

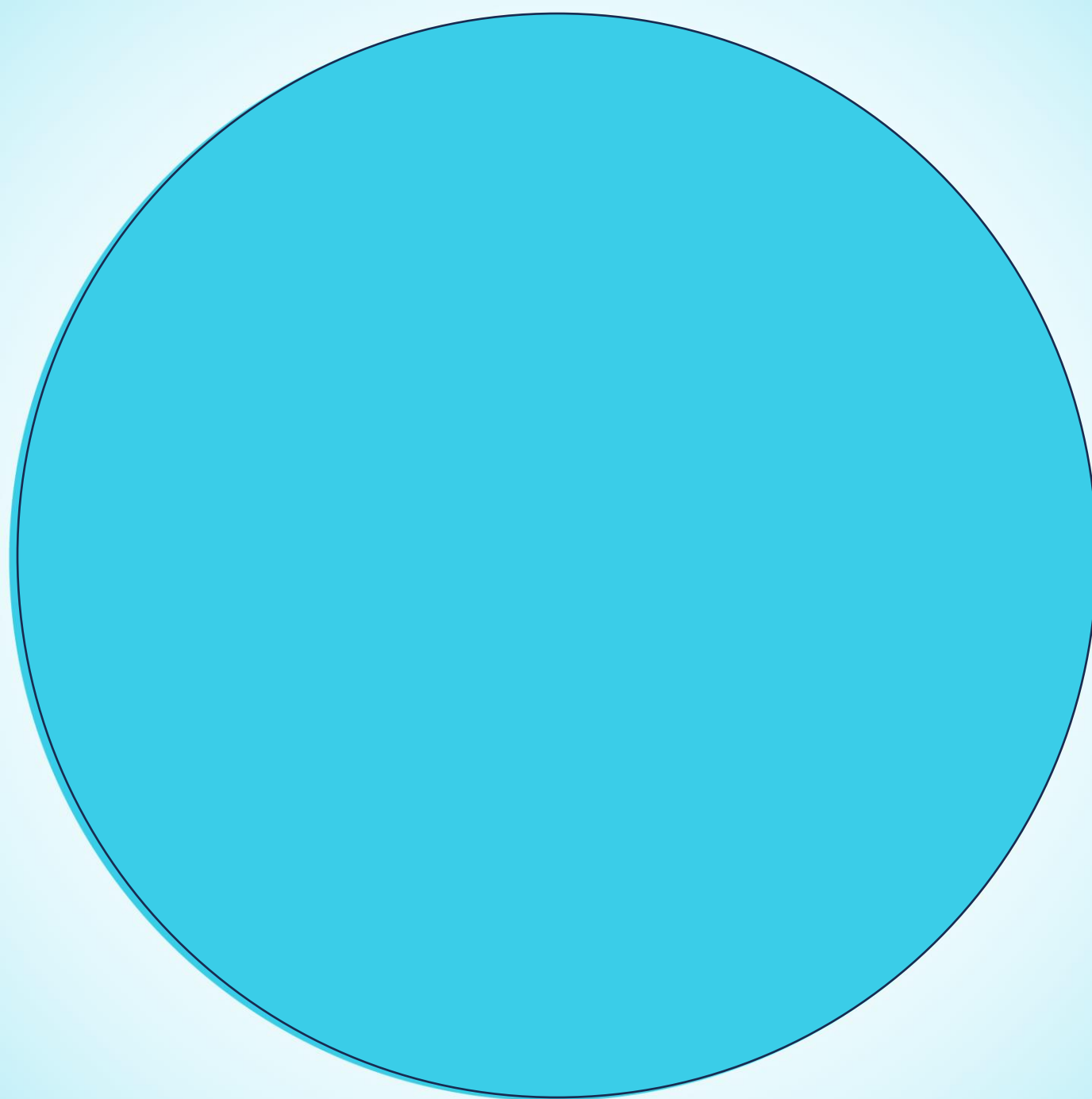
Government Finance Officers Association of the United States and Canada



*Advancing excellence in government
finance to build thriving communities*



The association
for government
finance



GFOA Profile

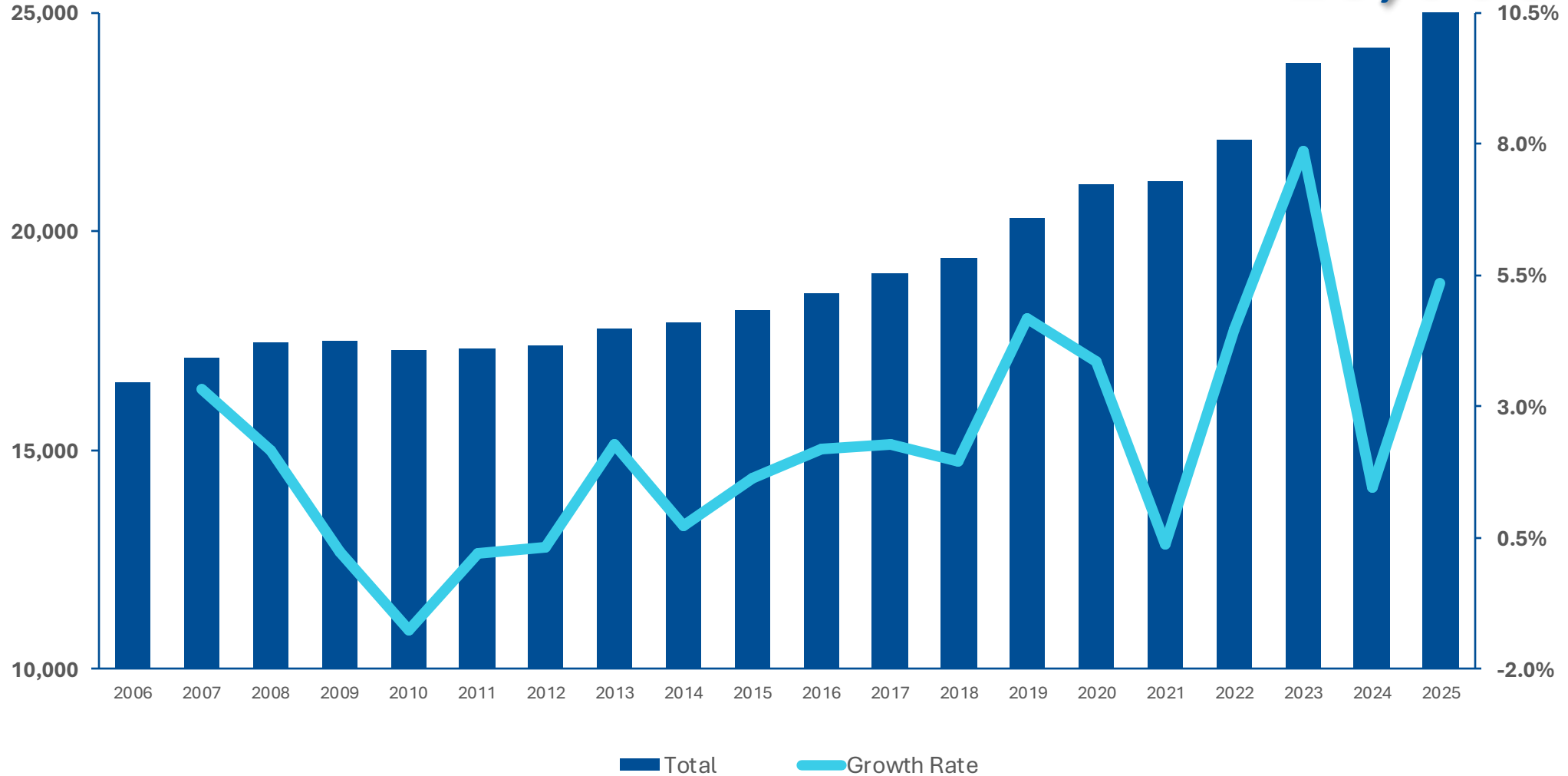


- Founded in 1906
- 7,800+ member organizations
- Awards
- Certification
- Conference
- Consulting
- Education
- Federal Advocacy
- Membership
- Relationships
- Research
- Resources
- Approximately 75 staff
- 18-member board
- Several committees, task forces, and advisory groups

