Final Presentation

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Object of Research and Training

Searching for evaluation models to promote efficiency and responsibility of local government and to reflect performance results to budgeting: Focused on the way of effective performance evaluation to overcome the gap between budgeting cycle and performance evaluation cycle in local government

- To find applicable **evaluation models** to promote effective and efficient budgeting

- To provide the standard to set appropriate **performance indicators** which can measure performance results objectively.

- To suggest the **procedure to cancel or to reduce current projects** whose goals couldn't be achieved
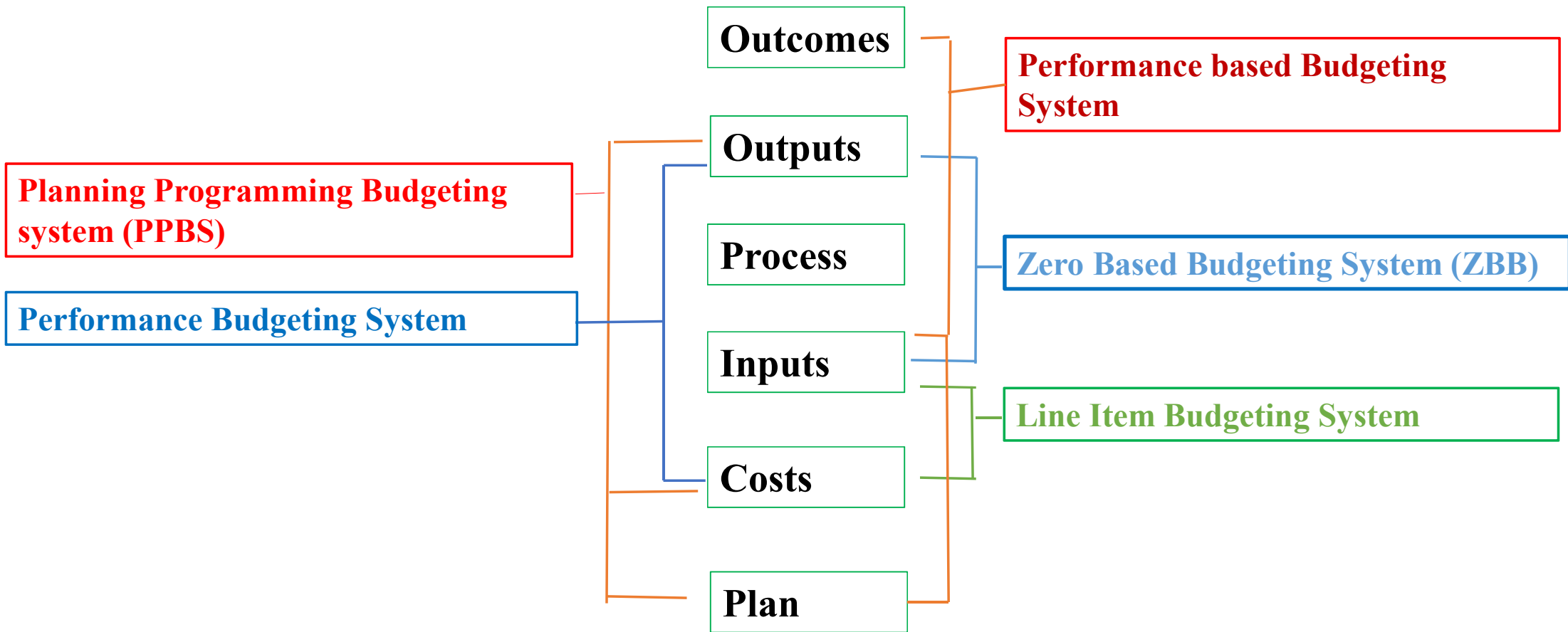
Can Budgeting be linked to Performance?

☞ **What is Performance?**
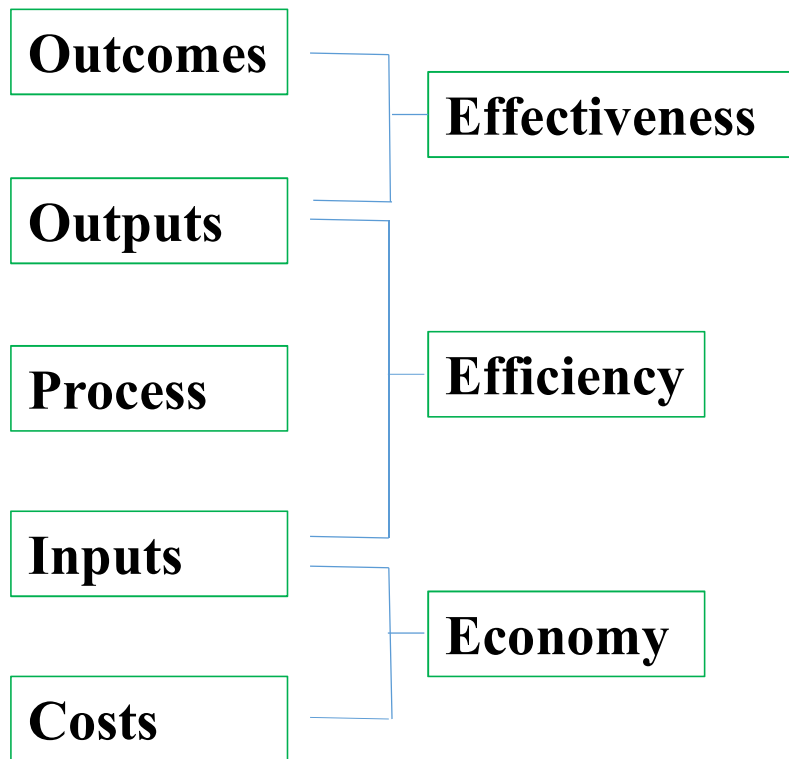
Input
(Budgeting) ➡ **Processing** ➡ **Output** ➡ **Outcome** ➡ **Impact**
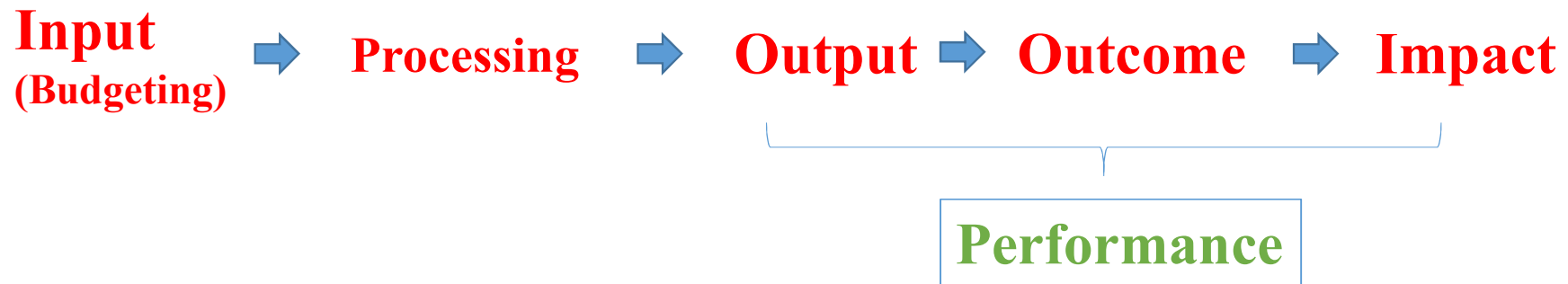
Performance

