operations</b>	<b>\$3,611,056</b>	<b>\$3,691,499</b>	<b>\$2,214,634</b>	<b>\$4,823,027</b>

## Streets Department - Line Item Budget

The responsibilities of the department of Streets are to provide an attractive and safe transportation system for pedestrians and vehicles by maintaining present facilities and constructing additional infrastructure where and when necessary.

### Street Maintenance

Streets are re-sealed with asphalt based on an annual assessment of condition by city personnel, who rank them by "Excellent", "Good", "Adequate", "Needs Resurfacing" and "critical". Resurfacing is then done for all blocks receiving a "critical" rating, and as many blocks receiving a "needed" rating as budget funds permit. Resurfacing is done under contract at a cost of \$38.50 per ton. A ton of asphalt covers approximately 200 feet of surface.

Item	Allocations			
	Prior Year	Current year	YTD Est.	Proposed
<b>Personnel Services</b>				
Director	91,000	95,550	57,330	91,000
Director's Secretary	28,000	28,300	16,980	28,300
Engineer	78,000	78,000	46,800	78,000
Supervisors	3	3	3	3
Total Supervisors	135,000	136,500	81,900	136,500
Equipment Operators	16	15	15	15
Total Equipment Operators	480,000	495,000	297,000	495,000
Laborers	48	47	47	47
Total Equipment Operators	1,152,000	1,151,500	690,900	1,151,500
<b>Total Personnel Services</b>	<b>\$ 1,964,000</b>	<b>\$ 1,984,850</b>	<b>\$ 1,190,910</b>	<b>\$ 1,980,300</b>
<b>Total Buildings</b>	<b>\$ 1,200,000</b>	<b>\$ 1,320,000</b>	<b>\$ 792,000</b>	<b>\$ 1,452,000</b>
<b>Equipment</b>				
Mowers	4	4	4	4
Total	3,200	3,520	2,112	3,872
Trailers	4	4	4	4
Total	200	220	132	242
Brush Trucks	3	3	3	3
Total	15,000	16,500	9,900	18,150
Street Sweeper/Flushers	4	4	4	4
Total	48,000	52,800	31,680	58,080
Director's Vehicle	1	1	1	1
Total	1,200	1,320	792	1,452
Pickup trucks	9	9	3	9
Total	45,000	49,500	29,700	54,450
<b>Total Equipment</b>	<b>\$ 112,600</b>	<b>\$ 123,860</b>	<b>\$ 74,316</b>	<b>\$ 136,246</b>
<b>Supplies</b>				
Asphalt	445,000	487,600	292,560	500,000
Concrete	125,750	162,000	97,200	165,000
Fertilizer	78,000	82,000	49,200	85,000
Gravel	66,080	66,080	39,648	66,080
Seed	17,000	19,000	11,400	21,000
<b>Total Supplies</b>	<b>\$ 731,830</b>	<b>\$ 816,680</b>	<b>\$ 490,008</b>	<b>\$ 837,080</b>
<b>Training</b>	<b>\$ 19,640</b>	<b>\$ 19,849</b>	<b>\$ 11,909</b>	<b>\$ 19,803</b>
<b>Conferences</b>	<b>\$ 5,200</b>	<b>\$ 59,000</b>	<b>\$ 35,400</b>	<b>\$ 6,000</b>
<b>Total</b>	<b>\$4,033,270</b>	<b>\$4,324,239</b>	<b>\$2,594,543</b>	<b>\$4,431,429</b>

