



Q&A

WITH MARK FUNKHOUSER

Mark Funkhouser's career covers just about every possible aspect of public service. He was an auditor in government for a time. He has been in academia, teaching in MPA programs at various universities. He was an elected official—specifically the mayor of Kansas City, Missouri, from 2000 to 2011. And he was the publisher of *Governing* magazine for 10 years. Mark has had quite a varied career and a lot of interesting experiences. GFOA Senior Manager of Research **Shayne Kavanagh** spoke to him about working with elected officials during a financial downturn.

You were a mayor—can you tell us about how the elected official perspective fit into some of your other professional experiences?

Mark Funkhouser: Sure. I started my career in auditing with the Tennessee State Auditor's Office. The comptroller there, who has the auditor under him, is an officer of the legislature. I became the head of the performance audit group, and in this capacity, I served as staff to the Joint Government Operations Committee of the General Assembly. And so that meant everything from delivering audit reports and talking to them about what their audit reports meant, both privately and the public hearings, to also rounding up a forum and getting copy.

Then I went to Kansas City, Missouri, where I became the city auditor and served at the pleasure of the mayor and council—so it was the same thing. I spent a lot of time dealing with my bosses, who were elected officials. And the interesting thing is, I thought I knew a lot about elected officials and how they worked and so forth. Then I got elected, and it was a different thing than I thought.

Given that, what are the first things finance officers should be doing to give elected officials confidence that the current situation we're dealing with—meaning a financial crisis—is being handled?

MF: What comes to mind when you ask that question is Dr. Anthony Fauci and the current pandemic. You want to be the solid, steady voice of reason, advising your elected officials. You're generally not going to be the public face; you're going to brief them and help them be the public face. But when they want you and your credentials to come to the

microphone and talk about how things are and how they're going to be, you need to be able to do that.

One of the things that we talked about a lot in *Governing*—and I wrote about—was what I see as the expanding role of finance folks. Finance officers are much more than just bean counters in the back of the office someplace; they're a much more out-front partnership policy maker. So that's one thing.

And in terms of giving elected officials confidence, you need to have given them solid advice for a while. They're going to feel better if they've been down various roads, if not this one, with you, and they know you're making fact-based, evidence-based decisions, and they've relied on you in the past and not had any unpleasant surprises.

That's a great point. If you have a track record, it's certainly going to be easier. But if you don't, if you're newer to your organization, GFOA has done some research about how finance officers can build trust and confidence. One thing we've found is that there's a 3-part rule for delivering bad news well.

The first thing is to be prompt; delivering bad news promptly gives decision makers the most time to act on it. It also preempts misinformation. Research has shown pretty clearly that people tend to be undiscerning listeners, meaning we believe what we hear. And once it's in our heads, it is hard to dislodge it. So, you want to be first to get the information out there before the disinformation spreads.

The second part is to be straight, so no sugarcoating, no doom and gloom, because decision-makers aren't going to trust you if they think they've been manipulated.



Here are your two North Stars. First, what does the community need? And it's going to be different for every one. And then, what does the least damage to the organization, in terms of its ability to deliver what the community needs?

The third thing is to provide solutions. Finance officers that helped us with our research said, “Don’t drop the problem in the lap of the elected official. Come prepared with ideas about how to handle the situation.” And the research shows that you want to come with a limited number of good options. If there are too many options, people feel overwhelmed and will actually be paralyzed with indecision. But if there aren’t enough options, they may feel they’re not receiving enough input.

Mark, it would be interesting to hear your reaction to this as a former elected official.

MF: I think those are really spot on, all three of them. You want to be there quick, as you said. As far as dislodging bad information, as someone said, “It’s not what you don’t know that gets you in trouble, it’s what you know for sure that just ain’t so.” So yeah, get there quick, and be straight, don’t sugarcoat it, and give them options.

Governments don’t have strategic plans or priorities in place, so if that guidance doesn’t exist or hasn’t been generated at the elected official level, do you have thoughts on how plan officers might best work with elected officials to target those guys?

MF: I think that the idea of handling cuts, and avoiding across-the-board cuts, flows out of the conversation that we just had about how you gain confidence—that is, you talk about options, and you work through what you think the operational consequences of this cut or that cut might be. And of course, you’re hand in glove with the operating departments in doing that.

Here are your two North Stars. First, what does the community need? And it’s going to be different for every one. And then, what does the least damage to the organization, in terms of its ability to deliver what the community needs? You’re going to do some damage. This stuff is painful. This is not fun. It hurts.

