



THE
PEW
CENTER ON THE STATES

Government
Performance
Project

GRADING THE STATES 2008

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The Government Performance Project—Our Mission

- The Pew Charitable Trusts applies the power of knowledge to solve today's most challenging problems.
- The Pew Center on the States identifies and advances effective policy approaches to critical issues facing states.
- The mission of the Government Performance Project, an initiative of The Pew Center on the States, is to improve service to the public by strengthening government policy and performance.

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Grading the States 2008—A Roadmap for States to Improve

- Pew's *Grading the States 2008* is the fourth in a series.
- The Government Performance Project, *Governing* magazine, and academic and state government experts conducted a thorough and rigorous review to paint a clear and complete picture of states' performance. State-level managers and opinion leaders provided more than 12,000 pieces of data.
- States were evaluated on how well they were advancing—or backsliding—in key areas:
 - **People**—recruiting and retaining highly qualified, productive public employees
 - **Information**—using information to make smart decisions and communicate more effectively with the public
 - **Money**—managing fiscal resources from budgeting to procurement
 - **Infrastructure**—planning for, maintaining and improving roads, bridges and buildings

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Grading the States 2008—Moving Forward

- Pew will work with states in the coming months to help them apply this new research and improve performance by:
 - Drawing on best practices
 - Identifying areas for improvement
 - Implementing state-specific recommendations to achieve results
 - Exploring additional partnerships with policymakers and private sector leaders to pursue effective problem-solving strategies

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Grading Criteria – Money

- The state uses a long-term perspective to make budget decisions.
- The state’s budget process is transparent, easy to follow and inclusive.
- The state’s financial management activities support structural balance between ongoing revenues and expenditures.
- The state’s procurement activities are conducted efficiently and supported with effective internal controls.
- The state systematically assesses the effectiveness of its financial operations and management.

Grading Criteria – People

- The state regularly conducts and updates a thorough analysis of its human capital needs.
- The state acquires the employees it needs.
- The state retains a skilled workforce.
- The state develops its workforce.
- The state manages its workforce performance programs effectively.

Grading Criteria – Infrastructure

- The state regularly conducts a thorough analysis of its infrastructure needs and has a transparent process for selecting infrastructure projects.
- The state has an effective process for monitoring infrastructure projects throughout their design and construction.
- The state maintains its infrastructure according to generally recognized engineering practices.
- The state comprehensively manages its infrastructure.
- The state creates effective intergovernmental and interstate infrastructure coordination networks.

Grading Criteria – Information

- The state actively focuses on making future policy and collecting information to support that policy direction.
- Elected officials, the state budget office and agency personnel have appropriate data on the relationship between costs and performance, and they use these data when making resource-allocation decisions.
- Agency managers have the appropriate information required to make program management decisions.
- The governor and agency managers have appropriate data that enable them to assess the actual performance of policies and programs.
- The public has appropriate access to information about the state, the performance of state programs and state services and is able to provide input to state policy makers.



Money In-Depth: How Do We Evaluate a State Against the Criteria?

The Analytic Team

- Reviews the state budget, financial reports, and other state revenue and expenditure data
- Examines budget documents and other information to determine budget data quality and focus on goals and results
- Assesses statewide balance between revenues and expenditures, including contingency devices (e.g., rainy day funds), and gauges a state's overreliance on one-time revenues, debt or accounting gimmicks
- Examines state purchasing/contracting protocols to determine whether they balance control and flexibility for effective program management, as well as the use of electronic purchasing and contracting
- Reviews state audits to establish that they are timely, clean, in accordance with generally accepted accounting principles, and performance-oriented

The Interviewer Team

- Consults with civic leaders and state officials regarding the state's long-term approach to financial decision-making
- Investigates use of data to develop the budget and opportunities for public input
- Discusses the state's overall financial situation, especially budget-balancing measures, with budget officials and others
- Discusses results and needed improvements in state contracting and purchasing systems with procurement officials and agency managers
- Asks state officials for evidence of explicit links between program costs and operational performance

Information In-Depth: How Do We Evaluate a State Against the Criteria?

The Analytic Team

- Confirms whether the state has an up-to-date, comprehensive long-term statewide strategic plan and information technology plan, as well as linked individual agency strategic plans and IT plans
- Reviews key budget documents for evidence of links between performance information and budget allocation
- Reviews the state and agency planning and performance tools
- Reviews selected performance audits
- Evaluates state websites for public access to key services and credible information about the performance of state programs

The Interviewer Team

- Addresses with top state and agency leaders specific examples of the plans' use in decision making
- Examines the use of performance information in budget development with agency leaders, legislators and legislative staff, and executive branch budget officials
- Queries agency officials to determine the quality of IT systems and central guidance, and the usefulness of the resulting information in effectively monitoring and managing program performance and contracts
- Evaluates performance audit processes, dissemination, and outcomes with state auditors and evaluators

Oregon Case Study: GPP 2008 Oregon *Findings in Context* – Overview

- Overall statewide performance in 2008 ranged between A- (Utah, Virginia, and Washington) and D+ (New Hampshire). Oregon earned an overall grade of C+.
- The national average among the 50 states was B-, and 18 states received that grade.
- Twelve states earned grades above the national average (i.e., grades of B and above), and 20 states received grades below the national average (i.e., C+ and below).

