

Submission of the Mississippi PEER Committee for the 2016 NLPES Award for Excellence in Evaluation

Introduction

The Joint Committee on Performance Evaluation and Expenditure Review (PEER) is a standing committee of the Mississippi Legislature composed of seven members of the Senate and seven members of the House of Representatives. Created by statute in 1973 (MISS. CODE ANN. Section 5-3-51 et seq.), it was one of the first entities of its type in the nation. Because the Mississippi Legislature does not have partisan staff or research staff, the PEER staff's work extends beyond traditional legislative evaluation. For forty-three years, PEER has provided short-term informational assistance as well as in-depth evaluations of government operations to support the function of legislative oversight.

Body of PEER's Work, 2012-2015

The PEER Committee staff consists of twenty-eight professional and support positions (see Attachments A-1 and A-2). PEER staff operations consist of four main areas of effort, with corresponding work products: conducting audits and evaluations; responding to legislative assistance requests; performing background investigations on gubernatorial and other appointees; and, performing audits and inspections of the state's correctional system.

Conducting audits and evaluations

By vote of the PEER Committee, the PEER staff conducts reviews in response to requests from PEER Committee members, chairs of legislative committees or subcommittees, individual legislators, PEER staff, other governmental agencies, or private citizens. State law gives PEER the authority to review the work of any state or local entity that receives public funds. (See Attachment B-1 for PEER's enabling legislation.) Over the last several years, the Legislature has enacted legislation directing PEER to conduct reviews in certain policy areas or to provide analytical or administrative support to task forces or state agencies (see Attachment B-2).

PEER's reviews may have multiple objectives and one of many formats, such as descriptive summary, investigation, compliance review, management review, economy and efficiency review, program evaluation, or policy analysis. From January 1, 2012, through December 31, 2015, the PEER Committee staff produced forty-five reports (see Attachment B-3). Topics of the reports encompassed the Legislature's eight key strategic policy areas: economic development; education; public safety and order; health; human services; natural resources; infrastructure; and, government and citizens. PEER reports are available at www.peer.state.ms.us. In 2015, PEER staff began producing "Action Briefs" to assist busy readers in understanding report findings. In addition, PEER began a project in 2015 to re-design its website to make it more user friendly. See Attachment C for copies of three reports that illustrate the appearance and style of PEER reports.

Responding to legislative assistance requests

Mississippi law and PEER Committee rules state that PEER staff will provide assistance to any legislator or legislative committee upon request. These requests may range from simple information requests to more complex direct assistance on behalf of committees or subcommittees. Types of legislative assistance work products include memoranda, bill drafts, bill summaries, fiscal notes, briefings or presentations, facility inspections, maps, public hearings, consultations with state agencies, and administrative assistance to task forces or study committees. From 2012 through 2015, the PEER staff completed 441 legislative assistance work products.

Performing background investigations on gubernatorial and other appointees

Mississippi law gives the state's Senate the power to confirm the appointments of executive board members and, in some cases, agency directors. Enabling legislation for such positions usually requires that these individuals serve with the "advice and consent of the Senate." Although not required to do so by statute, Senate committee chairs routinely request PEER staff to conduct background investigations of appointees to assess each individual's compliance with statutory qualifications and general fitness to hold office.

PEER staff conducts background investigations during the state's regular legislative session each year, typically a period of about three months. The work involves reviewing information submitted by the appointee, research of court records (by traveling to county courthouses), online and telephone research, and in some cases, contacting references and interviewing the appointee. Senate committee chairs use the background investigation reports for conducting confirmation hearings on the appointees. Occasionally, information from these reports is used on the floor of the Senate when that body votes on whether to "do advise and consent"

regarding the appointee. From 2012 through 2015, the PEER Committee staff conducted 310 background check investigations.