I think that highlights something you hear a lot, which is the importance of communication in a financial crisis. And of course, that’s true, and we can’t say it enough. But from your perspective, what are some of the main ways for finance officers to most effectively communicate with elected officials in a financial crisis? What should finance officers be especially mindful of when it comes to good communication in this environment?

MF: Well, there are a couple of things, a couple of tools that I talk about in terms of communicating.

Many years ago, John Nalbandian was the mayor of Lawrence, Kansas, while also being the chairman of the Public Administration Department at the University of Kansas. He wrote an article that I’ve never forgotten called “Reflections of a Pracademic” (*Public Administrator Review*, 1994), which talked about the ways in which professionals see the world—finance officer, city manager, versus how the elected officials see the world. Finance professionals tend to see data and evidence and a problem to be solved and a fact-based, evidence-based argument to solve a problem. But you have to speak in the elected official’s language, and the elected official thinks in terms of values and symbolism, and essentially a contest or a game to be won, a battle to be won.

I found that when I was straddling worlds, when I was serving elected officials, and I was a professional, that the thing to do was to keep my evidence-based argument, but then use symbolism to basically drive home the point that I was trying to make. For example, if you have two kids who are walking down the street, and one of them is Black and one is white, and the Black kid gets stopped, it doesn’t matter what the data say about racial profiling in your police department. If that issue goes viral and becomes important, elected officials are going to focus on the anecdote, on the story about what happened to those two kids. So that’s one thing, this different way of looking at the world of language.

But the second thing is something I got from Gary VanLandingham at Pew years and years ago. He talked about the troika. Again, you start with evidence, what is the best idea, what is the best thing to do based on the evidence? And then you go to a story or an anecdote, and you choose a story or an anecdote that fits the ideology of the person that you’re talking to. So, I wouldn’t try to sell an idea to a progressive, far-left person with the same stories that I would use in trying to sell it to a conservative. The object would be the same, the evidence and the facts would be the same, but the story that I use to try to communicate it has to fit the worldview of the person that I’m talking to, if I want them to basically do the right thing, as I understand it, based on the facts and evidence.

That’s a great point. It reminds me of some research by a psychologist, Jonathan Haidt, who talked about the moral persuasions of folks who have different ideologies. His point was not to say that one



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Mark Funkhouser delivers a speech during a Marine Corps Memorial Ceremony in Kansas City on October 2, 2010.

is better than the other; they're just different, and different sorts of arguments are going to resonate differently with people.

And in fact, I was having a conversation with a budget officer at a city that has had a more progressive, left-leaning board. And we were talking about this in the context of asset preservation, maintaining the assets. And I said, "Well, in some more conservative-leaning communities, arguments about preserving or conserving the investment that they had already made in these assets would resonate. And he said, "Yeah, that would never work here."

Well, according to this research, things like equity of access and helping out folks of lesser economic means are certainly of interest to folks who have the more

progressive-leaning worldview—these are things that resonate more. So, if you're talking about maintaining your assets, you might say things like, "Well, these assets are most used by the people with the least economic means in our community," or "We want to make sure that everyone has fair access to an opportunity to succeed in our community," things like that. And he said, "OK, that's interesting. I'm going to try that out." And it worked.

So, just as you said, you've got to know the persuasions of your audience. And this research is very powerful because, again, it's not saying that one persuasion is better than the other—it's just different, and people of different political persuasions tend to weight values differently.



With regard to elected officials and the public, you work for them...you have to be sympathetic and empathetic and respectful. And the more you do that, the more they're going to trust you.

So, moving on to a different topic. Talking about hard choices being made during a downturn—when it comes to elected officials and staff cooperating to make these hard choices together, what are those must-dos in order to make those hard choices together in the best way?

MF: If I'm in the professional staff side of that, I would start by listening to the elected officials, and I would ask them questions: What are you hearing from your constituents? What are you hoping to have happen? And follow up on those questions. And then try to work with them and show them the impact of various choices: "If you do A, this will happen. If you do B, that will happen." But you have to start with what are they hearing.

And that's going back to the earlier point about how our elected officials see the world and how they communicate. They're not sitting around reading research articles; they're listening to constituents, and they care about individual issues within their communities. So, you have to start where they are, and then show them alternatives—going back to your earlier point about options and what the consequences of those decisions would be.

All the while be very respectful and empathetic about the fact that they are in fact being asked to choose among bad outcomes. This is not a happy thing, so give them credit for having the courage to make hard choices. The worst thing that can happen in the community is that they don't make choices, that they just spend down reserves and let things spiral into the dirt.

