

The Public Value of Taxpayer Funded Programs

Adapted from a presentation by Laura Kalambokidis

1. What is Public Value?

*“Why should the public
pay for you to do your
work?”*

We have to be able to answer when a stakeholder asks:

- “Why should I pay for an Envirothon that other peoples’ kids will attend, when I don’t even have kids?”
- “Why should I pay for dairy farmers to fix their own manure problems?”
- “I’ve seen the evidence that your program makes a difference, but why can’t the users pay for this, or you use a grant? Why should my tax dollars pay for this to help others?”

Private Benefits vs. Public

Benefits

Program teams can well explain the value of their programs to participants (*“private benefits”*).

But “public value” is the value of a program to those *who do not directly benefit* from the program.

2. How has Extension used Public Value?

Public Value Statements...in the field

Publications

Annual reports

Program flyers/brochures

News articles

Meetings (Face-to-Face, Advisory Boards,
Elevators)

Budget Defense

Formal Presentations

Helps “Uncomplicate” our Message

Individuals who participate in a tobacco cessation classes are more likely to increase their success rate. This results in immediate and long term health benefits to the individuals as well as helping to reduce Pennsylvania's annual public health care cost of \$5 billion dollars.

Impact in Simple Terms

Getting your well water tested...reduces healthcare costs and improves water quality in the wider watershed area

3. How to Understand Public Value

Three criteria for the 'Public Sector' to provide a product or service *(rather than rely upon "the market")*

1. The public sector provides **information** that allows consumers to make better choices.
2. The provision of the good or service addresses a crucial concern about **fairness**.
3. The private sector will not provide the good or service at adequate levels: **market failure**.
 - a) Consumers create public benefits
 - b) Producers create public benefits

1. Public sector intervention can be justified by an **information gap**

What: A consumer cannot make the best choice for herself because she has incomplete or incorrect information about the product or service she is going to buy. The public sector **provides information** that improves the consumer's ability to make the best choices for herself.

Extension program examples:

Nutrition information, comparative statistics for financial products, value of timber contracts, value of gas leases

2. Public sector intervention can promote **fairness** and justice

What: The provision of a good or service to address a crucial concern about fairness can justify public funding- *“Certain goods and services should be available to everyone at some minimal level, regardless of their ability-to-pay”*

Extension program examples:

EFNEP

3. Public sector intervention can be justified by **market failure**: when private sector production is inadequate

Four types!

- Consumers create public *benefits*
- Producers create public *benefits*
- Consumers create public *costs*
- Producers create public *costs*

A. Consumers create public benefits

What: The consumption (use) of a good or service benefits someone who is not directly involved in the transaction.

Result: The consumer fails to fully consider the public benefit, and consumes less of the good than society desires.

Extension program examples:

Shoreline management, woodlot management, youth development, leadership, community visioning

‘Public costs’ of consumption and production– *a mirror case to ‘public benefits’*

What: The use or production of a good or service confers costs on someone other than those directly involved in the transaction.

Result: The consumer or producer fails to fully consider the public cost, and consumes more of the good than society desires.

Examples:

obesity, toxic waste, bankruptcy, residential development, nutrient or stormwater management

Maximize the public value bang for buck by substantiating our claims

Participants in
programs that
have specific
characteristics...

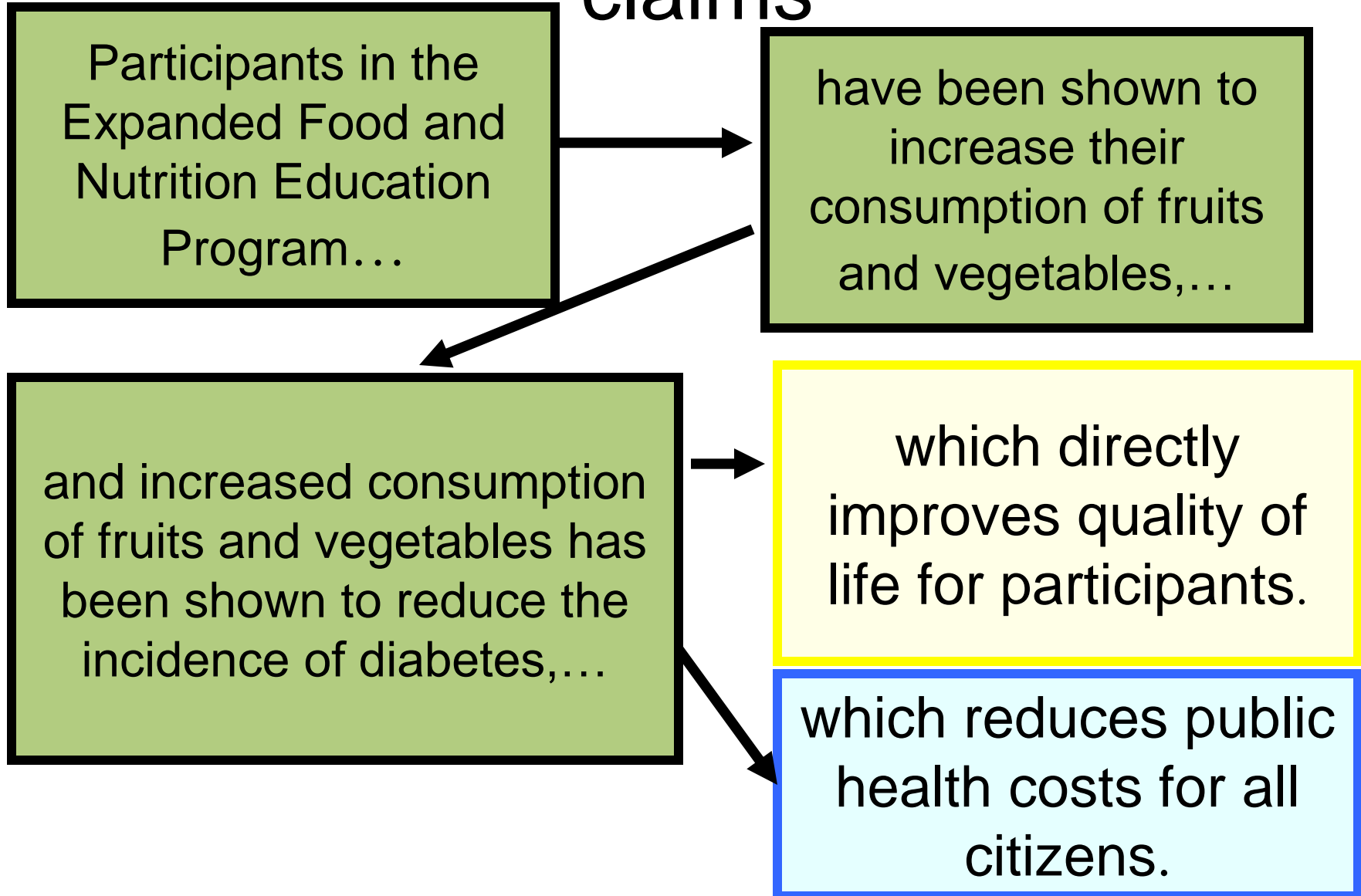
have been shown to
change their
behavior in specific
ways...

that have been
shown to lead to
specific outcomes...

that directly benefit the
participants.

that generate public
benefits.

Example: Substantiating our claims



Relationship to Logic Model *Evaluation*