☞ **Is the Performance Measurable?**

☞ **Can Low performance projects be cut their Budget?**

Efforts so far to innovate Budgeting

What should the Budget focus on?

Outcomes ──┐
           ├── Effectiveness
Outputs ───┤
           │
Process ───┤── Efficiency
           │
Inputs ────┤
           │
Costs ─────┘── Economy

☞ **The Reform of Budgeting system has been shifting from Economy to Efficiency to Effectiveness.**

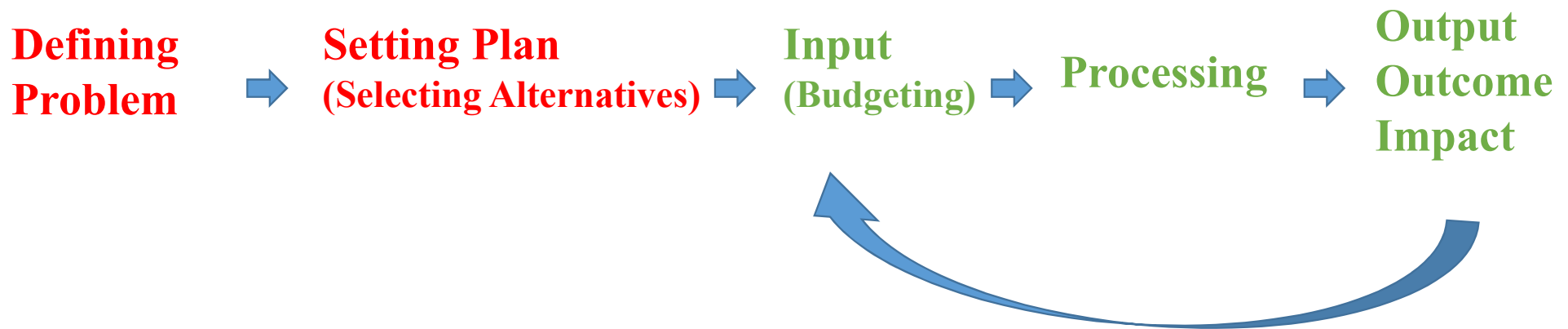☞ **Effectiveness is a measure of how well the government has achieved its goals.**

Pursuing Effectiveness without considering Efficiency, only bankruptcy will wait.

Outcomes are not easy to measure.
It takes a long time to produce Outcomes.

☞ **Efficiency is a measure of how well the government operates on a given budget.**

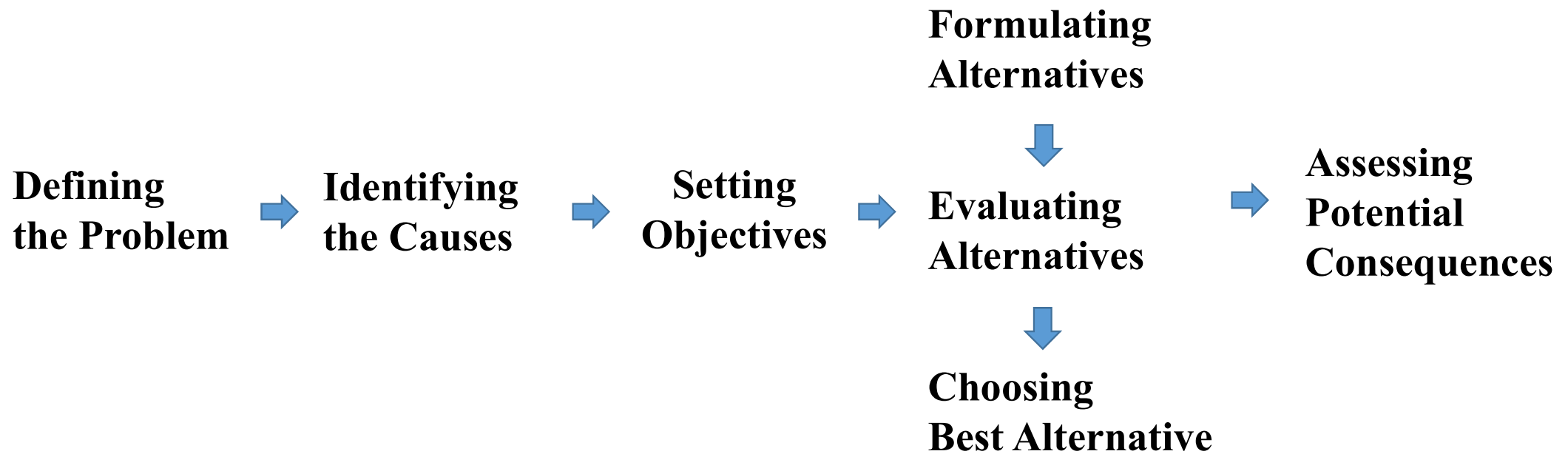☞ **The key to budgeting reform is to improve efficiency.**