## Parks and Recreation - Line Item Budget

	Allocations			
	Prior Year	Current year	YTD Est	Proposed
<b>Personnel Services</b>				
Director	65,000	68,250	40,950	65,000
Secretary	28,000	29,400	17,640	28,300
Supervisors	2	1		1
Total	64,000	33,600	20,160	32,300
Groundskeepers	12	11	11	11
Total	399,360	384,384	230,630	384,384
Recreation Specialists	8	8	8	8
Total	299,520	314,496	188,698	314,496
<b>Total Personnel Services</b>	<b>\$ 827,880</b>	<b>\$ 800,730</b>	<b>\$ 480,438</b>	<b>\$ 796,180</b>
<b>Buildings</b>				
Independence Welcome Station	152,000	167,200	100,320	183,920
Farquat Welcome Station	74,250	81,675	49,005	89,843
Other building Facilities	247,000	271,700	163,020	298,870
<b>Total Buildings</b>	<b>\$ 473,250</b>	<b>\$ 520,575</b>	<b>\$ 312,345</b>	<b>\$ 572,633</b>
<b>Equipment Maintenance</b>				
Mowers	6	6	6	6
Total	4,800	5,280	3,168	5,808
Trailers	6	6	6	6
Total	300	330	198	363
Brush Trucks	2	2	2	2
Total	10,000	11,000	6,600	12,100
Seeders	2	2	2	2
Total	5,000	5,500.00	3,300.00	6,050.00
Pickup Trucks	8	8	8	8
Total	40,000	44,000	26,400	48,400
Director's Vehicle	1	1	1	1
Total	1,200	1,320	792	1,452
<i>Total Equipment Maintenance</i>	<i>\$ 61,300</i>	<i>\$ 67,430</i>	<i>\$ 40,458</i>	<i>\$ 74,173</i>
Bluegrass Festival Equipment Rental	\$ 51,253	\$ 55,000	\$ -	\$ 56,150
<b>Total Equipment</b>	<b>\$ 112,553</b>	<b>\$ 122,430</b>	<b>\$ 40,458</b>	<b>\$ 130,323</b>
<b>Supplies</b>				
Fertilizer (per Acre)	322,400	322,400	128,960	322,400
Seed (per Acre)	600	1,250	250	1,250
Welcome Station Bochures	3,520	3,600	2,880	3,600
Instructional Materials (Rec Programs)	4,150	4,500	1,350	4,500
<b>Total Supplies</b>	<b>\$ 330,670</b>	<b>\$ 331,750</b>	<b>\$ 133,440</b>	<b>\$ 331,750</b>
<b>Training</b>	<b>\$ 8,279</b>	<b>\$ 8,007</b>	<b>\$ 4,004</b>	<b>\$ 7,962</b>
<b>Conferences</b>	<b>\$ 1,250</b>	<b>\$ 950</b>	<b>\$ 475</b>	<b>\$ 1,350</b>
<b>Department of Parks Total</b>	<b>\$1,423,212</b>	<b>\$1,452,692</b>	<b>\$837,720</b>	<b>\$1,508,447</b>



## Library Department Line Item Budget

Midvale operate 2 libraries with a combined book collection of 752,000 volumes. The libraries are open 8-5 Monday through Saturday, with a staff of 3 librarians at each facility. The catalogs have been computerized using the Serious Library Catalog package, which is accessed by patrons via 4 terminals and 2 PC's at each facility which were installed last year. Those PC's also have Internet Access.

Item	Allocations			
	Prior Year	Current year	YTD Est	Proposed
<b>Personnel Services</b>				
City Librarian	59,800	62,790	37,674	68,250
<i>Secretary</i>	28,000	29,400	17,640	28,300
Staff Librarians	12	12	12	14
<i>Total Cost</i>	499,200	524,160	314,496	611,520
<b>Total Personnel Services</b>	<b><u>\$ 587,000</u></b>	<b><u>\$ 616,350</u></b>	<b><u>\$ 369,810</u></b>	<b><u>\$ 708,070</u></b>
<b>Facilities</b>				
Main Street Library	148,752	163,627	98,176	204,534
Toomey Street Library	163,627	179,990	107,994	224,987
<b>Total Facilities</b>	<b><u>\$ 312,379</u></b>	<b><u>\$ 343,617</u></b>	<b><u>\$ 206,170</u></b>	<b><u>\$ 429,521</u></b>
<b>Collections</b>				
No. Books	2,658	3,987	2,392	3,987
Avg. Book Cost	\$ 34.00	\$ 36.00	\$ 36.00	\$ 38.00
<i>Book Acquisitions</i>	<u>\$ 90,372</u>	<u>\$ 143,532</u>	<u>\$ 86,119</u>	<u>\$ 151,506</u>
<b>Computer Technology</b>				
PC's Acquired	4	0		0
Unit Cost	1,200.00	-		0
Total PC's	\$ 4,800.00	\$ -	\$ -	\$ -
Wireless Installation (both Libraries)				
Connectivity to Internet	9,250.00	10,375.00	6,225.00	10,375.00
Total Computer Technology	<u>\$ 14,050</u>	<u>\$ 10,375</u>	<u>\$ 6,225</u>	<u>\$ 10,375</u>
<b>Total Collections &amp; Equipment</b>	<b><u>\$ 104,422</u></b>	<b><u>\$ 153,907</u></b>	<b><u>\$ 92,344</u></b>	<b><u>\$ 161,881</u></b>
<b>Supplies</b>	<b><u>\$ 5,092</u></b>	<b><u>\$ 6,365</u></b>	<b><u>\$ 3,819</u></b>	<b><u>\$ 6,500</u></b>
<b>Training</b>	<b><u>\$ 5,870</u></b>	<b><u>\$ 6,164</u></b>	<b><u>\$ 3,698</u></b>	<b><u>\$ 7,081</u></b>
<b>Conferences</b>	<b><u>\$ 1,950</u></b>	<b><u>\$ 2,200</u></b>	<b><u>\$ 1,320</u></b>	<b><u>\$ 2,200</u></b>
<b>Total Library Department</b>	<b><u>\$1,016,713</u></b>	<b><u>\$1,128,603</u></b>	<b><u>\$677,162</u></b>	<b><u>\$1,315,253</u></b>