Membership Hits Major Milestone



25,000





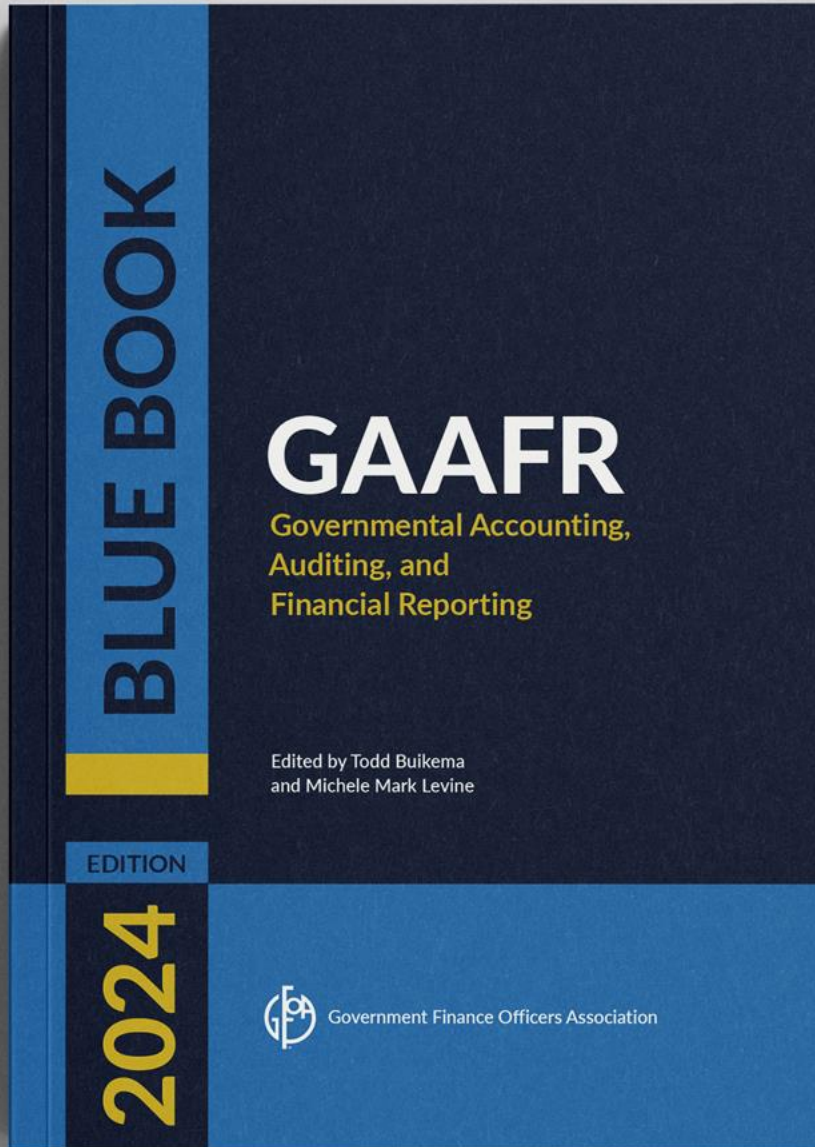
Did you know that as a **GFOA member** you get **free access** to our online **Member Community**?

Ask Questions | Offer Insight | Share Resources
community.gfoa.org



Award Programs





2024 BLUE BOOK

Key insights into **governmental accounting, auditing,** and **financial reporting.**

- Important GASB guidance
- Chapter summaries
- Detailed index
- Full glossary

View purchasing options at
gfoa.org/gaaf





LEADERSHIP OPPORTUNITY

GFOA Standing Committees

Applications Open in June



Certification. Career. Community.

Seven CPFO Exam Topic Areas



**Accounting &
Financial Reporting**

Compensation & Benefits

Debt Management

Planning & Budgeting

**Treasury & Investment
Management**

Procurement

Risk Assessment

- 100 questions – Accounting, Debt, Planning, and Treasury
- 75 questions - Compensation, Procurement, and Risk
- Minimum Passing score is 80% for each exam.
- Each question is multiple-choice with four options and is worth one-point. There are no unscored questions on the exams.



- Published and sent to all GFOA members every other month
- All articles available online

gfoa.org/gfr



Join **GFOA** for in-person training in 2025





On-Demand Learning

Flexible and Convenient | Interactive and Engaging | Easy to Access



ON-DEMAND LEARNING

GFOA's Code of Ethics

The course emphasizes practical strategies for:

- Recognizing the value dimensions of situations public finance officials may face (and resisting the human tendency toward ethical blind spots)
- Determining what the right thing to do is
- Acting on professional values as a public finance official



Leadership Academy

S15



Attend Leadership Academy in Phoenix, Arizona

March 23–28, 2025, at Arizona State University

APPLICATION WINDOW CLOSED

New in
Summer 2025



Attend Leadership Academy in Charleston, South Carolina

November 16–21, 2025, at the College of Charleston

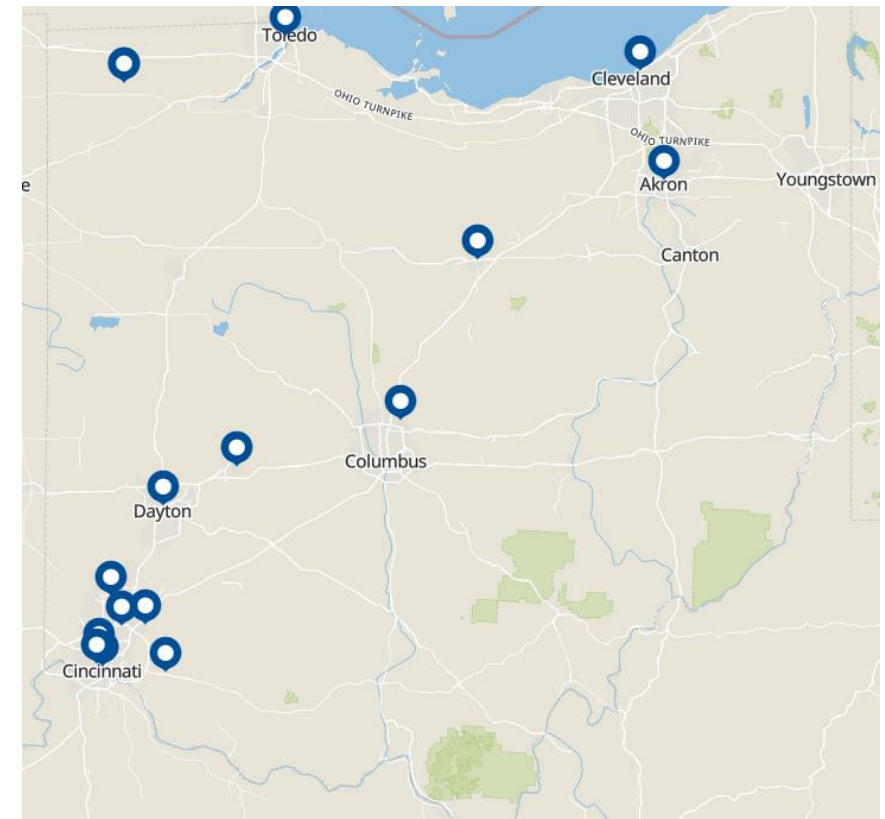
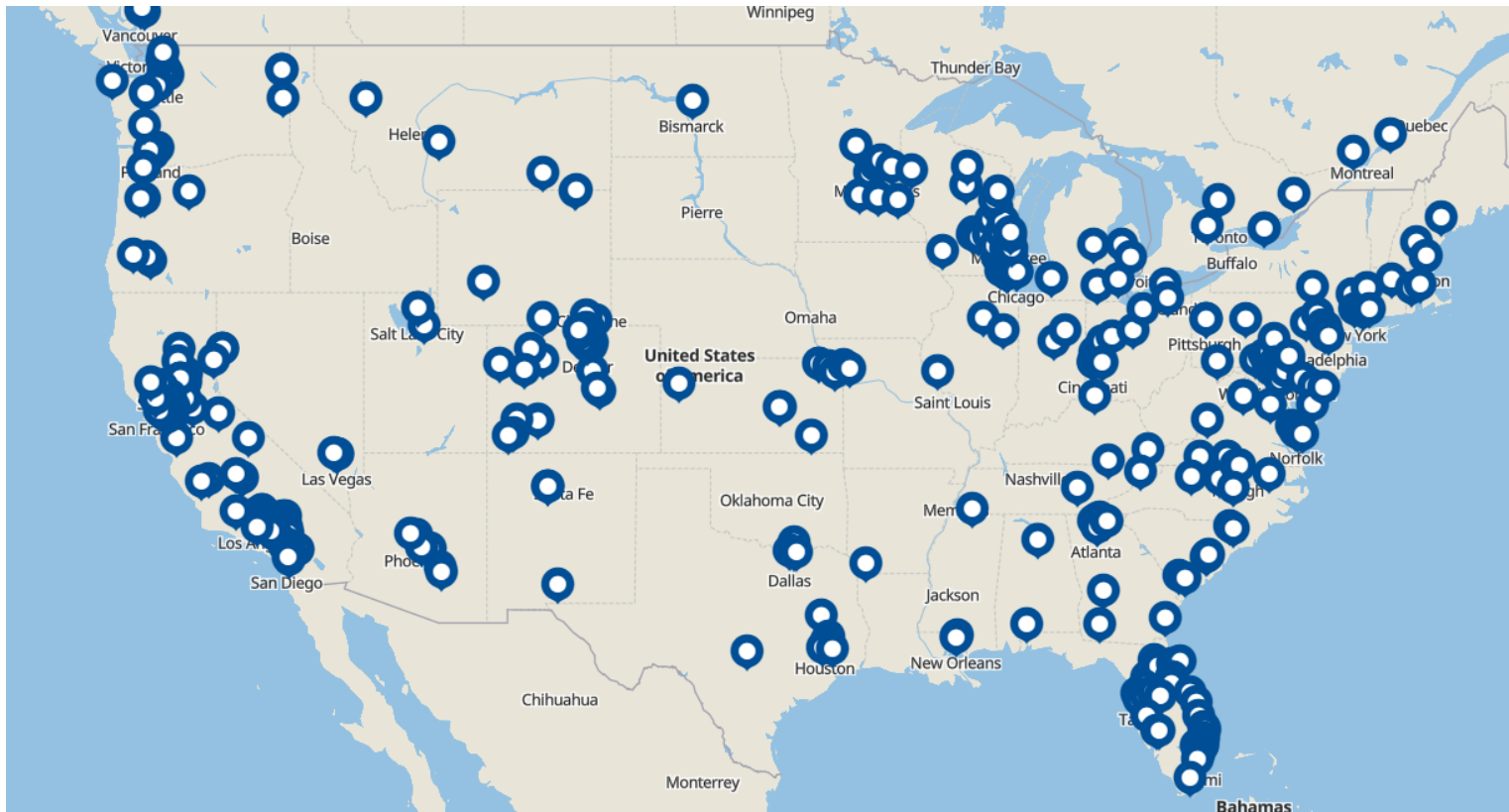
APPLICATION WINDOW OPENING SOON