Doing the Right Things vs. Doing Things Right

Defining Problem ➡ **Setting Plan (Selecting Alternatives)** ➡ **Input (Budgeting)** ➡ **Processing** ➡ **Output Outcome Impact**
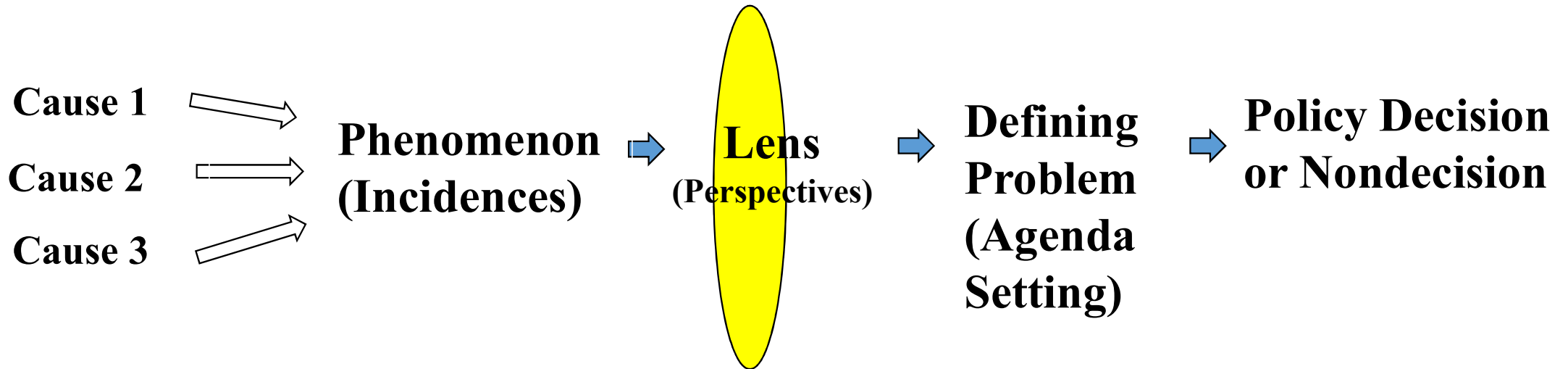
☞ **What if the Problem is not a Problem?**

☞ **What if Defining Problem is Wrong?**

☞ **What if the Government does not need to address the Problem?**

☞ **What if Selected Alternatives are not correct measures?**

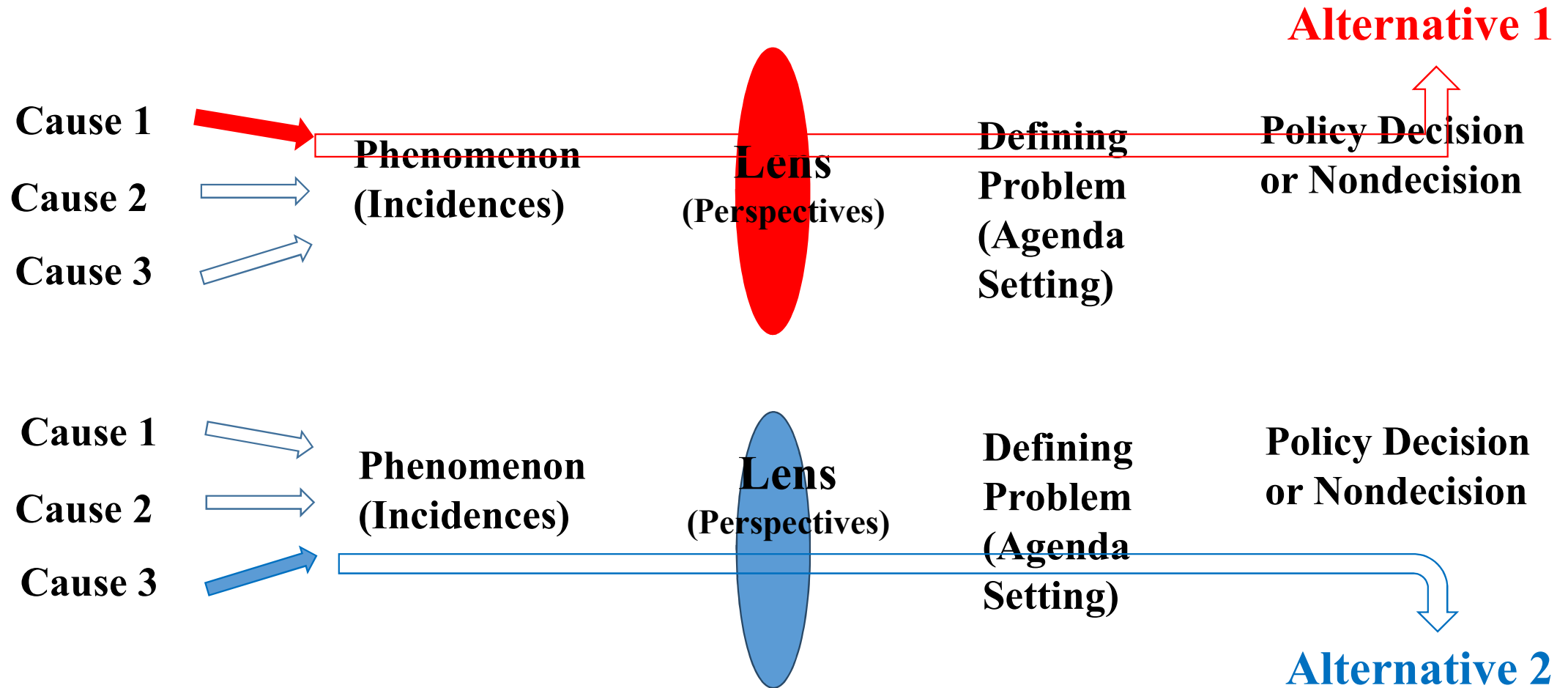# Ideal steps for Policymaking Process

Defining the Problem → **Identifying the Causes** → **Setting Objectives** → **Evaluating Alternatives** → **Assessing Potential Consequences**