### Parks and Recreation Department - Performance Budget

Park Acreage		Park Maintenance Activities
Independence Park	135	All grassy areas will be mowed weekly during the growing season (March-June), and monthly during the summer (June-October). Shrubs will be pruned systematically in February/March and when needed at other times. Walkways and plant labeling will be maintained in botanical planting areas. The Welcome Stations will be manned by park personnel from 8:00 - 5:00 daily from March through September 15. When not otherwise involved, groundskeepers patrol parks to maintain visibility and help assure security. It is estimated that approximately 20% of their overall time is involved with this activity.
Farquat Park	98	
Smaller Parks	134	
Sports fields	36	
Total Park Acreage	403	

The City maintains 2 welcome stations that are open from March 1 through September 15 Daily. Hours are 8:00 - 5 pm, and are manned at all times by two Recreation Specialists. Last year, an estimated 17,000 people visited the centers.

#### Recreation Programs

During the summer (March- September 1) Recreation programs will be designed and carried out by Recreation Specialists. These will include nature walks, and tours through the botanical gardens where Park Staff will talk about plants and animals indigenous to the area. There will also be twice-weekly "night-walks" - a popular program in which patrons are taken through the wooded areas using only red-lensed flashlights to preserve night vision. Following the last day of school for the summer, Staff will commence summer recreation programs, featuring organized games and crafts for school-aged children.

Item	Work Load			Unit Costs			Total Costs			Pct Ttl Budget
	Prior	Current	Proposed	Prior Year	Current Year	Proposed	Prior Year	Current Year	Proposed	
<b>Mowing</b>										
Mowed acres/year	12,090	12,090	12,090	\$ 16.81	\$ 17.69	\$ 17.56	\$ 203,240	\$ 213,892	\$ 212,330	
<b>Plant Care</b>										
Security				3.20	3.36	3.36	10,483.20	11,007.36	11,007.36	
Welcome Stations	3276	3276	3,276	\$ 106.14	\$ 114.87	\$ 122.46	\$ 347,706.00	\$ 376,307.80	\$ 401,195.30	
Building Maintenance				69.06	75.97	83.57	226,250.00	248,875.00	273,762.50	
<i>Total Park Maintenance</i>				<u>\$ 526.15</u>	<u>\$ 535.92</u>	<u>\$ 543.39</u>	<u>\$ 883,829.21</u>	<u>\$ 923,607.17</u>	<u>\$ 946,932.67</u>	85%
<b>Summer Recreation Programs</b>										
Total Program Hours	900	900	900	\$ 112.61	\$ 118.40	\$ 118.40	\$ 101,350.00	\$ 106,560	\$ 106,560	10%
<b>Bluegrass Festival</b>										
Bluegrass Festival	40	40	40	\$ 1,389.33	\$ 1,488.40	\$ 1,517.15	\$ 55,573.00	\$ 59,536	\$ 60,686	5%
<i>Total Recreation Programs</i>				<u>\$ 1,501.94</u>	<u>\$ 1,606.80</u>	<u>\$ 1,635.55</u>	<u>\$ 156,923.00</u>	<u>\$ 166,096</u>	<u>\$ 167,246</u>	15%
<b>Other Operations (Untouchable)</b>							\$ 382,459.61	\$ 362,989	\$ 394,269	35%
<b>Total Parks</b>				<u>\$ 2,028.08</u>	<u>\$ 2,142.72</u>	<u>\$ 2,178.94</u>	<u>\$ 1,040,752.21</u>	<u>\$ 1,089,703</u>	<u>\$ 1,114,179</u>	100%

### Library Department - Performance Budget

Midvale operate 2 libraries with a combined book collection of 752,000 volumes. The libraries are open 8-5 Monday through Saturday, with a staff of 3 librarians at each facility. The catalogs have been computerized using the Serious Library Catalog package, which is accessed by patrons via 4 terminals and 2 PC's at each facility which were installed last year. Those PC's also have Internet Access.

Work Load	Work Load			Unit Costs			Total Costs			Pct Ttl Budget
	Prior	Current	Proposed	Prior Year	Current Year	Proposed	Prior Year	Current Year	Proposed	
Days open annually	624	624	624							
Circulation per capita	11.2	11.0	13.0							

## Police{

## Midvale Police Department - Program Budget

### Problem Definition

The major responsibilities of police are: Prevention of criminal activity, Detection of criminal activity, Apprehension of criminal offenders, Control of traffic. Resolution of day-to-day conflicts among family, friends, and neighbors, Creation and maintenance of a feeling of security in the community, Promotion and preservation of civil order.