Chicago, IL

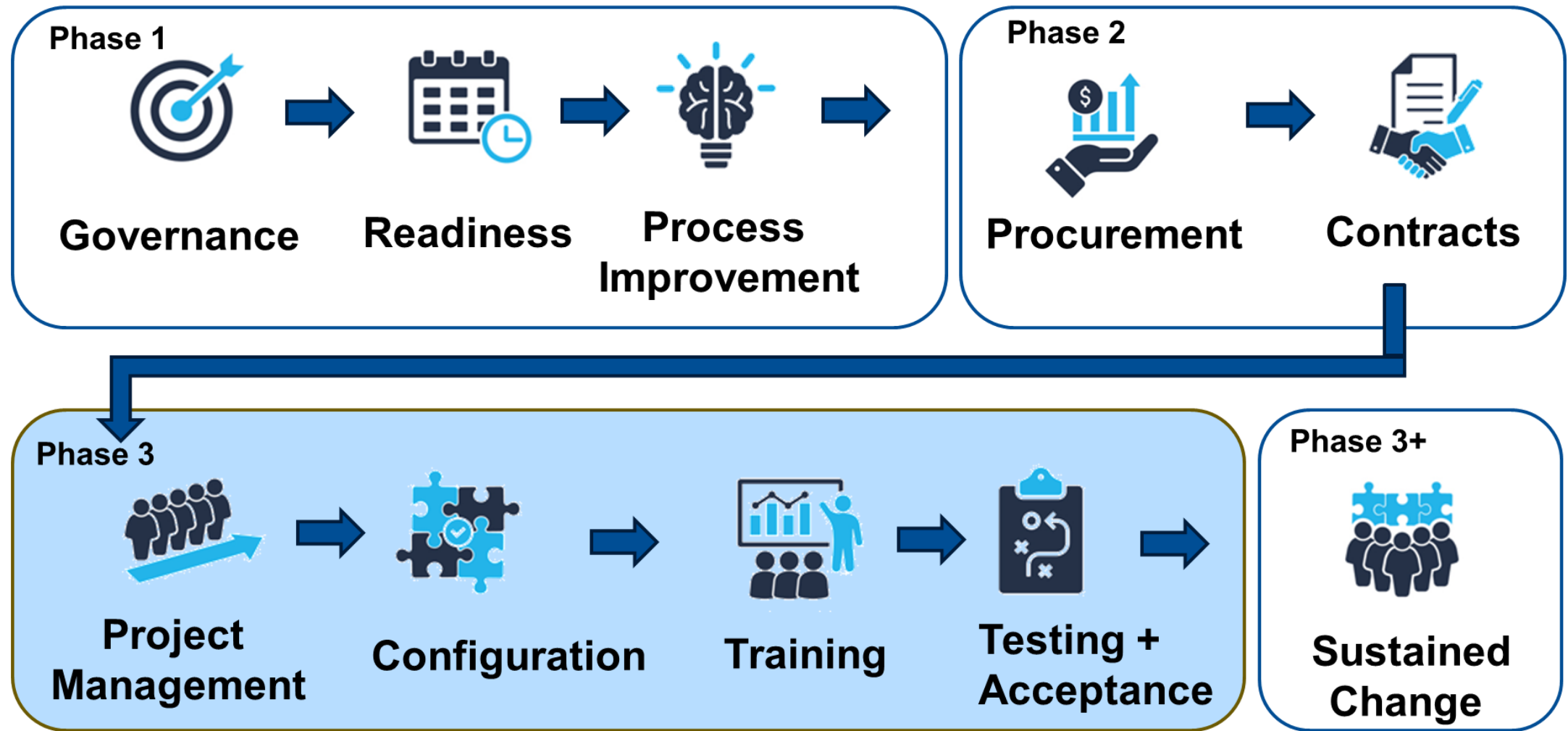
Consulting: Approximately 650 Projects Since 2000




- ERP Advisory Services
- Financial Policy Development
- Budget Process
- Organizational Assessment
- Risk-Based Reserve Analysis
- Process Improvement



ERP Advisory Services




Future of the profession initiative

 Government Finance Officers Association

Become a GFOA Student Member

Discover Careers in Government Finance



CONNECT | EXPLORE
EXCHANGE

#GFOA gfoa.org



5 scholarships
9 recipients

1 vast network of public finance professionals



Over **\$120,000** in scholarships awarded annually

Are you a student interested in:

- Accounting
- Government
- Public Finance
- Public Service

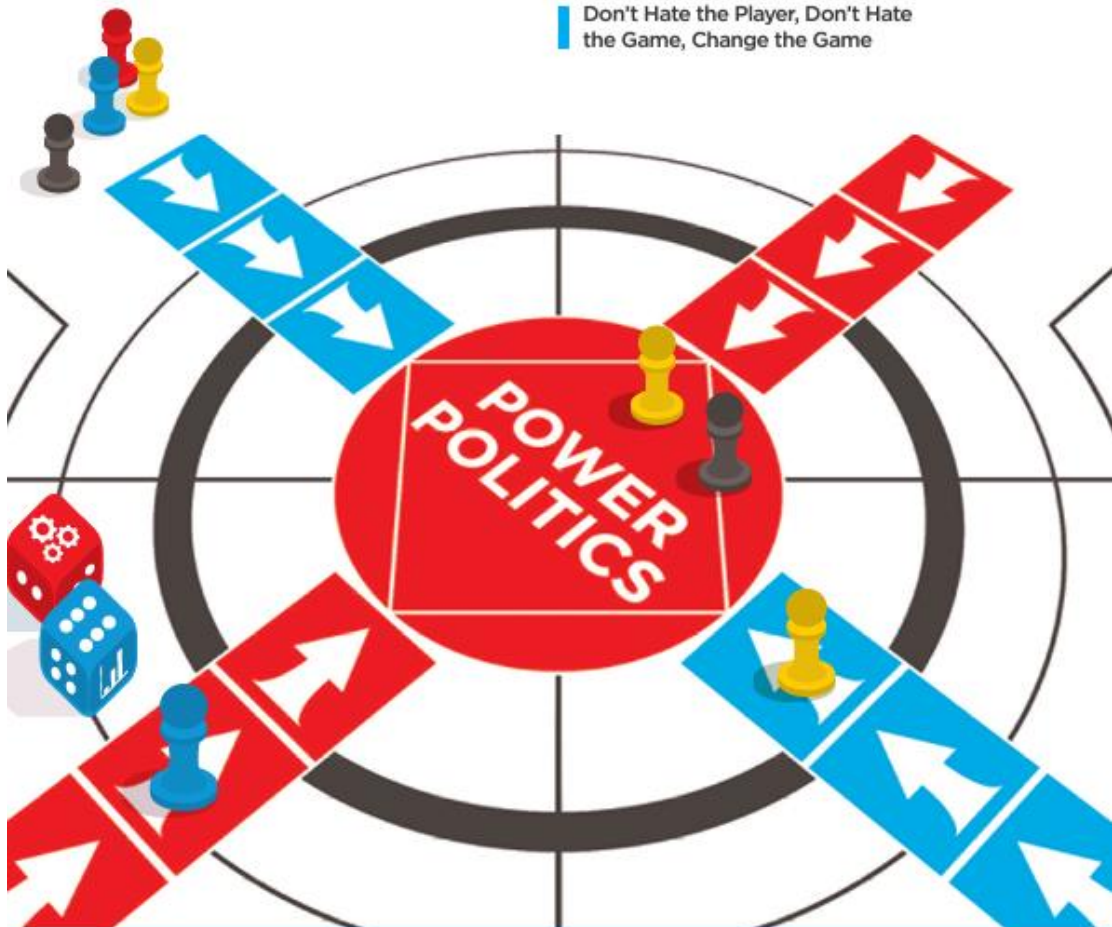


Student Chapter



POWER, POLITICS, AND BUDGETING

Don't Hate the Player, Don't Hate the Game, Change the Game



For more information, visit gfoa.org/rethinking-budgeting

POWER, POLITICS & BUDGETING

DON'T HATE THE PLAYER, DON'T HATE THE GAME, CHANGE THE GAME!

“Power politics” is the use of power for selfish gain at the expense of the broader community. This is incompatible with the purpose of local government budgeting. However, the finance officer can “change the game” and redirect the energy of power politics to more constructive ends.



PERSUASION

“YES, IF...”

Dr. No



Finance officers can gain the reputation as “Doctor No” by rebuffing ideas for programs or services that spend public money. The solution is not to say “yes” to everything. Rather, say “yes, if...”, as in “yes, we can add that new position if we identify a new source of ongoing revenue to pay for it or reduce expenses elsewhere.”