Formulating Alternatives

Choosing Best Alternative

Decision Making steps in Reality

Cause 1 →

Cause 2 → **Phenomenon (Incidences)** → **Lens (Perspectives)** → **Defining Problem (Agenda Setting)** → **Policy Decision or Nondecision**

Cause 3 →

Examples that the Alternative focus on one of the causes

Alternative 1

Cause 1

Cause 2

Cause 3

Phenomenon (Incidences)

Lens (Perspectives)

Defining Problem (Agenda Setting)

Policy Decision or Nondecision

Cause 1

Cause 2

Cause 3

Phenomenon (Incidences)

Lens (Perspectives)

Defining Problem (Agenda Setting)

Policy Decision or Nondecision

Alternative 2

Cases that the alternative is dominated by one of the causes

Cause 1

Cause 2

Cause 3

Phenomenon
(Incidences)

Lens
(Perspectives)

Defining
Problem
(Agenda
Setting)

Policy Decision
or Nondecision

Alternative 1

Cause 1

Cause 2

Cause 3

Phenomenon
(Incidences)

Lens
(Perspectives)

Defining
Problem
(Agenda
Setting)

Policy Decision
or Nondecision

Alternative 2
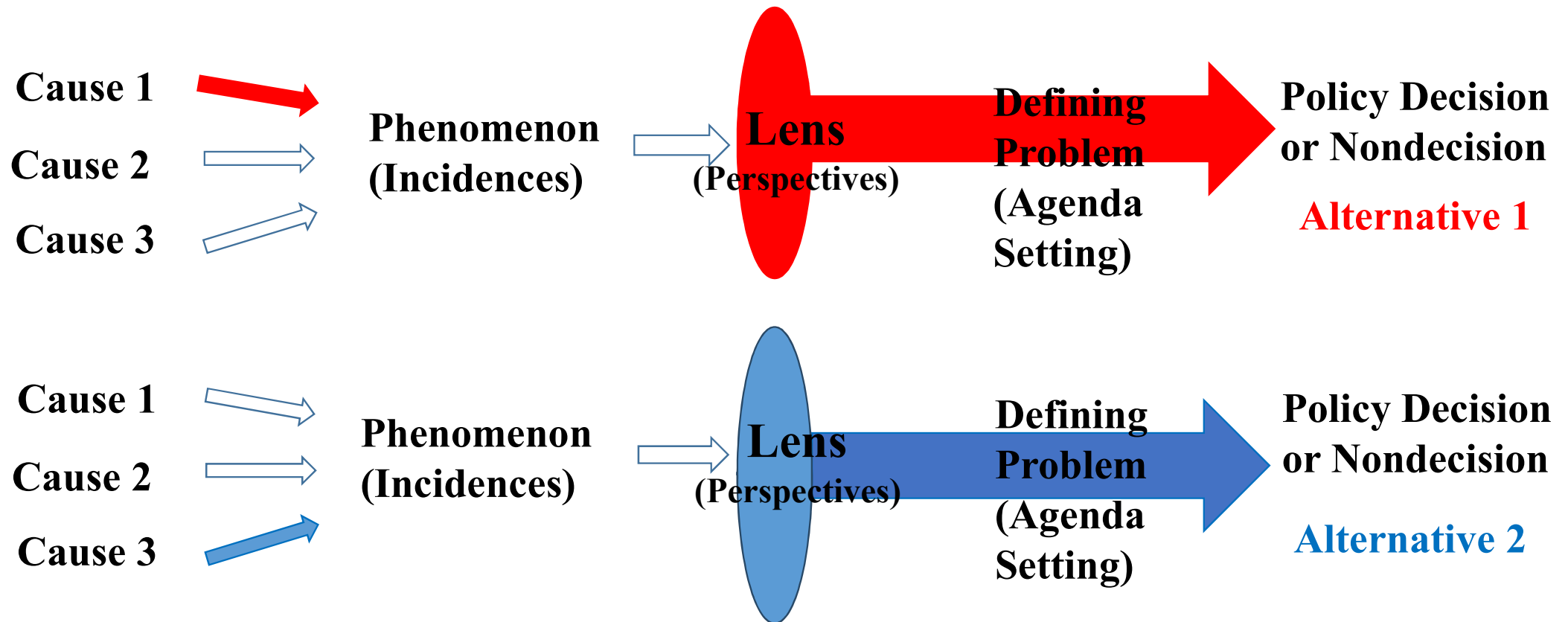
No Child Left Behind Act (NCLB)

1. **The Elementary and Secondary Education Act (ESEA)**

   ☞ **Passed in 1965 as a part of President Lyndon B. Johnson's Great Society program.**

   ☞ **Create a clear role for the federal government in K-12 policy**

   ☞ **Limited Federal Government role offering federal government fund (Title 1)**

   ☞**Provide federal resources for states to level the playing field between schools in wealthy and poor districts**

   ☞ **Ensure Equal opportunity**

2. The No Child Left Behind Act

☞ Enacted in Jan. 8. 2002 by President George W. Bush with bipartisan support.

☞ Increase the federal role in holding schools responsible for the academic progress of all students.