Performing audits and inspections of the state's correctional system

The PEER Committee staff includes the state's Corrections Auditor, who is required by statute to audit accounts of the Department of Corrections, report on the letting of bids by the department, and make a periodic inventory of departmental assets. The Corrections Auditor provides monthly reports to the legislative leadership and assists with corrections-related legislative assistance and projects.

PEER's Impact, 2012-2015

PEER evaluations lead to statutory changes

Each calendar year, PEER Committee members introduce legislation based on report recommendations. PEER's evaluation of the Pat Harrison Waterway District (report #576, October 2013) resulted in the passage of SB 2261 (2014 Regular Session) requiring the district to use state-approved assessed valuations to determine the amount member counties must provide in monetary support to the district. PEER's review of state agency contracting (report #577, November 2013) resulted in the passage of HB 1317 (2014 Regular Session) requiring the development of procurement portal to be accessible to individuals and/or companies wishing to do business with Mississippi. As a result of the legislation, the Department of Finance and Administration's website now has a "Are You Interested in Doing Business With Mississippi?" link on the homepage. PEER's evaluation of the state's domestic violence fund (report #580, December 2013) contributed to the passage of HB 1030 (2014 Regular Session) that established an Office of Interpersonal Violence within the Mississippi Department of Health. PEER's review of Mississippi's youth court adjudication models (report #588, December 2014) resulted in the enactment of HB 627 (2015 Regular Session) that requires all Mississippi youth courts to utilize the Mississippi Youth Court Information Delivery System to ensure uniform case docketing.

PEER evaluations inform the Legislature regarding critical public policy issues

Legislators rely on PEER staff to provide objective, non-partisan information regarding "hot topics." In January 2014, PEER released its report entitled *The Common Core State Standards: Mississippi's Adoption and Implementation* (report #582). Requested by a legislator, PEER's analysis of the common core issue was designed to provide answers to the many questions asked by legislators and the general public regarding the standards. The report was helpful in allaying fears that the common core standards were nationally-adopted standards forced on the states by the federal government. PEER's report series dealing with the Mississippi Public Employees' Retirement System (#564, #583, #591, #601) has allowed the Legislature to "keep its finger on the pulse" of the financial health of the state's retirement system. The reports have provided information regarding the actuarial soundness of Mississippi's system as well as perspective regarding legal issues regarding the retirement system, such as the "contract clause" doctrine. Following the release of each report, the management of Mississippi's retirement system has summarized the PEER report in employer, employee, and retiree newsletters.

PEER evaluations lead to improvements in state entity operations

PEER reviewed the leasing and personal services contracting practices of Mississippi Delta Community College (#561, September 2012) and PEER found that the college had not consistently used open and competitive processes when seeking to lease property for its branch facilities. The college's procurement process for personal services also did not comport with best practices and as a result, the college could not ensure open competition for its personal services contracts and justify some of its large contract decisions. Following release of the report, the college revised its leasing and contracting policies to include specific processes for contract amounts below and above \$1,000. The college also created a new template to evaluate contracts as well as a standard memorandum of agreement document. College officials reported to PEER that subsequent to the release of PEER's report they terminated a high-dollar law enforcement training contract and hired an individual to provide law enforcement training "in-house." The college also sought and obtained competitive bids for the college's auto, property, and liability insurance, resulting in a savings of more than \$45,000.

In its review of the state's child support enforcement services (#567, January 2013) PEER found that the Mississippi Department of Human Services (MDHS) did not maintain cost data at the service level and did not sufficiently analyze its child support enforcement performance data, both of which are necessary to making fully informed decisions regarding the privatization of child support enforcement services. Following release of the report, MDHS reorganized the administration of the program, streamlining processes and eliminating administrative duplications. The department implemented a paperless case record system statewide. As a result of the improvements, the department increased collections during the first half of FFY 2014 by

approximately 6.5% over the same period in FFY 2013. The department reported to PEER that its federal partners were using Mississippi as a potential model for other states that were seeking ways to enhance their state-administered program.