### Affected Population

All citizens of Midvale benefit directly from Law Enforcement Protection. Residents of surrounding counties benefit indirectly.

### Strategic Goal

To promote the safety of the community and a feeling of security among the citizens, primarily through the deterrence and prevention of crime, and the apprehension of offenders providing service in a fair, honest, prompt and courteous manner to the satisfaction of citizens.

**Objective:** To respond to all Priority 1 (Life-threatening, violence in progress) within 3 minutes of dispatch, and 15 minutes for Priority 3 (routine/domestic disturbance).

	Prior Year	Current year	Proposed	Pct Ttl Budget
Total Dispatches	43,129	49,500	50,500	
Priority 1	2,156	2,475	2,525	
Priority 2	6,469	7,425	7,575	
Priority 3	34,503	39,600	40,400	
Apprehensions	1,294	1,485	1,515	
<u>Patrol Costs</u>	<u>\$ 1,100,000.00</u>	<u>\$ 1,166,000.00</u>	<u>\$ 1,166,000.00</u>	20%

**Objective:** To increase apprehensions by 10% by installing computers in all patrol vehicles.

The Police Department has pursued a Federal Grant to add computers to all patrol cars, including base stations and servers. The new equipment will drastically improve police ability to check driver identification, criminal activities and the activities of other patrol units. The Grant is matching (50%) and is available only this year. Despite the need to reduce expenditures, funding for this grant is recommended.

Anticipated Apprehensions	1,667	
City Share of Grant	\$ 500,000.00	9%

**Objective:** To Investigate reported crime and clear 98% of all part 1 offences

	Prior Year	Current year	Proposed	
Crimes Investigated	275	263	265	
Crimes Cleared	270	260	260	
% Crimes Cleared	98%	99%	98%	
<u>Investigation Cost</u>	<u>\$ 420,000.00</u>	<u>\$ 441,000.00</u>	<u>\$ 441,000.00</u>	8%

**Objective:** To obtain 98% approval ratings on annual Customer Satisfaction Survey by carrying out Crime Prevention Activities (Neighborhood Watch, D.A.R.E and community presentations)

	Prior Year	Current year	Proposed	
Crime Prevention M/H	17,899	18,818	18,968	
Approval Ratings	96%	99%	98%	
<u>Prevention Cost</u>	<u>\$ 464,694</u>	<u>\$ 519,313</u>	<u>\$ 527,465</u>	9%

**Alternative** Eliminating Crime Prevention activities will reduce the departmental budget by 10%, but will result in an estimated drop of 25% in approval ratings on the annual customer satisfaction survey because of the high visibility crime prevention activities have in the community.

## Streets Department - Program Budget

**Problem Definition**

Midvale is responsible for the maintenance of 5448 miles of streets, either owned directly or on state rights-of-way whose maintenance has been taken over by the city. 3.5 miles of those are in the Central Business District, and received more frequent attention than the other areas. Historically streets have been well maintained. A program is in place whereby city engineering staff annually inspect the streets and assign each segment a 3 point ranking: "Good or Excellent", "Needs Repair" or "Critical".

**Affected Populations**

Having no public transportation, the entire city population is affected by streets maintenance activities. In particular, downtown businesses have been vocal in advocating the condition of streets and sidewalks as an indirect economic development incentive to attract new businesses and customers to Midvale

**Goal**

To provide access to desired destinations such as employment, shopping and community services or other facilities in a quick, convenient, save and comfortable manner for all population groups in the community with a minimum of harmful effects on the environment

**Objective:** To maintain cleanliness of streets, sidewalks and alleys sufficient to result in fewer than 100 valid customer complaints annually.

		<b>Total Costs</b>		
	<b>Prior Year</b>	<b>Current Year</b>	<b>Proposed</b>	<b>Pct Ttl Budget</b>
Street Sweeping	\$ 1,668,603.33	\$ 1,824,755.01	\$ 1,826,625.01	
Alley Cleaning	\$ 294,390.38	\$ 308,580.19	\$ 309,773.69	
<b>Total</b>	<b><u>\$ 1,962,993.71</u></b>	<b><u>\$ 2,133,335.20</u></b>	<b><u>\$ 2,136,398.70</u></b>	<b>48%</b>
Valid Complaints	198	275*	250	

\* Estimated valid complaints after factoring out complaints deriving from recent storm

**Objective** Reseal all streets ranked "Critical" on annual Street Condition Survey: All streets ranked "Critical" will be slurry sealed under contract. Slurry seal has an expected life of 5 years.