STATE		OVERALL PERFORMANCE GRADES										
Utah Virginia Washington											A-	
Delaware Georgia Michigan Missouri Texas										B+		
Indiana Iowa Louisiana Maryland Nebraska									B			
Arizona Connecticut Florida Idaho Kansas Kentucky Minnesota New Mexico New York	North Carolina North Dakota Ohio Pennsylvania South Carolina Tennessee Vermont Wisconsin Wyoming						B-	— NATIONAL AVERAGE				
Alabama Colorado Hawaii Mississippi Montana	Nevada Oklahoma Oregon South Dakota West Virginia						C+					
Alaska Arkansas California Illinois	Maine Massachusetts New Jersey						C					
Rhode Island									C-			
New Hampshire									D+			
		D	D+	C-	C	C+	B-	B	B+	A-	A	
NATIONAL AVERAGE		B-										

THE PEW CENTER ON THE STATES' Government Performance Project

The Pew Charitable Trusts applies the power of knowledge to solve today's most challenging problems. Pew's Center on the States identifies and advances effective policy approaches to critical issues facing states.

The mission of the Government Performance Project, an initiative of the Pew Center on the States, is to improve service to the public by strengthening government policy and performance.

The Project evaluates how well states manage employees, budgets and finance, information and infrastructure. A focus on these critical areas helps ensure that states' policy decisions and practices actually deliver their intended outcomes.

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The Project grades but does not rank states. All states within a given grade category receive the same grade and are listed alphabetically.

Oregon Case Study: GPP 2008 Oregon Recommendations – People

- Require formal workforce planning at the agency level and create a statewide workforce plan that is connected to the state’s strategic goals.
- Use the state’s new HR data warehouse to track and analyze key workforce data.
- Add the ability to apply for employment online to the state hiring Web site.
- Develop a statewide knowledge management system.
- Promising Practice: Virginia’s Workforce Plan
 - Profiles agency-level workforce planning activities
 - Outlines the state’s human resources activities
 - Summarizes constraints state agencies face
 - Lists workforce planning resources available to state agencies

Oregon Case Study: GPP 2008 Oregon Recommendations – Information

- Update the Oregon Shines strategic plan and revise it each biennium.
- Require agencies to update their strategic plans.
- Conduct audits of program performance.
- Promising Practices: Washington
 - The Washington State Auditor's Office is pursuing an aggressive agenda of performance audits of public agencies based in part on citizen priority-setting, resulting from Initiative 900 of 2005, when the state's voters dedicated a share of the state's sales tax revenue for such audits.
 - Tools to gather citizen input include: focus groups and town hall meetings with randomly-selected groups of citizens using electronic, interactive polling; random-sample telephone surveys of state voters; and surveys of stakeholders, including agency and local government employees.
 - In December 2007 the Washington State Auditor's Office hosted a live, televised statewide town hall with a random sample of Washington citizens. More than 450 citizens, including people from each of the state's 49 legislative districts, participated in real time via telephone.

Oregon Case Study: GPP 2008 Oregon Recommendations – Money

- Generate the consensus necessary to pass the budget on time.
- Expand e-procurement capabilities and increase the percentage of transactions conducted electronically.
- Promising Practices: Minnesota's e-procurement capabilities
 - Minnesota's Spend Analysis/Intelligence System integrates and classifies spending information to track processes
 - Provides detailed purchase information
 - Identifies areas for strategic procurement
 - Enables stronger oversight and has saved the state more than \$100 million

Oregon Case Study: GPP 2008 Oregon Recommendations – Infrastructure

- Implement a statewide process to fully identify and prioritize the deferred maintenance costs of the state's buildings.
- Increase investment in road maintenance and for infrastructure not related to transportation.
- Promising Practices: Utah
 - Utah uses *Facility Focus*, a computerized maintenance management system, and the Facilities Condition Assessment program.
 - » Projects capital cost on state-owned facilities older than five years
 - » Helps in the overall maintenance and management of state facilities
 - Utah conducts annual maintenance audits for all state-owned buildings, and each agency request is viewed and linked with the state budget.
 - Utah state law assures funding for maintenance activities. State law requires that before money may be provided for new facilities, or major renovation work, maintenance funding must be provided at a level equal to at least 1.1% of the replacement cost of existing facilities.

What Recommendations Have States Identified as Priorities?

People

- Knowledge Management Systems
- Training and Development
- Strategic Workforce Planning
- Managing Employee Performance

Information

- Strategic Direction
- Managing for Performance
- Performance Auditing and Evaluation
- Budgeting for Performance

Money

- Budget Process
- Contracting/Purchasing
- Long-Term Outlook
- Structural Balance

Infrastructure

- Statewide Capital Planning
- Maintenance
- Asset Management
- Project Management



How Will the GPP Address Those Priorities?

Pew State Management Lab Pilot Projects, Including:

- Gubernatorial Candidate Briefings
- Lab State Year-Long Improvement Effort
- Lab Seminars on Human Resources, Budget/Finance, and Information
- Future States Summit

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