How to Play. Power in modern society hinges on persuasion. **Persuasion power** does not require a high profile or grabbing the proverbial spotlight. Persuasion comes by effectively deploying ideas. Persuasion power is supported by the **power of agenda setting**. The finance officer is well positioned to persuade by offering compelling ideas and to set the agenda through design of decision-making processes for financial issues like budgeting.

PERSUASION

- The power of knowledge comes from sharing it, not hoarding it**
If others can better appreciate the finance officer’s worldview, they will be more receptive to the finance officer’s ideas.
- Cultivate professional credibility**
Trust is a finance officer’s most valuable asset. The GFOA ethics program shows how to enhance trust: gfoa.org/trust

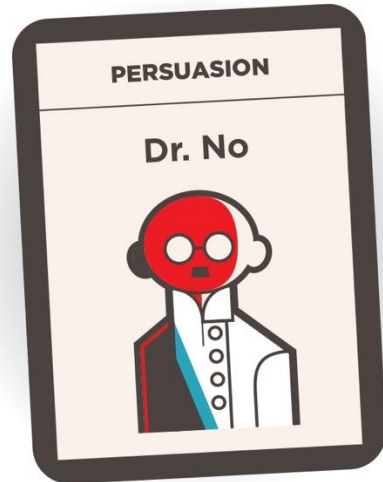
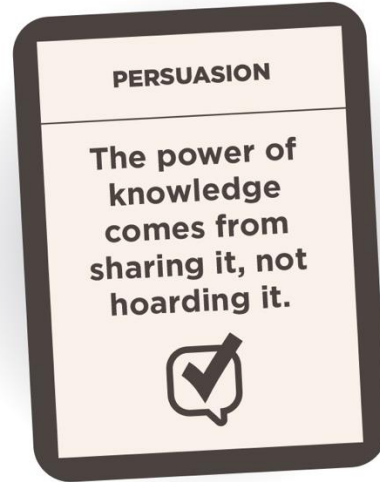
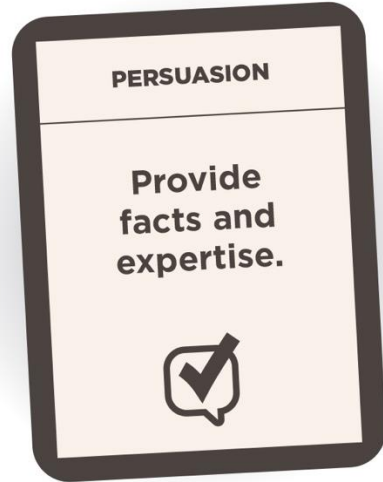
PERSUASION

- Provide facts and expertise**
As one mayor said, the finance officer “knows things others don’t”.
- Communicate ideas effectively**
Keep ideas simple, use metaphors and stories, and tune your language to suit the political environment.
- Relationships and Network**
Cultivate relationships inside and outside of local government that can enhance your persuasive ability.

AGENDA SETTING

- The finance officer often may not be the final decision-maker, but the public finance officer often designs the decision-making process.
- Design the process to provide a better context for decision-making. For example, when faced with unhelpful either/or framing of a problem, design the process to expand the number of options that are considered.
- Asking the right questions, establishing clear priorities, and considering wise options is the essence of agenda setting and thereby “changing the game” of power politics.

Play Your Cards Right



+



Learn more about Rethinking Budgeting



View **core principles** and more
at gfoa.org/rethinking-budgeting



Rethinking Financial Reporting



Our current approach to RtFR

- Applying Lean Principles
 - Visualizing the process
 - Modularization & continuous flow
 - Standardization to minimize variation
- Materiality
- NextGen Financial Reporting

Rethinking the Finance Office



Priority Areas

- Turning flexibility into opportunity (in work environment)
- Developing versatile leaders (early in their careers)
- Automated efficiency (in processes to reduce human input)
- Raising the flag (partnering with peer associations)
- Employees for life (tapping into retirees)
- Crossing over (private, not-for-profit, federal)



TOGETHER WE THRIVE

Starting in **August 2025**, GFOA will transition to a new membership model that includes **unlimited access** for all members within most governments—for a **single annual price**.





GFOA

2025

WASHINGTON, DC



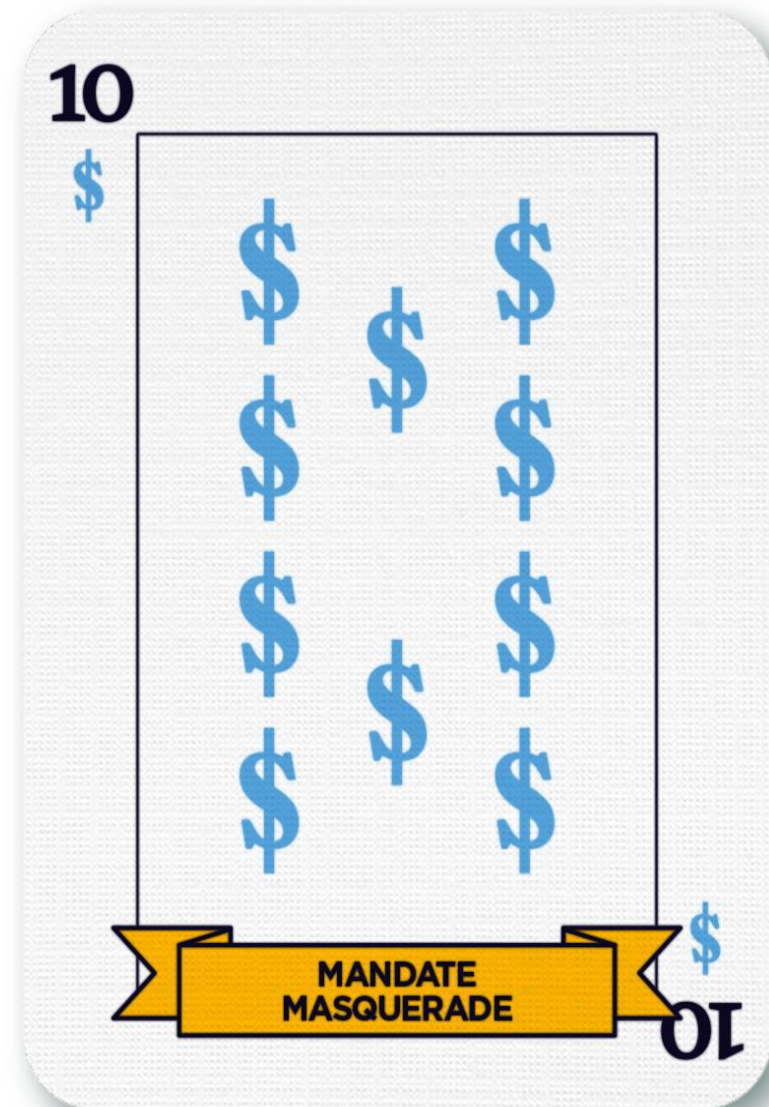
Save the Date
June 29–July 2



Game Over:

How to Outsmart
Gamesmanship in Local
Government Budgeting

The Padding Play and the Mandate Masquerade



WHAT TODAY'S SESSION WILL COVER

- Defining budget gameplay and why it occurs in local government budgeting
- Describing the types of gameplay tactics departments use in budgeting
- Playing defense

13 This list of games is not exhaustive. Watch for Wildcards. You can recognize budget games by their attempts to weaponize cognitive biases and logical fallacies.

1 **Padding Play** (King of Spades): The Padding Play involves asking for more than is really needed. The game player wagers that even if they get less than they asked for they'll still get as much as, or more than, they need.

2 **Crisis Card** (Queen of Spades): The Crisis Card is when the budget requestor alleges catastrophic outcomes for the public if the request is not fulfilled. The Crisis Card appeals to the natural risk aversion of public officials.

3 **Budget Low, Mid-Year Grow** (3 of Spades): Involves giving a low-ball estimate for critical features in the original request, knowing that the requested amount will prove insufficient and premeditating a supplementary request mid-year.

4 **The ROI Ruse** (4 of Spades): Is where the requestor claims that the proposal will pay for itself by reducing future costs or generating revenue. This becomes a ruse when the promised benefits don't materialize.

5 **The Pilot Play** (5 of Spades): Assumes that the spending is temporary (e.g., a pilot or study) to gain approval for spending. Later, the player uses other games, like Client Heart-tug, to continue the spending.

6 **Foot in the Door Financing** (6 of Spades): Is where a department starts with a small request and gradually expands the program over subsequent years.

7 **The Waiting Game** (7 of Spades): Is a passive strategy that involves staying silent about budgetary needs and "waiting one's turn" to make a proposal. The game player does this to build political capital by forgoing requests now to make a bigger request later.

8 **Client Heart-tug** (8 of Spades): Pulls the purse strings with heart-strings by centering testimony from clients or members of the public who have been positively impacted by a program.

9 **Silent Windfall** (9 of Spades): It is easy to miss errors in a large budget. The Silent Windfall takes advantage by keeping quiet about budget errors in the requestor's favor. Rather than wait for a favorable error, the most cunning game players set up situations likely to result in budget errors to their advantage.

10 **Mandate Masquerade** (10 of Spades): Is when a budget requestor exaggerates (or even fabricates) a legislative, contractual, or other kind of mandate to justify the request.

11 **Blend and Extend** (2 of Spades): Disguises new programs as extensions of existing ones. This way, the game player can avoid some of the scrutiny that an entirely new proposal might attract.