		<b>Total Costs</b>		
	<b>Prior Year</b>	<b>Current Year</b>	<b>Proposed</b>	
"Critical" Miles	21	27	27	
<i>Estimated Cost</i>	\$ 383,670	\$ 602,910	\$ 602,910	<b>14%</b>

**Alternative** Reducing miles of street segments to be re-sealed from 27 to 7 would reduce department budget by approximately 10%. However, the result would be an estimated increase of 35% in the number of "critical" streets in following years as well as an increase in complaints from citizens and business leaders about the condition of roads.

		<b>Total Costs</b>		
	<b>Prior Year</b>	<b>Current Year</b>	<b>Proposed</b>	
<b>Other Operations (Untouchable)</b>	\$ 1,686,606	\$ 1,587,993	\$ 1,692,120	<b>38%</b>
<b>Total Streets</b>	<b>\$ 4,033,270</b>	<b>\$ 4,324,239</b>	<b>\$ 4,431,429</b>	<b>100%</b>

## Parks Department - Program Budget

**Problem Definition**

Midvale operates The City currently maintains two large parks, Independence and Farquat, of 135 and 98 acres respectively, 3 baseball and 1 soccer field as well as 10 smaller parks ranging in size from .5 to 10 acres in size. Independence Park also contains a 25 acre lake and The Basin - an amphitheater built into the hillside, with an open stage at waterside.

**Population Affected**

The parks are used by city residents and visitors from surrounding counties. Some special events, notably the annual Bluegrass festival, draw visitors from as far away as California and England. This event in particular, provides increased revenue to local businesses.

For the past 12 years, the International Bluegrass Association, a non-profit, largely volunteer organization, has held a regional Bluegrass festival in The Basin, that draws visitors from as far away as California and England. This event in particular, provides increased revenue to local businesses. Last year, an estimated at 10,000 visitors and participants came.

**Goal:**

To provide attractive, useful and secure park facilities for the citizens of Midvale including preschool ages to senior citizens.

**Objective:**

Maintain park grounds such that 95% of those households using park facilities rate them as satisfactory

	Prior Year	Current Year	Proposed	Pct Ttl Budget
Park Maintenance	\$ 883,829	\$ 923,607	\$ 946,933	85%
Ratings	95%	98%	95%	

**Goal: (Council Strategic Goal: Decrease summertime Vandalism.**

Provide recreational and educational activities that will attract school age children and teens during summer recess

During the summer (March- September 1) Recreation programs will be designed and carried out by Recreation Specialists. These will include nature walks, and tours through the botanical gardens where Park Staff will talk about plants and animals indigenous to the area. There will also be twice-weekly "night-walks" - a popular program in which patrons are taken through the wooded areas using only red-lensed flashlights to preserve night vision. Following the last day of school for the summer, Staff will commence summer recreation programs, featuring organized games and crafts for school-aged children.

**Objective:**

Achieve an overall attendance of 1,900 school-age children in summer recreational programs

	Prior Year	Current Year	Proposed	
Program Cost	\$ 101,350	\$ 106,560	\$ 106,560	10%
Attendance	1,735	1,824	1,900	

Eliminating summer recreation programs will result in cost savings of approximately 10% but may also result in increased vandalism, decreased satisfaction on the annual Customer Satisfaction Survey, and eliminates a contribution to a Council Strategic Goal

	Prior Year	Current Year	Proposed	
<b>Other Operations (Untouchable)</b>	\$ 382,460	\$ 362,989	\$ 394,269	35%
<b>Total Parks</b>	<b>\$ 1,040,752</b>	<b>\$ 1,089,703</b>	<b>\$ 1,114,179</b>	<b>100%</b>

## Library Department - Program Budget

**Problem Definition**

Midvale operate 2 libraries with a combined book collection of 752,000 volumes. The libraries are open 8-5 weekdays and 12-5 on Saturdays, with a staff of 4 librarians at each facility. The catalogs have been computerized using the Serious Library Catalog package, which is accessed by patrons via 4 terminals and 2 PC's at each facility. Those PC's also have Internet Access.

**Population Affected**

The Midvale libraries are used by all segments of the city population. Approximately 60% of the residents have library cards. The libraries are most heavily patronized by school-aged children, and older residents, although a significant number of younger adults visit the library regularly as well.

**Goal:**

To present library services that, to the extent possible, provide the greatest satisfaction to citizens including timely helpful and readily available services that are attractive, accessible and convenient.

**Objective:** To keep libraries open a total of 624 days per year (for both libraries) in order to achieve an estimated 655,000 customer interactions.

