

# STATISTICS IN PERFORMANCE BUDGETING \*

by

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So much has been heard about performance budgeting that I have chosen it as my subject for tonight. President Magsaysay's proclamation of Statistics Week, which we are observing today, recognizes statistical development as necessary for wise administration and planning.

The budget is the foremost legislative and administrative instrument of control in the spending of public funds. The Third Congress in its first regular session, realizing this vital role of the budget enacted R.A. 992, also known as the "Revised Budget Act," which provides for a budgetary concept "based on functions, activities, and projects in terms of expected results." Thus, the new performance budget is no longer a mere money plan; it is a work plan as well. In performance budgeting statistics play a double role; *first*, it is extensively consumed by this new system; and *second*, a great wealth of statistical data will be contributed by this new style of budgeting.

Statistical data are heavily relied upon not only for schedules of expenditures but also in estimating the expected income for the fiscal year under consideration. The proposed programs of expenditures and related money requirements must be reviewed in the light of the government's ability to pay for them. This means that a complete picture of predicted government revenue for the budget year which is projected ten months before it takes into effect is necessary. A base for estimating such income is an accurate statement of the current revenue.

On the expenditure side, the performance budget requires more data than was formerly asked for under the line-item budget. Since expenditures are proposed for programs and projects, a series of expenditure schedules and statistical tables are employed. First, the amount available for expenditure is determined by using actual figures and estimates from current operations. Then, proposals on how these are to be spent are

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presented: as expenditures by projects and expenditures by objects. With this is also shown how personnel expenditures are grouped and how personnel work may be measured.

Finally, the results expected from the expenditure of the funds are listed down — for example: In the Bureau of Lands, the results of the project, *Adjudication of Claims and Conflicts* are the number of claims and conflicts adjudicated. In the project, *Compliance with Legislation Affecting Hours and Wages of Work* of the Wage Administration Service, the results expected are the number of inspections made; the number of learners and apprentice certificates issued; the number of plantations to be visited; and the evaluation and other facilities permits issued.

These data are reflected in a schedule of personnel work measurement. In this connection, backlog of work is also taken up and added to current estimated work. From this is computed the number of personnel needed to do the job. Here again, statistics of past experience is necessary in order to find out the rate of production per man-year.

As an instrument of control, the performance budget will make possible not only the control of expenditures, but also of programs and services that will be furnished by the government. This can be accomplished by comparing work plans with performance reports — to find out the degree to which planned results are achieved and at what cost; and to see if there are any deviations of achievement from plans not compatible with the cost.

All these supporting schedules and tables become less informative, if not worthless, if based on figures or data “snatched from the air” or improperly collected and tabulated. Again, intelligent analyses and evaluation are called for if the same are expected to provide sound information to the taxpayers and bases for decisions to the legislators.

Statistics is playing more and more an important role in budgeting. Let us not forget, however, that performance budgeting becomes weak and will defeat its merits if the proper definition, collection and application of statistical information are not recognized.