12 **The Influence Operation** (Jack of Spades): Involves lobbying support from executives, legislators, media outlets, or community groups. The game player lobbies outside of the normal budget process.

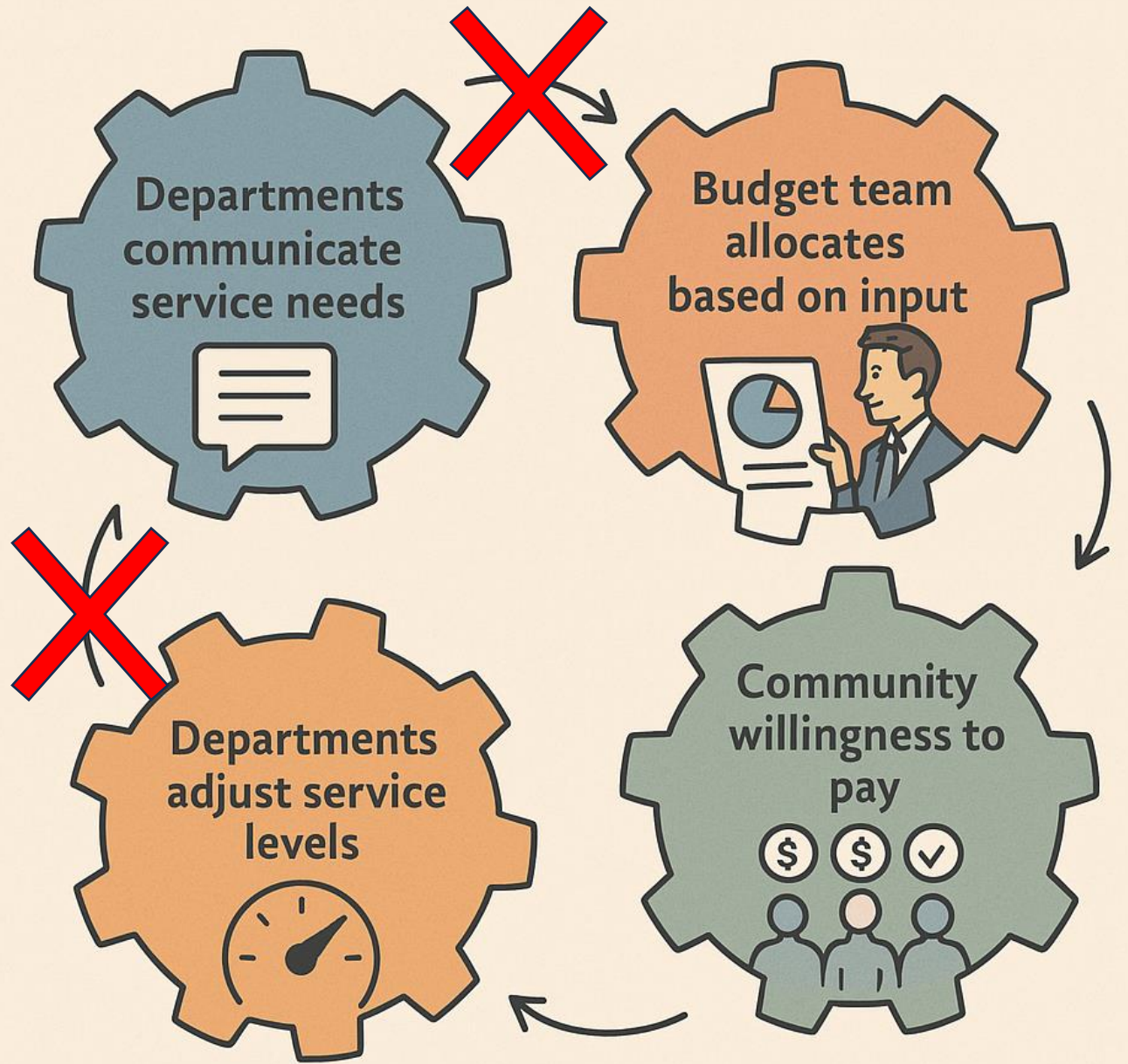
13 **JOKER WILD** (Joker): This card represents various wildcards not explicitly named.



DEFINING BUDGET GAMEMANSHIP

*Departments using non-technical strategies
to acquire more resources*

Why We Should be Concerned About Budget Games



IDEAL BUDGET FEEDBACK LOOP





Why Budget Games are Played

Zero Sum Competition

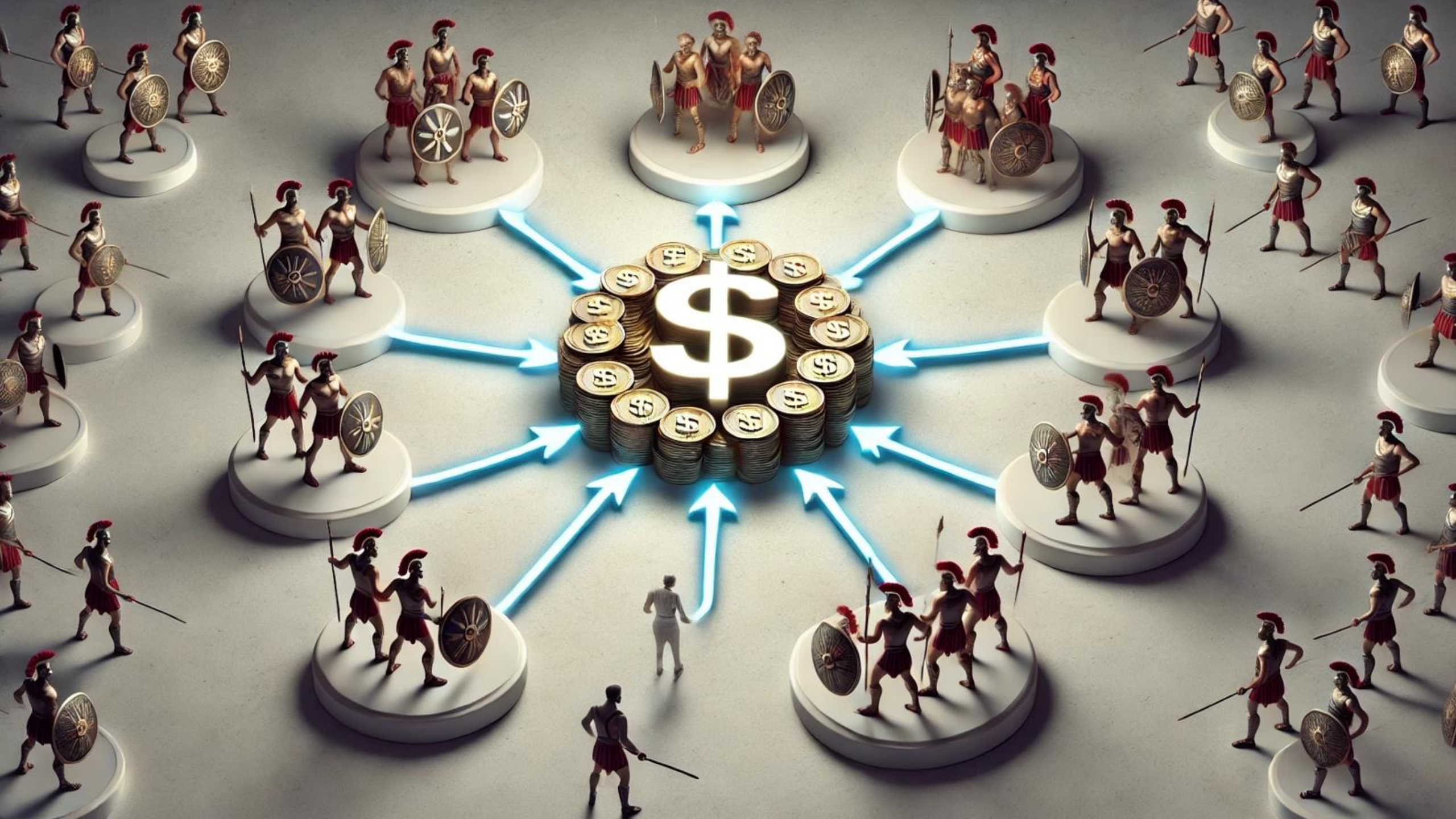


Desire to Solve Public Problem



Empire Building







What are the Budget Games?