**Objective:** To maintain a Customer Satisfaction rating of 98% in the annual customer satisfaction survey

	Prior Year	Current Year	Proposed	
<b>Operating Costs</b>	\$ 811,579	\$ 867,777	\$ 1,041,041	<b>Pct Ttl Budget 71%</b>
<b>Days Open</b>	624	624	624	
<b>Customer Interactions</b>	484,224	655,200	750,000	
<b>Ratings</b>	96%	98%	98%	

**Alternative**

Closing the libraries on Mondays would reduce the annual number of open days from 624 to 520, reducing the total library budget by approximately 13%. While patronage is lightest on Mondays, it is still significant. It may be expected that citizen complaints will rise, and objections may be raised by the School Board, since the libraries are heavily used by school children and high schoolers for research.

	Prior Year	Current year	Proposed	
<b>Other Operations (Untouchable)</b>	\$ 295,506	\$ 404,358	\$ 425,718	<b>29%</b>
<b>Total Libraries</b>	\$ 1,107,085	\$ 1,272,135	\$ 1,466,759	<b>100%</b>

### Appendix C – Statistical Test results

ANOVA - Format Associated Terms									
Descriptives									
		N	Mean	Std. Deviation	Std. Error	Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Program	1	794	0.00	0.035	0.001	0.00	0.00	0	1
Associated Terms	2	332	0.00	0.055	0.003	0.00	0.01	0	1
	3	738	0.03	0.170	0.006	0.02	0.04	0	1
	Total	1,864	0.01	0.113	0.003	0.01	0.02	0	1
Performance	1	794	0.00	0.050	0.002	0.00	0.01	0	1
Associated Terms	2	332	0.02	0.133	0.007	0.00	0.03	0	1
	3	738	0.00	0.064	0.002	0.00	0.01	0	1
	Total	1,864	0.01	0.077	0.002	0.00	0.01	0	1
Line Item	1	794	0.04	0.194	0.007	0.03	0.05	0	1
Associated Terms	2	332	0.00	0.000	0.000	0.00	0.00	0	0
	3	738	0.00	0.037	0.001	0.00	0.00	0	1
	Total	1,864	0.02	0.130	0.003	0.01	0.02	0	1

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Program Associated	Between Groups	0.351	2	0.176	13.997	0.000
	Within Groups	23.340	1,861	0.013		
	Total	23.691	1,863			
Performance Associated	Between Groups	0.061	2	0.030	5.198	0.006
	Within Groups	10.874	1,861	0.006		
	Total	10.935	1,863			
Line Item Associated	Between Groups	0.662	2	0.331	20.017	0.000
	Within Groups	30.788	1,861	0.017		
	Total	31.451	1,863			

Post Hoc Tests- Format Associated Terms							
Multiple Comparisons							
Dependent Variable	(I) Type	(J) Type	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence	
						Lower Bound	Upper Bound
Program Associated Terms	1	2	-0.002	0.007	<b>0.969</b>	-0.02	0.02
		3	-0.029	0.006	0.000	-0.04	-0.02
	3	1	0.002	0.007	<b>0.969</b>	-0.02	0.02
		3	-0.027	0.007	0.001	-0.04	-0.01
		1	0.029	0.006	0.000	0.02	0.04
		2	0.027	0.007	0.001	0.01	0.04
Performance Associated Terms	1	2	-0.016	0.005	0.005	-0.03	0.00
		3	-0.002	0.004	<b>0.917</b>	-0.01	0.01
	3	1	0.016	0.005	0.005	0.00	0.03
		3	0.014	0.005	0.015	0.00	0.03
		1	0.002	0.004	<b>0.917</b>	-0.01	0.01
		2	-0.014	0.005	0.015	-0.03	0.00
Line Item Associated Terms	1	2	0.039	0.008	0.000	0.02	0.06
		3	0.038	0.007	0.000	0.02	0.05
	3	1	-0.039	0.008	0.000	-0.06	-0.02
		3	-0.001	0.008	<b>0.986</b>	-0.02	0.02
		1	-0.038	0.007	0.000	-0.05	-0.02
		2	0.001	0.008	<b>0.986</b>	-0.02	0.02



## Homogeneous Subsets - Format Associated Terms

### Program Associated Terms

Tukey HSD

Type	N	Subset for alpha = .05	
		1	2
1	794	0.00	
2	332	0.00	
3	738		0.03
Sig.		0.965	1.000
	2.00	332.00	0.02
	3.00	738.00	0.00
	Total	1,864.00	0.01

### Performance Associated Terms

Tukey HSD

Type	Between Groups	0	
		23	1,861
1	Total	23.69	1,863
3	Between Groups	0.06	2
2	Within Groups	11	1,861.00
Sig.	Total	10.935	1,863.000
	Between C	0.66	2.00
	Within Gro	30.79	1,861.00
	Total	31.45	1,863.00

### Line Item Associated Terms

Tukey HSD

Type	(I) Type	(J) Type	
2	1	2.00	0
3		3.00	0
1		1	0.00
Sig.		3.000	-0.027
	3.00	1.00	0.03
		2.00	0.03
	1.00	2.00	-0.02

## **Appendix D Information Packet**

### *Addition to syllabus of POLY 322 sections*

#### **EXTRA CREDIT**

You may receive 10 points extra points for your grade score by participating in a mock city council experiment that is being organized as part of the dissertation of Dennis Malarkey, a PhD. student in Public and Non Profit Management.