☞ Intend to improve international competitiveness of the American education system

☞ Require an annual standardized test set by each state in reading and Math

☞ Tie the Federal funding (Title 1) to Adequate Yearly Progress(AYP) in test scores

☞ Require to bring all students to "Proficient Level" on state tests by the 2013-2014 school year

3. Steps to improve the schools whose results were repeatedly poor

☞ **missing AYP for**
second consecutive year

– **publicly labeled as "In Need of Improvement"**
– **Students can transfer to a higher performing school**

☞ **third consecutive year**

– **Offer free tutoring and other supplemental education services**

☞ **fourth consecutive year**

– **labelled as requiring "corrective action"**
– **wholesale replacement of staff, introduction of a new curriculum or extending the amount of time students spend in class**

☞ **fifth consecutive year**

– **Plan to restructure the entire school**

☞ **sixth consecutive year**

– **Implement the plan to restructure**
– **Closing the school , turning to a charter school, hiring a private company to run**
Asking the state to run the school directly

4. Result of the No Child Left Behind Act

☞ **In 2015, the deadline had passed, but no states had gotten all 100 percent of its students over the proficiency bar.**

☞ **In 2010, 38% of schools were failing to make AYP, up from 29% in 2006**

☞ **In North Carolina, in 2004, there was 9 schools in the state that were identified for some level of improvement sanction. And by 2008-2009, there were 521.**

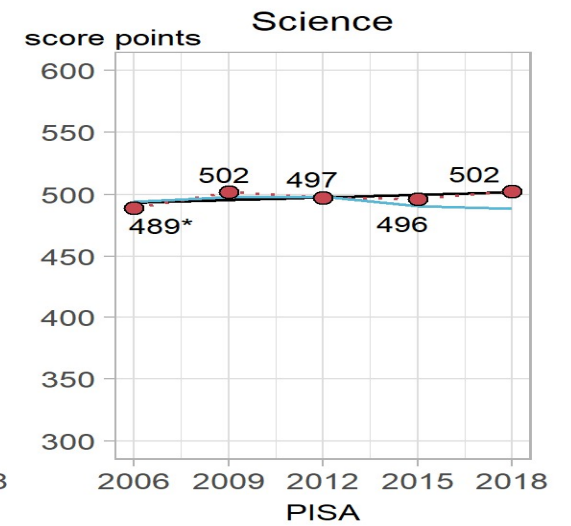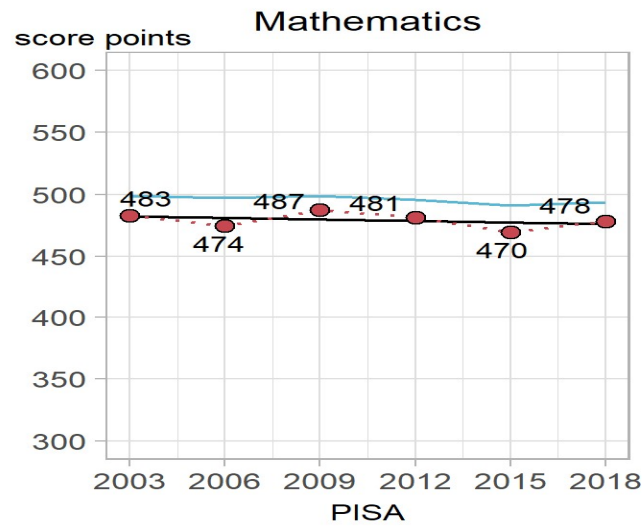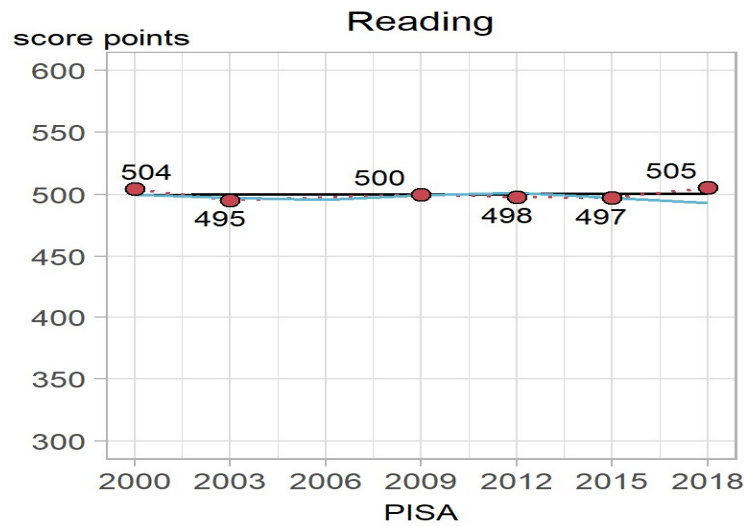☞ **In 2015, replaced by Every Student Succeeds Act**

Every Student Succeeds Act: The new law tries to preserve the spirit of No Child Left Behind, while fixing what were widely perceived as its one-size-fits-all approach. **"**The goals of No Child Left Behind, the predecessor of this law, were the right ones: High standards. Accountability. Closing the achievement gap," Obama said Thursday. "But in practice, it often fell short. It didn't always consider the specific needs of each community. It led to too much testing during classroom time. It often forced schools and school districts into cookie-cutter reforms that didn't always produce the kinds of results that we wanted to see."

https://www.usatoday.com/story/news/politics/2015/12/10/every-student-succeeds-act-vs-no-child-left-behind-whats-changed/77088780/

☞ PISA Results for the United States (Program for International Student Assessment, OECD)

		2018 (79)	2015 (72)	2012 (61)	2009 (57)	2006 (52)	2003 (39)	2000 (39)
Math	International Average	487	490	494	495	494	499	
	USA	478/38	470/40	481/29	487/29	474/33	483/28	
	KOREA	526/7	524/7	554/4	546/3	547/4	542/3	
Reading	International Average	487	493	496	493	489	494	493
	USA	505/14	497/24	498/22	500/16		495/18	504/15
	KOREA	514/9	517/7	536/4	539/1	556/1	534/2	525/7
Science	International Average	489	493	501	501	498		
	USA	502/19	496/25	497/26	502/21	498/28		
	KOREA	519/8	516/11	538/6	538/5	522/10		

Reading

score points

504 | 495 | 500 | 498 | 497 | 505

2000 2003 2006 2009 2012 2015 2018

PISA

Mathematics

score points

483 | 474 | 487 | 481 | 470 | 478

2003 2006 2009 2012 2015 2018

PISA

Science

score points

489* | 502 | 497 | 496 | 502

2006 2009 2012 2015 2018

PISA

● ○ United States ——— OECD average ——— Trend - United States

PISA results for the United States by race and ethnicity.