So, treat them with respect. What they're doing... I'll tell you, my four

years as mayor were the hardest years I've ever had in my very long career. You have to come at it from that point of view—this stuff is hard.

One very important point that's worth emphasizing is this idea of stories that you talked about. It reminded me of something another elected official said, which basically is that "the language of the elected officials is the anecdote." And that is so different from the language of finance officers. To finance officers, data mean things inherently, and the people around them get it because they work with it every day. But to the elected officials, it probably seems abstract. So, having those stories that illustrate the data and translate them into the elected official's languages is so important.

Now, what about the citizens? How do you think citizens should be engaged in these types of hard decisions we've been talking about? Because as you said, there are no good choices here. We tend to limit ourselves to talking about elected officials and the staff, but this is ultimately democracy that we live in, so at some point citizens have to be involved. So how do you see that working?

MF: You should communicate with the citizens about the financial situation of their government as regularly as you do about how the government is coping with the pandemic. This is incredibly important, and you need to talk to them in this situation. And you want to do that in the most representative way that you can with tele-town halls, given social distancing. So, you want to try to be with as representative of a group as possible.

Having said this, a lot of the rules for talking with citizens are the same as those for talking to the elected officials. They also talk in anecdotes and stories and symbols. They also need to be treated with enormous respect. This is their money, and it's their community that you have stewardship over, and you're responsible for taking care of it on their behalf.

You also need to convey that we're very much all in this boat together. People will sacrifice a lot for the good of the group if they feel they are part of a group, that this is their community, and that together we're going to take care of our community.

Do it early and often— there's no way that you can do too much. And be obviously very, very candid, very truthful.

The thing that you said earlier about being prompt—yes, as soon as possible, tell people. And a lot of people say, "Well, they can't handle it. They don't understand. They'll misunderstand, they'll misuse..." The answer to that is you add more, talk more. It's better to tell them, have them misunderstand, and then tell them again in other ways to explain it. Rumors pop up, so you tell them again. You deal with the rumors. Basically, they are going to make up stories in their head anyway, so you've got to be there first-est with the most-est.

Mark, that's exactly right. And it's right in line with the psychological research, where we're essentially saying citizens don't have deep insights to the inner workings of government. Because that's the case, they essentially have to connect the dots from what they see in their

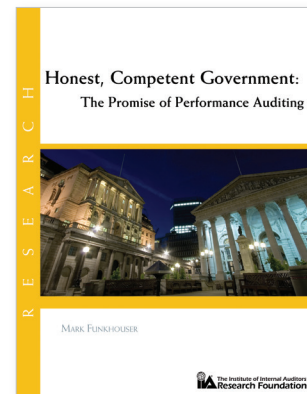
daily lives. And sometimes those connections may not really be in line with what's going on in real life. So, it helps to recognize that this is just part of how people operate. And as you say, just working with it and continuing to provide good information and helping to get the correct picture out there is the way to go.

MF: The other thing is that you, as the CFO or the city manager or the mayor, are responsible for taking care of their community. And this represents a bit of a failure on your part—if you didn't see this coming, people are going to be angry with you, and they're going to say, "Well, why didn't you build up adequate reserves? Why didn't you know there was a pandemic?"

And you have to say, "You're right. This didn't work the way I thought it would, but here's where we are, and we're doing the best we can." Try not to be defensive. People don't want to think about their government. They want to go to work, raise their children, mow the lawn, and they want you to take care of stuff. And when stuff goes wrong, they're going to be upset with you. They're going to say, how could you let this happen—and again, you've got to be honest. "We did not expect this. We did build up our reserves as well as we could," and so on and so forth. "However, you're right. This is beyond what we had imagined." You have to find a way not to be defensive, to be straight up and to accept that, yes, on my watch, things did not go the way I thought they would.

That's great advice. So, to wrap things up, Mark, what are your thoughts about the things we talked about, maybe some key points from your perspective?

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MF: I think the key points in all this for the finance professionals is, with regard to elected officials and the public, you work for them. They pay you. And you make a lot more money than a lot of the citizens in your jurisdiction. So, you have to be sympathetic and empathetic and respectful. And the more you do that, the more they're going to trust you. The humbler you are... I mean, I know a guy who talks about servant leadership all the time. Well, if there was ever a time for servant leadership, this is it.

Yeah, absolutely, well said. Thank you, Mark, for talking to us.