Mr. Malarkey is looking for 32 students (27 subjects and 5 standbys) to participate in a mock city council session. If chosen, you will be assigned to serve as a city councilman on one of 9 councils with the task of reducing a proposed budget by at least 10%. You will be given background information and presented with a proposed budget in one of three formats. As a responsible councilman, your task will be to reduce the budget safely by 10%. No personal information will be collected beyond your name (to get your ten points) so you may speak freely. However, you will be expected to serve your constituents responsibly in making budget decisions.

If you choose not to participate you may still earn 10 extra points by researching the general newspapers (like the New York Time or Times Dispatch – not scholarly or professional journals) to find an article about budgeting. You will seek to identify the type of budget format referred to and do a one-page paper on your conclusions.

*Information Sheet*

The Influence Of Differently Framed Information On Decision Making In The Public Budgeting Process: Does Budget Reform Mean A Damn?

**RESEARCH SUBJECT INFORMATION AND CONSENT**

The purpose of this dissertation is to examine the way in which differently “framed” information – information that is logically identical but presented in different ways – affects decision making in public budgeting sessions. You are being asked to participate in this study because you are a student of State and Local Government, with some familiarity with the subject that you have picked up in class.

You are being asked to serve as a city council member of a mock city, which got hit by a storm last year that did very heavy damage - so heavy that taxes are down and the budget needs to be reduced by at least 10%. The city council agreed that the way to do this was to break the department budget proposals down into groups and have committees review them by group and recommend cuts back to the whole council.

You will be presented with the proposed budgets for your committee’s share - four city departments. The documents will be in one of three different formats; (other groups in the room will have differently formatted documents). You will review the budget with your colleagues and decide the changes you feel can be responsibly made to reduce the total budget by at least 10%. When you and your colleagues are satisfied with the changes you have worked out, you will vote to approve or disapprove your budget.

The purpose of this study is to determine the impact of the budget information on your discussions, so the conversations with your colleagues will be recorded, transcribed, and subjected to content analysis. No names will be recorded or transcribed or used in the

analysis, so you may speak freely. However, you are reminded that you are a responsible public official and should be mindful of the needs of “your constituents” in your deliberations.

This meeting should require approximately an hour of your time. Once you have started the lab session, you will be expected to stay until the work of the group is completed. Upon completion of the entire lab session, you will be awarded 10 points for your participation, even if you were one of the standbys. There is an alternative way to earn those extra points: Research general newspaper articles ( like the New York Times, not professional or scholarly articles) and find one that talks about budgeting. Do a one-page paper giving your opinion of the budget format used and why you think so.

In the future, you may have questions about your participation in this study. If you have any questions, contact:

R. Dennis Malarkey  
804-262-3897  
malarkeyrd@vcu.edu

Dr. Nelson Wikstrom  
(804) 828-8068  
nwikstro@vcu.edu

Blue E. Woodridge  
(804) 828-8037  
bwooldri@vcu.edu

If you have any questions about your rights as a participant in this study, you may contact:

Office for Research Subjects Protection  
Virginia Commonwealth University  
800 East Leigh Street, Suite 111  
P.O. Box 980568  
Richmond, VA 23298  
Telephone: 804-828-0868

## Appendix E– SPSS Text Analysis for Surveys

SPSS Text Analysis for Surveys is a commercial text coding application that provides for meaningful analysis of responses to open-ended survey questions(*SPSS Text Analysis for Surveys 1.5 User's Guide*, 2005). It is used as a research tool in a number of universities including Stanford, the University of Tennessee, NYU (LoPresti, 2005) and others.

While designed specifically for analyzing open-ended survey questions, SPSS Text Analysis for Surveys permits analyzing any text for themes or concepts and presenting them in quantitative terms. It does this through the use of advanced linguistic theory and statistical analysis technologies, analyzing text as a set of phrases and sentences whose structure provides context for the meaning of the response. Key terms and word patterns are first extracted and then classified into categories through a series of automated and semi-automated routines.

### Extraction

SPSS Text Analysis for Surveys (SPTfS) first automatically extracts key terms based on linguistics-based text analysis. Linguistics-based text analysis is based on the field of study known as natural language processing, also known as computational linguistics. After importing the text, SPTfS uses several libraries to identify candidate terms for classification based on several built-in and custom libraries. Words that are likely to be uninteresting, linguistically, such as “an”, “the”, etc. These words are excluded from extraction, as well as terms specifically excluded from extraction by the user. Candidate compound words are identified using hard-coded or dynamic part-of-speech pattern extractors. For example, the multi-term “sports car,” which follows the adjective noun

23 part-of-speech pattern, has two components. The multi-term “fast sports car,” which  
24 follows the adjective – adjective - noun part-of-speech pattern, has three components.  
25 There are about 30 patterns, and the maximum pattern size is about six components.