PEER reviewed Mississippi's prison industries corporation (#571, June 2013) and found that the corporation had not provided inmates with the best opportunities to increase their work skills and employability, increasing the possibility of inmates returning to prison. The corporation also had deficiencies in their cost accounting processes. Following release of the report, the corporation instituted a system of performance measures for its programs. It also engaged a state university to track recidivism rates, employment rates, and average earnings of released inmates who participated in the corporation's programs and comparable information on the state's other released inmates. The corporation also began tracking amounts state agencies saved from using corporation products versus those of "free world" competitors.

PEER evaluations identify fiscal impacts

In its review of Mississippi's emergency communications districts (#579, December 2013), PEER identified \$6.4 million in revenue that could be distributed to the districts with the elimination of payments to communication providers. PEER's report on the state's domestic violence fund (#580, December 2013) discovered \$1.9 million in funds that should have been distributed to domestic violence shelters but had not been. At the request of a legislator, PEER staff calculated that the state general fund would lose \$1,050,000 should the Legislature enact legislation to exempt churches from the payment of sales taxes. At the request of another legislator, PEER staff determined that the state general fund would lose approximately \$14 million over a six-year period if the Legislature enacted legislation to change the formula for distributing oil severance tax collections between the state and counties.

PEER contributes to improvements in the state's budgeting process

The Legislature's performance budgeting revitalization effort began in December 2012 with Lieutenant Governor Tate Reeves and Speaker Philip Gunn officially partnering with the Pew-MacArthur Results First Initiative. Subsequent to the signing of this agreement, PEER staff was requested to work with legislative leadership to develop a three-pronged approach to revitalizing performance budgeting in Mississippi—i.e., development of a statewide strategic plan; development of an inventory of state agency programs and activities, including performance measures; and, implementation of the Results First Initiative. PEER staff also published *A Legislator's Guide to Revitalizing Performance Budgeting in Mississippi* (see Attachment B-4).

Development of a Statewide Strategic Plan

PEER staff identified a template for developing a statewide strategic plan, based on the strategic planning template for Texas state government. This template aligns individual agency strategic plans to the statewide elements identified by legislative leadership—e.g., statewide vision, mission, philosophy, goals, and benchmarks. PEER staff helped legislative leadership to identify the statewide elements by suggesting eight key policy areas of state government: economic development, education, public safety and order, health, human services, natural resources, infrastructure, and government and citizens. PEER staff then organized meetings with legislative leadership and executive branch agency directors and top-level managers to identify the goals and key benchmarks (measures of performance) in each policy area. These meetings focused on identifying the strengths, weaknesses, opportunities, threats, and 10-year vision in each policy area.

PEER staff compiled the results of the SWOT analyses into a document entitled *Building a Better Mississippi: The Statewide Strategic Plan for Performance and Budgetary Success* (see Attachment B-5). Legislative leadership officially released the document in July 2014 in a public meeting at the State Capitol. *Building a Better Mississippi* contains statewide vision, mission, philosophy and goal statements focusing on making state government transparent, accountable, efficient and effective. The document includes 328 benchmarks addressing every area of state government.

The Legislative Budget Office's budget instructions require state agencies to align their individual strategic plans with the priorities identified in *Building a Better Mississippi*. In December 2015, PEER staff provided members of the Joint Legislative Budget Committee with copies of a performance update on those benchmarks in the statewide strategic plan for which national comparison data was available. PEER staff developed a template for this report that includes for each benchmark: a description of what the benchmark represents, data for the most recent year available, and historical performance data for Mississippi in comparison to the national average. PEER staff continues to work with legislative leadership and staff of the Legislative Budget Office to refine the benchmarks as needed to measure performance in each policy area more effectively.

Development of an Inventory of State Agency Programs/Activities

Pursuant to its performance budgeting revitalization effort, the Mississippi Legislature passed H.B. 677 (2014 Regular Session) requiring the development of an inventory of state agency programs and activities. The law also requires the development of performance measures for each program, the classification of programs by their research basis and the calculation of program benefit-cost ratios. PEER staff is charged with developing the inventory, beginning with the four “pilot” departments specified in law: Corrections, Education, Health, and Transportation. PEER staff has identified over 1,400 programs and associated performance measures in the four pilot agencies.

