

TERRELL BLODGETT

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Sir / Ms:

I do not claim to be intimately familiar with all of the areas GASB has promulgated standards or proposed standards; I have been particularly supportive of their initiatives in the area of "service efforts and accomplishments" (SEA) / performance measurement and management.

My interest in the subject began in the 1960s when as a city manager, I prepared a budget based on performance measures. While on the active faculty at the LBJ School, I initiated a series of "Managing for Results" conferences, built substantially on GASB's work in this arena. We held conferences in 1993, 1995, 1998 and 2,000, attracting to each of 2 of those conferences over 800 state and local officials from all 50 states and several foreign countries. I have continued that interest since retirement, writing articles and now participating in a nonprofit devoted to encouraging use of performance management (PM), particularly at the state and local level.

Throughout these years, I have not been impressed with GFOA's reactionary approach to GASB's work, even trying to get GASB eliminated. I am convinced that GASB's work in SEA reporting has been and continues to be of great value to citizenry in general and to elected officials in particular. Never mind that it has not been universally adopted, the fact remains that the local governments which practice PM are nearly always the same ones who observers rate the highest in effectiveness and citizen satisfaction.

As far as predicting the future, obviously such predictions are "informed guesses" but I would argue that is better than not thinking about it at all. Let me give you a concrete example. Austin's public safety departments (police, fire, EMS) have increasingly and now take practically all of the General Fund revenues of the City, leaving a miniscule amount for all other general government functions (libraries, parks, recreation, streets, and others). I believe strongly that with a longer - more structured - look at the trend in these projections, the Austin City Council would begin to take a closer look at these public safety budgets each year. Austin is not alone; I know of other cities which face similar situations.

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I don't know if some of the pension problems in cities and states, and some of the other factors that have led to bankruptcy and near bankruptcy would have been averted if the long-range financial projections of the associated costs and obligations requirement had been in place, but I'll bet it would have given elected and appointed officials more ammunition to declare that troubling trends needed to be examined more closely.

Finally, GASB was not set up to run on a popularity basis. The academic study by FAF is not anything new. GASB is a standard setting authority by definition, and by name. In fact, if they are properly doing their job, they are likely to, in many cases, be setting standards that are not at all popular with many, especially among those directly affected. Would you tell me if the food industry is a fan of the Food and Drug Administration? Is the securities industry a fan of the Securities and Exchange Commission? Are the oil companies a fan of the Environmental Protection Agency? You and I know the answer to those questions. And yet we read every day of the grief they have averted.

Mr. Esser and the "bean counters" have already caused more havoc than is justified. The FAF should be backing GASB's agenda setting process, not trying to restrict its operation.

Sincerely yours,

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