King – The Padding Play



- Padding Play – Asking for more than you really need
- Similar to *Highball Pricing* in negotiations – Set the price high knowing you are willing to settle for less
 - Uses *anchoring bias*
- High success rate and widespread use; very common for governments to have material amount of padding in operating budget



King – The Padding Play



- Padding Play motivated by perception of risk
 - Insurance against unplanned and unavoidable costs
 - Budgeting for contingencies
- Also a hedge against poor budget planning
 - Buys time to ‘figure it out later’
- Can create a perception of savings/thriftiness but ultimately results in potentially significant opportunity cost



Queen – The Crisis Card



- Claim of catastrophic outcomes to the public if the request is not fulfilled
 - *Blood will run in the streets!*
- Appeals to risk aversion of public officials; don't want to be responsible for predicted outcome
- Takes advantage *narrow framing*
- Effective game that plays on fear



Jacks – Selling the Sizzle



- Budget requests long on flash but short on substance
 - Using production quality to mask lack of value
 - Fine line between a well-reasoned budget argument and flashy presentation
- Often relies on reasoning from anecdote
 - Using a single example to imply a broader conclusion
 - Expensive traffic engineering solutions due to an accident based on human error



Jacks – Selling the Sizzle



- Technobabble
 - Jargon or technical language to impress audience and imply sophistication
- Overconfidence in outcomes
 - Overstating outcomes of the proposal or downplaying uncertainty
- Selective data presentation
 - Present data in support, ignore data against – *confirmation bias*



Jacks – Pet Project Play



- Linking a budget request to a priority of elected officials
- Relies on the *halo effect*
- Easy to attempt when legislative budget has broad policy objectives



Jacks – Influence Operation



- Lobbying for support for budget requests from legislators, community, executives, media
- Going outside the process!
- Not always staff driven; often comes from outside stakeholders

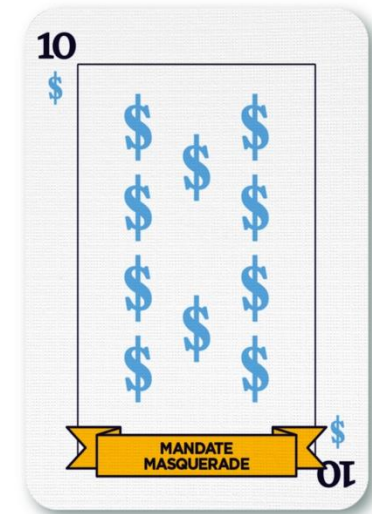


The Other Cards



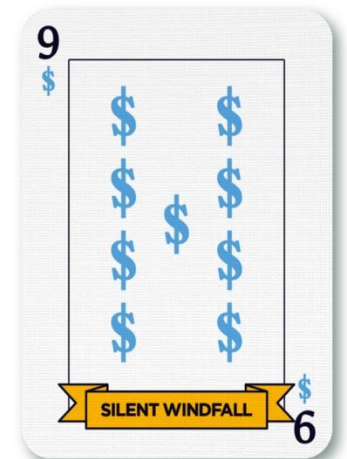
- Mandate Masquerade

- Exaggeration or fabrication of a mandate
 - *Appeal to authority fallacy*
- Especially susceptible in local government setting



- Silent Windfall

- Keeping silent about budget errors that work in the favor of the requestor

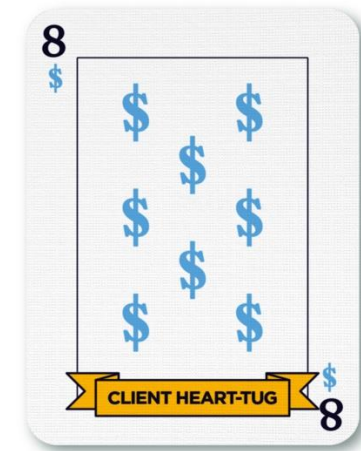


The Other Cards



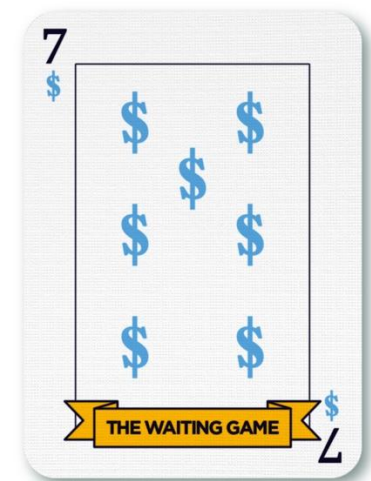
- Client Heart-Tug

- Making an emotional pitch for a budget request
 - *Do it for the kids!*



- Waiting Game

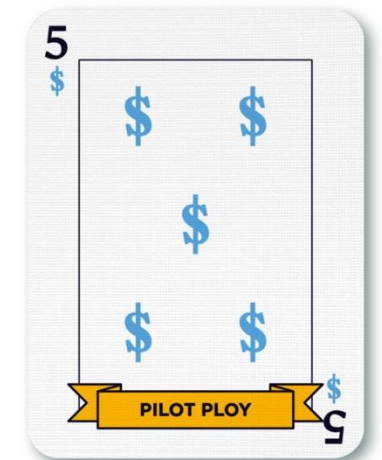
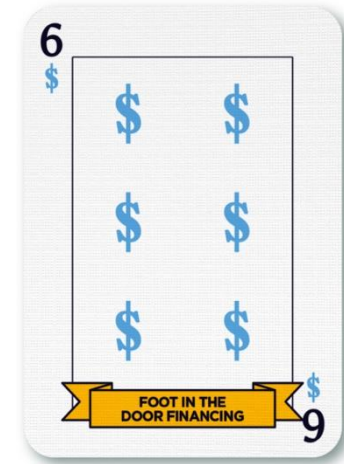
- Passive strategy focused on waiting until “the time is right”
 - *Could obscure risks of failure due to budget deficiencies*



The Other Cards



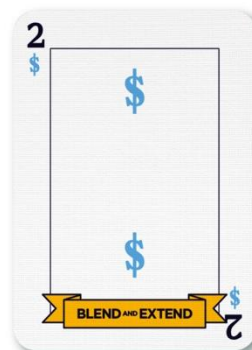
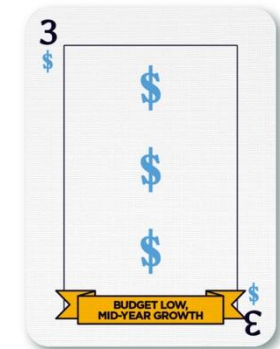
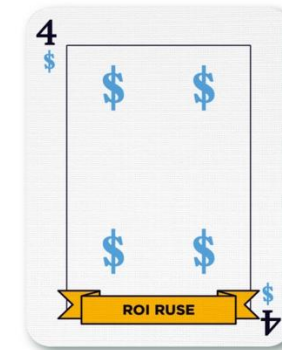
- Foot-In-The-Door Financing
 - Make the initial request small enough to get approved and request additional funds when in process
 - Popular gameplay for one-time initiatives
- Pilot Play
 - Pitch the request as a pilot, which often become permanent with little scrutiny



The Other Cards



- ROI Ruse
 - Pitched as an investment due to offsetting revenues
- Budget Low, Mid-Year Grow
 - Leaving key components out of the ask
 - A request for personnel that doesn't include a required vehicle and technology
- Blend and Extend
 - Disguises new programs as extensions of existing programs



Wildcards!

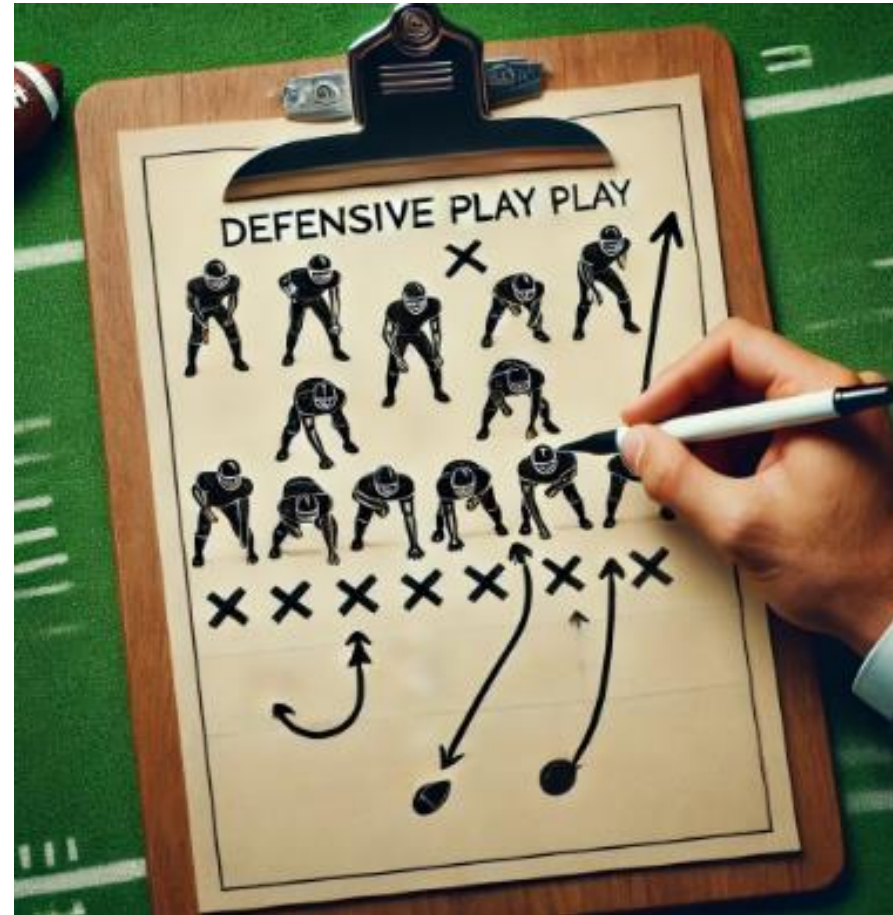


- What games have you seen?
- Games weaponize...
 - Overconfidence bias
 - Confirmation bias
 - Anchoring bias
 - Sunk cost fallacy
 - Reasoning from anecdote
 - Narrow framing



What to do about it?