Reading						
Race	2015	2012	2009	2006	2003	2000
	Score	Score	Score	Score	Score	Score
US Average	497	498	500	—	495	504
White	526	519	525	—	525	538
Black	443	443	441	—	430	445
Hispanic	478	478	466	—	453	449
Asian	527	550	541	—	513	546
Other	440	438	462	—	456	455
More than one race	498	517	502	—	515	—

Math					
Race	2015	2012	2009	2006	2003
	Score	Score	Score	Score	Score
US Average	470	481	487	474	483
White	499	506	515	502	512
Black	419	421	423	404	417
Hispanic	446	455	453	436	443
Asian	498	549	524	494	506
Other	423	436	460	446	446
More than one race	475	492	487	482	502

Science				
Race	2015	2012	2009	2006
	Score	Score	Score	Score
US Average	496	497	502	489
White	531	528	532	523
Black	433	439	435	409
Hispanic	470	462	464	439
Asian	525	546	536	499
Other	462	439	465	453
More than one race	503	511	503	501

https://en.wikipedia.org/wiki/Programme_for_International_Student_Assessment

Analysis of the No Children Left Behind Policy

☞ **Defining Problem** ;

    Is K12 education a problem of the federal government?

☞ **Identifying the Causes** ;

    Is the educational gap a problem caused by schools and teachers?
    Or a comprehensive problem caused by individuals, families, communities, teachers and schools?

☞ **Setting Objectives** ;

    Can schools make all students get above standard scores regardless of their individual competencies?

☞ **Choosing Alternatives**

    Standardized test score vs relative improvement rate
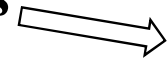
☞ **Performance Evaluation** ;

    Can the budget be reduced because of low performance?
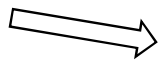
Phenomenon (Incidences)

Defining Problem (Agenda Setting)
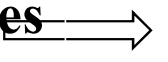
Policy Decision or Nondecision

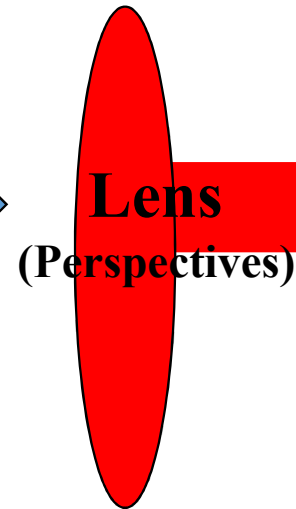**Individuals**

Families

Communities

Teachers

Schools

Internationally low competitiveness

Achievement Gap between poor and minority students and white students

Lens (Perspectives)

Problems resulted from schools and teachers

Alternative

Introduction of standardized tests

Federal fund tied to the test scores

The Population Policy of Korea

1. The Population Control Policy

☞ **From 1955 to 1960, Average Population Growth Rate was 2.92%**
Total Fertility rate was 6.3
Population increased steeply from 21.5 million in 1955 to 25 million in 1960

☞ **in 1962, The Population Control Policy was Initiated**
The Goal was to curb the population growth rate to 2.7% by 1966

☞ **in 1972, the Goal was updated to 1.5% of the population growth rate by 1976**

☞ **in 1983, the total population exceeded 40 million**
total fertility rate was 2.06, which is below the population replacement rate

☞ **in 1996, the New population Policy replaced the population control policy**

2. The Population Control Policy

☞ **In 1996, the Population Control Policy was abolished**

the New population Policy was adopted.

☞ **Emphasis on welfare improvement and quality of the Korean population**

☞ **The Objectives of the new policy are**

to keep the low rates of fertility for social and economic development

to promote family health and welfare

to balance the sex ratio at birth

to promote gender equality and women's empowerment

to prevent induced abortion

시기별 가족계획 표어

1961년 알맞게 낳아서 훌륭하게 키우자 5.99

1963년 덮어놓고 낳다 보면 거지꼴을 못 면한다 5.57

1966년 3명 자녀를 3년 터울로 35세 이전에 단산하자 4.99

1971년 딸·아들 구별 말고 둘만 낳아 잘 기르자 4.54

1980년 잘 키운 딸 하나 열 아들 안 부럽다 2.82

1982년 둘도 많다 하나 낳고 알뜰살뜰 2.39

1986년 하나로 만족합니다. 우리는 외동딸 1.58

1990년 엄마 건강 아기 건강 적게 낳아 밝은 생활 1.57

2004년 아빠! 하나는 싫어요. 엄마! 저도 동생을 갖고 싶어요 1.15

2006년 낳을수록 희망 가득 기를수록 행복 가득 1.12

3. The Fertility Encouragement Policy

☞ **In 2004, the population Policy was shifted to the Fertility Encouragement Policy.**

☞ **In 2005, the Framework Act on Low Birthrate in an Aging Society was enacted.**

☞ **The Measures of the policy are**

to Foster a family-friendly social environment that encourages marriage and childbirth and family life

to Expand the infrastructure of child care

to Forster a working environment enabling the coexistence of family and workplace such as paid child care leave

to Increase medical support for healthy pregnancy and delivery

Total population and growth rate (1965-2065)