The expected benefits of a detailed inventory of state agency programs and activities are to 1) provide a better understanding of what public dollars are buying and accomplishing; 2) ensure that all activities of state government serve a clear public purpose; 3) identify and address ineffective programs; and, 4) improve efficiency by focusing on ways to reduce unit costs, including exploring opportunities for shared services.

PEER staff has developed a prototype for making the inventory information, including graphical presentations of performance data, available online. The long-term vision is to make the online information available to legislators and the public, which would provide the ability to drill down from an agency to a budget unit, budget program, and accountability program. At the accountability program level, the online user would have access to data on program expenditures, FTEs, and performance on the full range of performance measures, including measures of program outcomes. When the inventory is complete, online users would be able to select a benchmark from *Building a Better Mississippi* and obtain a list of all programs contributing to improving the benchmark, including total dollars expended on and FTEs committed to the effort.

By collaborating with state agencies to build their program inventories, including identification of measures that they will use to hold their programs accountable for performance, PEER staff is helping to build a culture of performance-based management in Mississippi state government. The process of creating the detailed program inventory helps agency staff to understand what they are working towards, how their progress is being measured, and how the ongoing analysis of their progress can lead to the continuous improvement of agency efficiency and effectiveness.

Implementation of the Pew-MacArthur Results First Initiative

Since signing on as a partner state with the Results First Initiative, Mississippi has become a leader in carrying out the Initiative’s primary objective of moving the investment of public dollars into policies and programs proven to work through evidence-based research. PEER is responsible for the Results First Initiative for Mississippi, including running the benefit-cost models that allow legislators to compare returns on investment for intervention programs by policy area.

While Mississippi legislators and PEER staff have been featured speakers at the Results First annual “convenings” since 2013, Mississippi was the featured state at the 2015 Results First Convening held in Washington, DC, in recognition of its progress in implementing the Results First Initiative. In a plenary session, both Lieutenant Governor Reeves and Speaker Gunn discussed how data-driven decision-making is changing Mississippi’s budget culture and how that change is central to achieving a transparent, accountable, and efficient/effective government service structure.

PEER staff’s Results First work in Adult Corrections led to the identification of a Mississippi Department of Corrections prison-based intervention program for non-violent offenders (the Regimented Inmate Discipline [RID] Program) that the evidence-based research showed to be ineffective in reducing recidivism. As a result, the Legislature passed HB 906 (2015 Regular Session), which repealed the department’s authority to operate the RID program effective January 1, 2017, and inserted the following language in its place: “an effective evidence-based program or a properly controlled pilot study designed to contribute to the evidence-based research literature on programs targeted at reducing recidivism.” PEER staff identified an effective research-based alternative to RID with a positive benefit to cost ratio called Thinking for a Change (a cognitive behavioral therapy program).

Another notable achievement associated with Mississippi’s implementation of the Results First Initiative is the development of a standard series of questions that entities requesting funding for new intervention programs must answer. PEER staff developed these questions in collaboration with Senator Terry Burton and Representative Toby Barker during the 2015 regular legislative session. The “7 Elements of Quality Program Design” (see Attachment B-6) questions are designed to clearly establish: the purpose of the proposed program, the need for the program, the nature of the research supporting the program (preferably evidence-based research establishing the program’s effectiveness through randomized controlled trials across heterogeneous populations), and what performance measures will be collected and reported to hold the program accountable for achieving desired results, including a copy of the applicant’s plan for assuring fidelity in program implementation. Based on its analysis of all applications for funding using the 7 Elements during

the FY 2016 and FY 2017 budget request cycles, PEER staff advised legislators as to whether each submission met the requirements set forth therein or in what specific instances the submission fell short. Legislators used these analyses to make budgetary decisions with an eye towards funding those programs serving a critical public need with a record of effectiveness proven through evidence-based research and a positive benefit-cost ratio.