26 After candidate uni-terms and multi-terms are identified, the software uses a set of  
27 algorithms to compare them and identify equivalence classes or synonyms. An  
28 equivalence class is a base form of a phrase or a single form of two variants of the same  
29 phrase. The purpose of assigning phrases to equivalence classes is to ensure that, for  
30 example, “Program Budget” and “Program Planning and Budgeting System” are not  
31 treated as separate concepts.

32 Next, types are assigned by SPSS Text Analysis for Surveys to extracted terms. Types are  
33 semantic groupings of terms stored in the form of dictionaries. When terms are extracted,  
34 they are assigned a type to help group similar terms. There are several built-in types:  
35 Positive (qualifiers), Negative (qualifiers), and a number of others, and custom-derived  
36 types may be built by the user.

### 37 **The Categorization Process**

38 There are several different approaches to creating categories or themes. The term  
39 "classification" here refers to the generation of category definitions through the use of a  
40 built-in technique. "Categorization" in this section refers to the scoring, or labeling  
41 process whereby unique identifiers (name/id/value) are assigned to the category  
42 definitions for each response. As categories are defined, analysis units of text (Turns) are  
43 automatically assigned to categories if they contain text that matches an element of a

44 category's definition. Once created by the system, categories may be improved or “fine-  
 45 tuned” by the user.

46 **Statistic-Based Categorization techniques**

47 SPSS Text Analysis for Surveys also offers a statistical classification technique based on  
 48 term or type frequency. Frequency reflects the number of records – in this context, a  
 49 speaker’s “turns” - containing a term or type and all its declared synonyms. This  
 50 produces a dichotomous table reflecting the presence or absence of each categorized  
 51 term by speaker’s turn. The following example is part of an analysis of an article about  
 52 budgeting It reflects those concepts which were mentioned and the number of article  
 53 paragraphs in which they were found.

**Table 2 – Word Frequency**

Term	Frequency	Term	Frequency
authority	14	number	3
budget	13	control	3
appropriation	6	administration	3
activities	6	excellent	3
law	5	schools	3
administrative authority	5	power	3
objects of expenditure	4	city	3
detailed	4	amounts	3
items of appropriation	4	right	3
specific	4	limits	3
large	4	appropriation act	3
period of authorization	3	detail	3
salaries	3	power of control	3
ordinary	3	question	3
sums	3		
discretion	3		

54

55           **Reliability and Fine-Tuning**

56   Whenever data is coded, the resulting categories must be reliable. In the context of the  
57   text, this means that two independent coders, using the same rules (coding frame), would  
58   code the same response identically. When text analysis is done manually, this is a critical  
59   issue. When SPSS Text Analysis for Surveys is applied to the same data, with the same  
60   linguistic resources, it will always reproduce a prior analysis perfectly. It is 100%  
61   reliable.

62   While the automated processes may be reliable, human judgment – and thereby the risk  
63   of bias - lie in the need to adjust and “fine tune” the project by reading the text carefully  
64   for nuances that automated processes would not detect. This is necessary in order to  
65   more effectively analyze the data, but does present the risk of human bias to some extent.

66   Fine-tuning, in this case, involves two things, both with the goal of accurately capturing  
67   the ideas of the text and removing ambiguity in the results.

68       1. *Adding words and phrases as synonyms to the software’s linguistic libraries and*  
69       *dictionaries.* One example would be specifying that “PPBS”, “Program Planning  
70       and Budgeting System” are synonymous terms. One term is an acronym for the other  
71       and the two may be considered interchangeable in virtually every instance.

72       2. *Categorizing inferred synonyms.* In the course of normal conversation one may  
73       refer to a concept indirectly. The phrase “lets give them...” in context of this study  
74       might very well be referring to the term “Appropriation”, so that phrase would be  
75       added to the “Appropriation” category without making it a linguistic synonym. It  
76       should be noted that once a phrase has been added to a category, one can highlight it



77 and see every occurrence of that phrase in the data to be sure that the phrase always  
78 means the same thing.

79 3. *Simplifying the categories.* SPTfS will automatically create a fairly large number  
80 of categories based on term frequency, and it will be necessary to combine similar  
81 categories in order to provide a clearer picture of what was discussed.

82 In all three cases, this is a minor weakness because it relies on human judgment to some  
83 extent. However, those judgments will apply to all data equally, reducing the probability  
84 of confounding.

85