Source: Statistics Korea

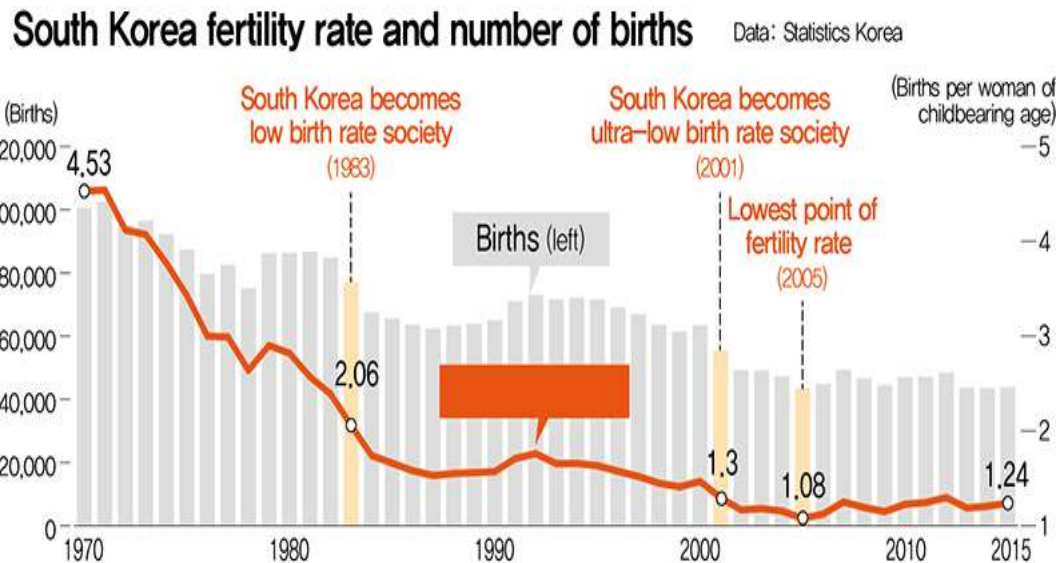http://www.theinvestor.co.kr/view.php?ud=20161208000907
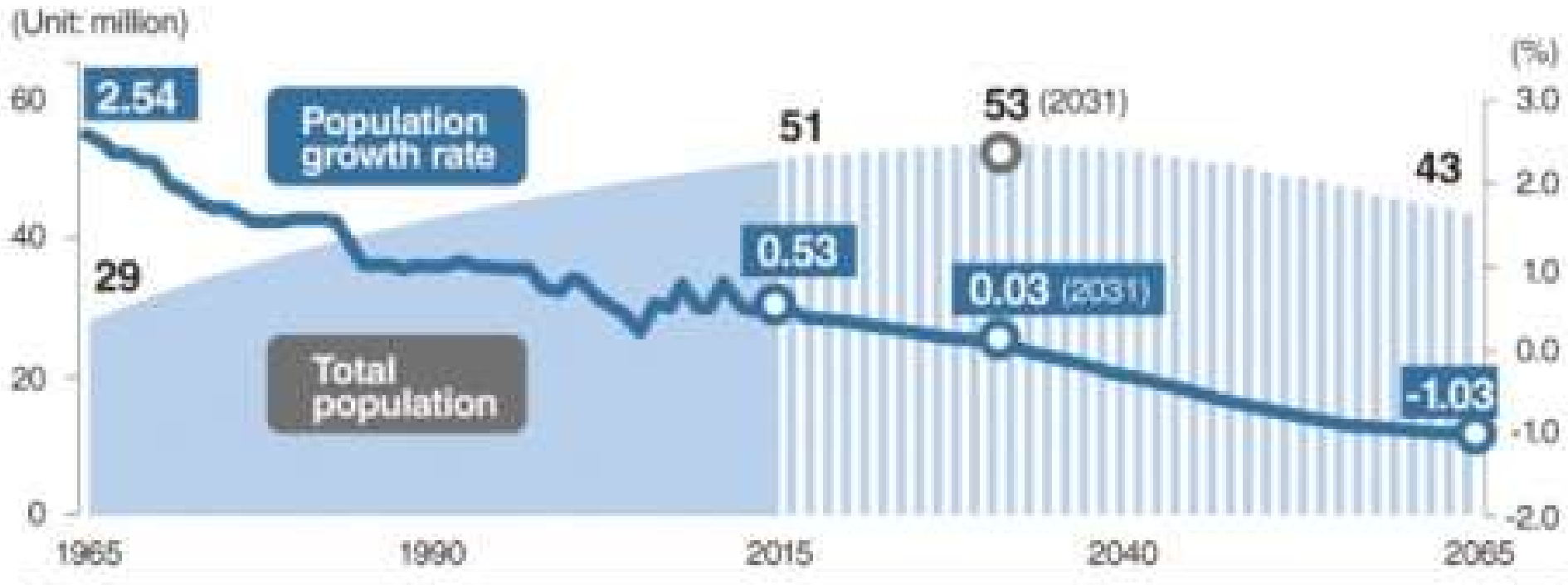
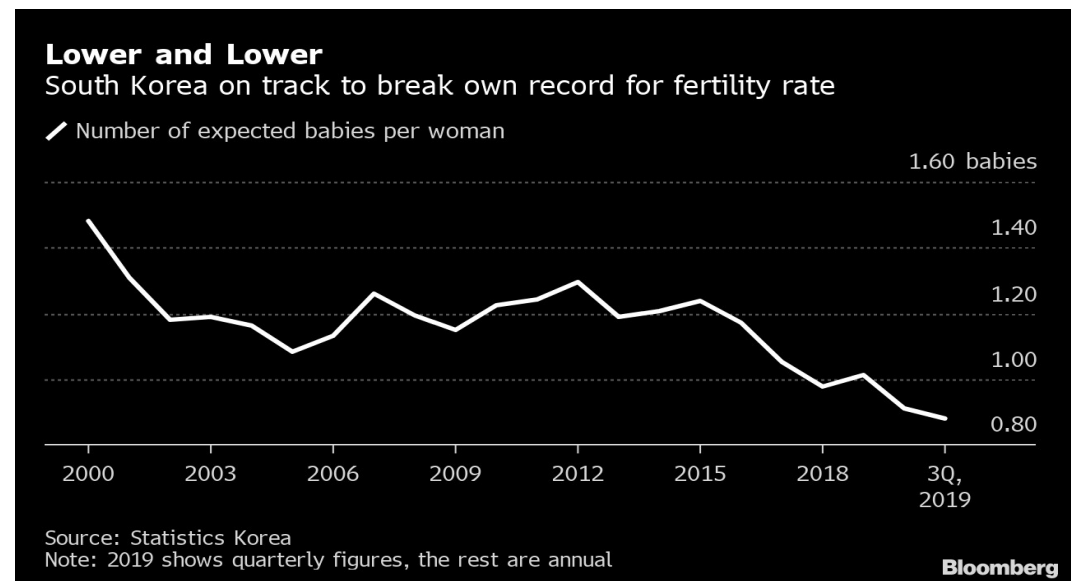# 4. Result of the Fertility Encouragement Policy

☞ **In 2019, South Korea's total fertility rate hit a record low of 0.92**
       2nd consecutive year for the rate to fall below 1.