DEFENSIVE COUNTERMEASURES



Playbook – Countering Gameplay



- Foundation is environment not conducive to gameplay
 - Won't eliminate but will reduce/mitigate
- Reference GFOA's *Financial Foundations for Budgeting*

1. Strong sense of identity and purpose for the local government

2. Fair and inclusive decision making

3. Monitoring agreed-upon behavior

4. Local autonomy

5. Graduated sanctions and rewards

6. Benefits proportional to cost

7. Fast and fair conflict resolution

8. Appropriate relations with other groups

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Defensive Playbook – Decision Architecture



- Shape the decision-making environment to counteract the weaponization of cognitive biases and logical fallacies that game play relies on.
- Padding play
 - Examine assumptions behind the request
 - Propose higher value options to achieve the same outcome



Playbook – Countering Gameplay



- Crisis Card
 - Crisis card works through narrow framing
 - Widen the option set
- Fairness is Essential
 - Process perceived as fair
 - Includes staying within the process and not rewarding work arounds



TARGET BASED BUDGETING

Defensive strategy to minimize
gamesmanship behavior

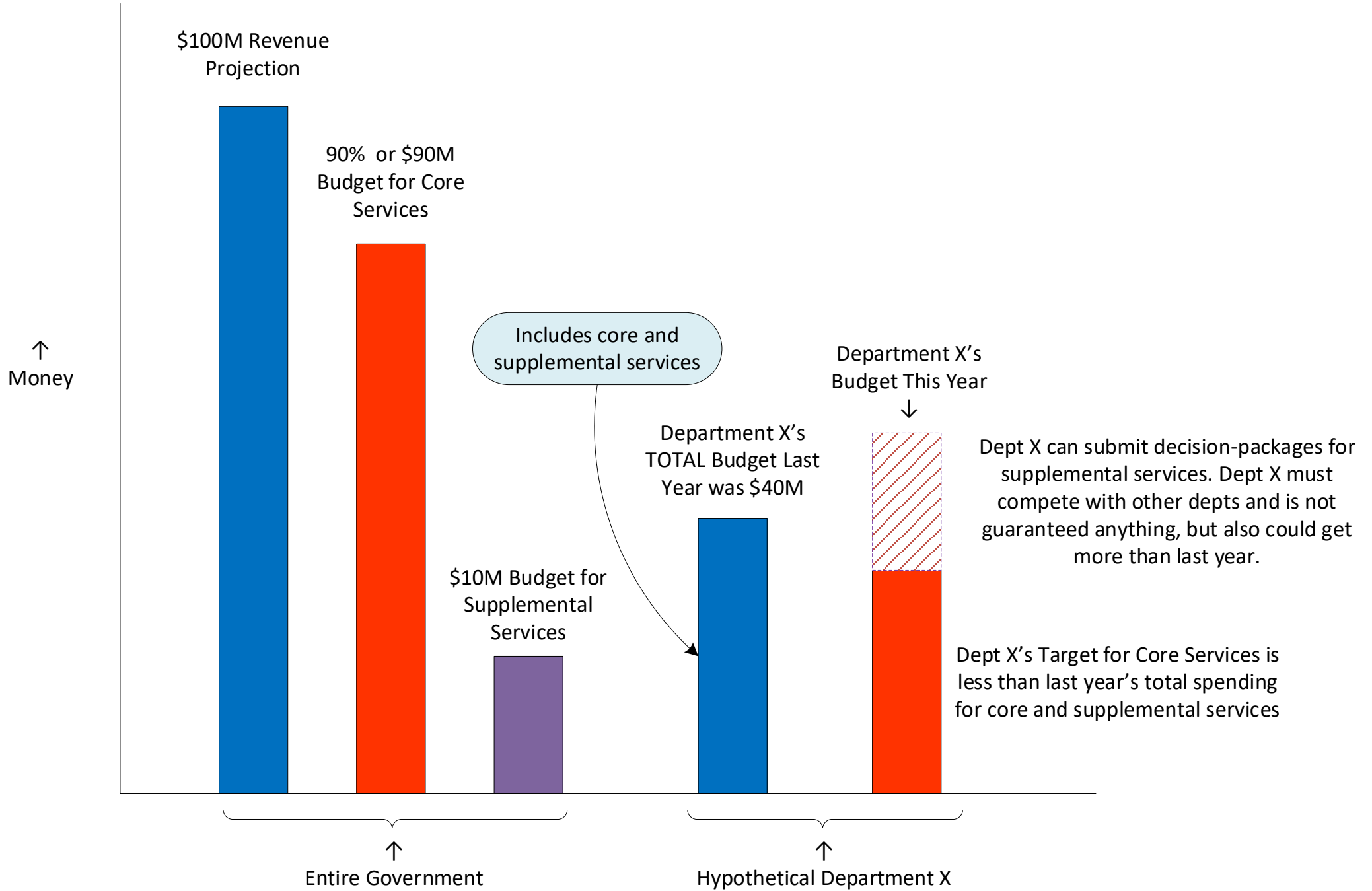
REMOVING PLAY FROM THE EQUATION – Target Based Budgeting

TRADITIONAL BUDGETING

1. Department request funding
2. Revenue estimates
3. Evaluate Bottom line
4. Negotiate reductions with departments until you get to the desired bottom line

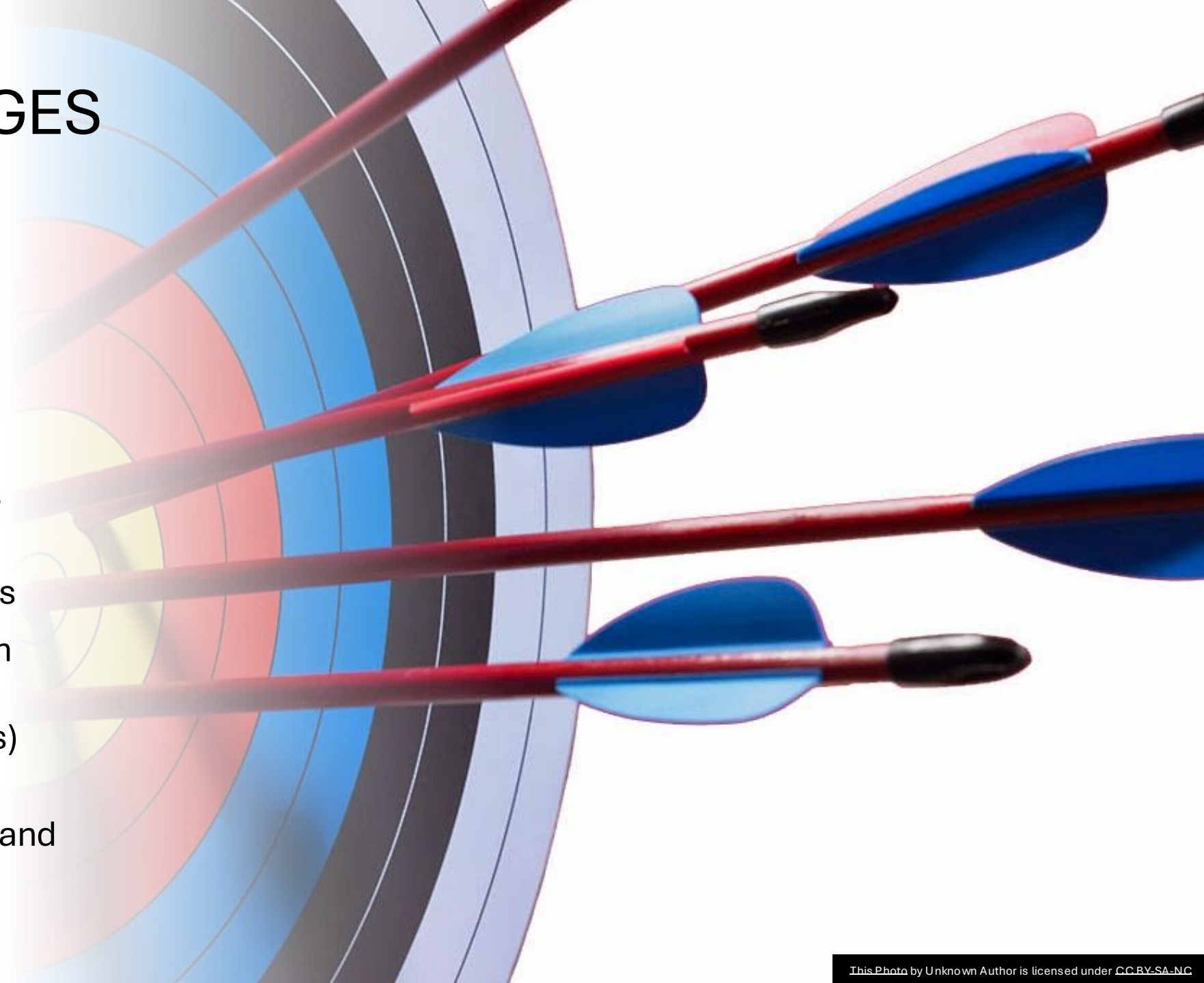
TARGET-BASED BUDGETING

1. Revenue forecast
 - Core services
 - Supplemental services
2. Decide desired bottom line
3. Set department targets (limits) for core services
4. Departments submit two proposals
 - Core services
 - Supplemental services
5. Negotiate for supplemental decision packages