PEER's Contributions to the Field of Legislative Evaluation, 2012-2015

Since its inception, PEER has sought to be actively involved in the profession of legislative evaluation and has maintained a continuous affiliation with the National Legislative Program Evaluation Society (NLPES) since 1974. (John Turcotte, one of PEER's former executive directors, was instrumental in the creation of NLPES.) During the past four years, PEER staff have contributed to the field of legislative evaluation through their involvement in NLPES and NCSL, as well as professional and public awareness endeavors.

- **NLPES Executive Committee and Awards Judging.** Linda Triplett, director of PEER's Performance Accountability Office, currently serves as a member of the NLPES Executive Committee, for a term that began in 2014. Ms. Triplett's service on the NLPES Executive Committee continues PEER staff's long-standing involvement with the committee as evidenced by prior PEER staff who have served—i.e., John Turcotte, Max Arinder, and James Barber. Ms. Triplett and Ava Welborn, Senior Editor, served as judges for the society's awards program.
- **NLPES Awards.** During the period 2012 through 2015, the PEER Committee received Certificate of Impact awards from NLPES for reports dealing with business loans, procurement practices, state retirement issues, and state agency contracting. All four of the reports resulted in legislators introducing legislation to address the issues detailed in the reports, with three of the bills being enacted by the Legislature and signed into law by the Governor. Legislation stemming from the business loans report resulted in \$11.7 million of idle loan funds being transferred to the State Treasury for appropriation to state agencies and programs. In addition to legislative action, the four reports resulted in administrative and operational changes and improvements by the reviewed agencies and institutions.
- **NLPES Professional Development Seminars.** Since NLPES's establishment of an annual training event in 1986, PEER staff have actively participated in the training events. As illustrated in Attachment B-7, PEER values the training offered by NLPES and routinely sends a sizeable number of staff to the event each year. During the PDSs, PEER staff shared their expertise on various evaluation topics by serving as panelists or moderators. (The PEER Committee has hosted the NLPES PDS twice in the past—1987 and 1997—and is hosting the PDS in Jackson, Mississippi, in September 2016.)
- **NLPES Listserv and Newsletter.** All PEER staff subscribe to the NLPES listserv and routinely respond to inquiries based on their professional expertise or knowledge gained from working on PEER projects. James Barber, Executive Director, was a regular contributor to the NLPES newsletter by providing articles designed to improve work skills of legislative evaluators and analysts.
- **Peer Reviews.** James Barber, Executive Director, served as the NLPES peer review team leader for reviews conducted of the Washington Joint Legislative Audit and Review Committee in June 2014 and the Nebraska Legislative Audit Office in December 2015.
- **NCSL Committees.** Ted Booth, General Counsel, served as the staff co-chair of the NCSL Redistricting and Elections Committee. Lonnie Edgar, Principal Analyst, served as a participant or moderator for nine NCSL Invitational Meetings regarding public health issues. He also served as a member of the NCSL Health Reform Task Force and the NCSL Innovations in State Health Systems Task Force.
- **Pew-MacArthur Results First.** Max Arinder, former Executive Director, served on the Pew-MacArthur Results First Initiative Budget and Policy Advisory Panel.
- **Public Awareness.** Annually, PEER's Executive Director speaks to students in the University of Mississippi's Political Science Department regarding the role of legislative oversight in a representative democracy. Selected students from the class serve as PEER staff interns during the legislative session each spring. In addition, at the request of legislators, Lonnie Edgar, Principal Analyst, made presentations to two town hall forums regarding PEER staff's analysis of the impact of the federal Patient Protection and Affordable Care Act. Ted Booth, General Counsel, routinely provides presentations regarding legislative oversight to human resource management sessions conducted by the State Personnel Board.