☞ **The number of newborns came to 302,700 in 2019, down 7.4% from 2018**

☞ **The number of marriages reached 239,200, down 7.2% from 2018**

South Korea fertility rate and number of births — Data: Statistics Korea

http://english.hani.co.kr/arti/english_edition/e_national/758664.html

Lower and Lower
South Korea on track to break own record for fertility rate

Number of expected babies per woman

Source: Statistics Korea
Note: 2019 shows quarterly figures, the rest are annual

Bloomberg

https://www.bloomberg.com/news/articles/2019-11-27/south-korea-set-to-break-own-record-on-world-s-lowest-birth-rate

Analysis of the Fertility Encouragement Policy

☞ **Defining Problem** ;

Is the low fertility rate a matter of raising the birthrate?
Or is the a matter of preparing for demographic changes?

Are low fertility rate and aging one problem? Or another problem?

☞ **Identifying the Causes** ;

Is the burden of raising children the main cause?
Or Is it caused by a change in perception of the family and lifestyle?

☞ **Setting Objectives** ;

Can the government's policy raise the fertility rate?
Fewer children for family happiness **vs** More children for the country's future?
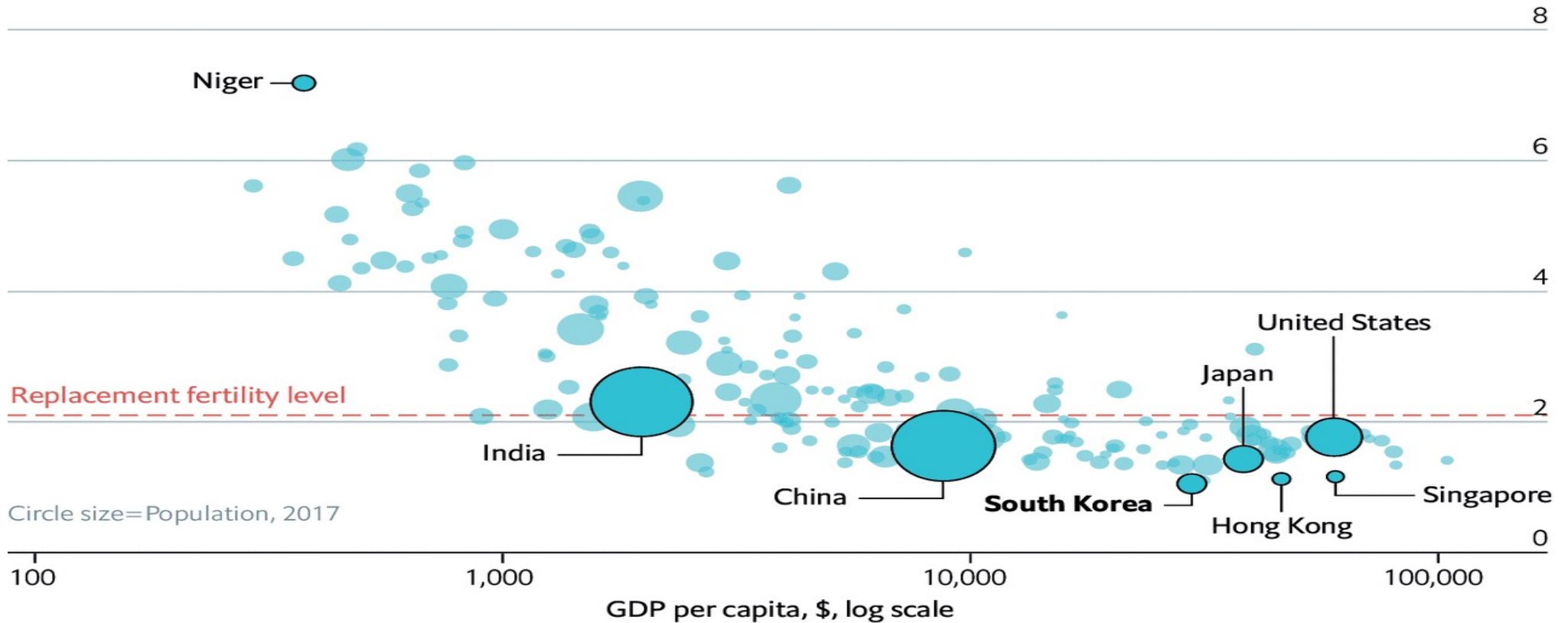
☞ **Performance Evaluation** ;

Can the budget be reduced because of low performance?

Gone baby gone
GDP and fertility, 2017

Fertility rate

Niger

Replacement fertility level

Circle size=Population, 2017

India

China

South Korea

Hong Kong

Japan

United States

Singapore

GDP per capita, $, log scale

Sources: United Nations; World Bank

The Economist

https://www.economist.com/graphic-detail/2019/08/30/south-koreas-fertility-rate-falls-to-a-record-low

Can Budgeting be linked with performance evaluation?

☞ **Projects with low performance may require more budget.**

☞ **Projects with high performance could be over budgeted.**

☞ **Essential projects require an appropriate budget regardless of their performance.**

☞ **There are many symbolic projects that do not require performance.**

☞ **There is no policy failure during the period of power.**

☞ **There is no objective evaluations.**

☞ **Performance evaluations are too late to be linked to the budget.**

The nature of the Budgeting

☞ **Distribution of scarce resources**

☞ **Political Process** **among Regions, Classes, Races, Interest Groups rather than Economic Process**

☞ **Fixed Time Schedule**

☞ **Die-hard Projects**

☞ **Control of Input****, Insulation from Performance**

Conclusion ; Budget is not guilty.

☞ **The issue of effectiveness is not a matter of budget,
but a matter of policymaking including defining problem and selecting alternatives.**

☞ **The issue of efficiency is not a matter of budget,
but a matter of the way of working.**

☞ **Budgeting is not a process to reduce fund for low performing project,
but rather to reduce unnecessary projects.**

☞ **Linking budget to performance is a kind of illusion.**

☞ **Budget is a bridge between doing the right things and doing things right.**

Thank you

Any Questions?