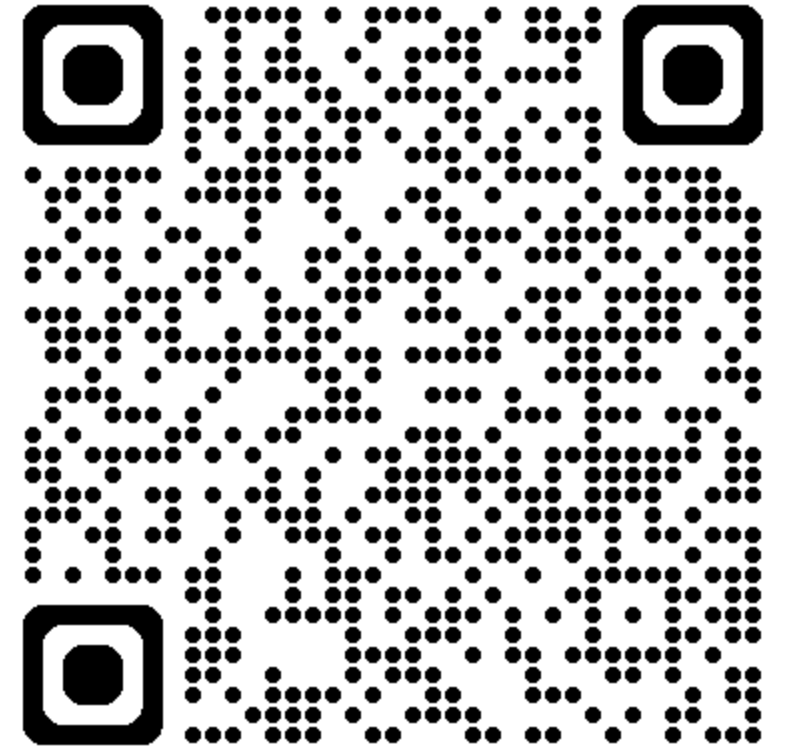
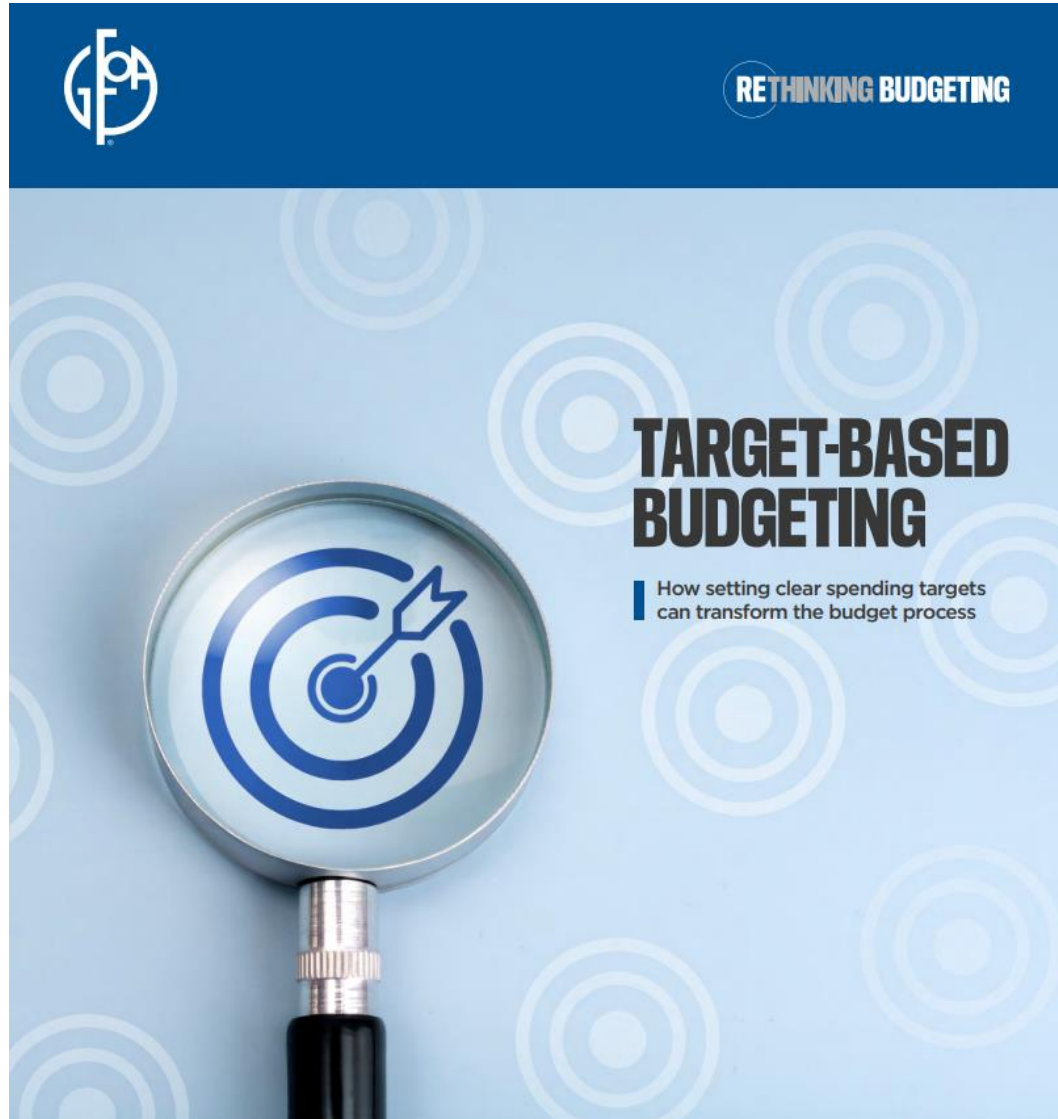


TBB ADVANTAGES DIMINISH COMPETITION

- Revenues set spending limits
- Isolates new spending while preserving past service levels
 - Special, one-time projects
 - Premium services
 - Inefficiencies → unfairness
- Autonomy to Departments with limits
 - Affordability (within means)
 - Innovation
 - Incentives for efficiencies and effectiveness



Report on Target Based Budgeting



Playbook – Countering Gameplay



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**Share your Top Take
Away with a Friend**

B I N G O

K \$ PADDING PLAY K	2 \$ BLEND—EXTEND 2	JOKER WILD JOKER	K \$ PADDING PLAY K	10 \$ HANDS—HANDSHAKE 10
JOKER WILD JOKER	J \$ PET PROJECT PLAY J	Q \$ CRISIS CARD Q	J \$ SELLING—SIZZLE J	K \$ PADDING PLAY K
Q \$ CRISIS CARD Q	K \$ PADDING PLAY K	 FREE	9 \$ SILENT WINDFALL 9	8 \$ CLIENT HEARTTUG 8
J \$ SELLING—SIZZLE J	K \$ PADDING PLAY K	4 \$ ROI RUSE 4	5 \$ PILOT PLOY 5	Q \$ CRISIS CARD Q
J \$ PET PROJECT PLAY J	6 \$ FOOT IN THE DOOR FINANCING 6	Q \$ CRISIS CARD Q	J \$ INFLUENCE OPERATION J	J \$ INFLUENCE OPERATION J

B I N G O

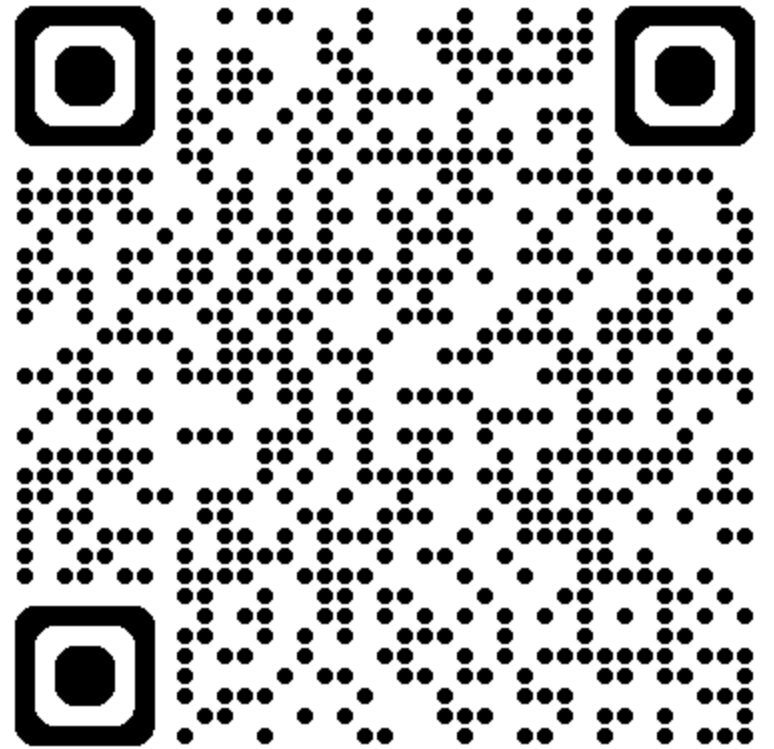
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J \$ PET PROJECT PLAY J	K \$ PADDING PLAY K	J \$ PET PROJECT PLAY J	Q \$ CRISIS CARD Q	8 \$ CLIENT HEARTTUG 8



RETHINKING BUDGETING



BUDGET GAMES



The background features a large, faint, light blue watermark of the Government of Ontario logo, which includes a stylized 'G' and 'O' with a sunburst and a tree. The text is centered over this background.

Thank you

Questions?

Cmorrill@gfoa.org