

# B+ Texas

Texas has a long history of effective performance-based management, but a few years ago, that tradition seemed to be in jeopardy. Governor Rick Perry had clearly demonstrated his distaste for performance budgeting, and turnover in the House and Senate had meant the loss of many legislative champions of the effort.

But in a state where the governor has relatively little formal power, established management practices proved stronger than the governor's skepticism. There are numerous examples of this—a vivid one has to do with the recent decision to shift money away from building more prisons and spend more of it on rehabilitative programs for inmates.

As last year's budget deliberations began, Texas was looking at a 17,000-bed shortage of prison space over the next five years. To deal with that problem, the Department of Criminal Justice submitted a \$520 million proposal for three new prisons, as well as

## Texas' budget process leaves legislators with the tools they need to focus on performance.

modest support for drug treatment in order to cut down on recidivism.

But the legislature, bolstered by a report from the Sunset Advisory Commission—a legislative entity that assesses the effectiveness and efficiency of Texas' agencies—crafted an alternative plan to invest more funds in programs with a track record of reducing recidivism. This biennium, those efforts are getting \$240 million. Current projections for prison population show zero growth over the next five years.

Is this kind of work now part of the state's permanent governmental culture—impervious to changes in leadership? That's hard to know. But the state's budget process leaves legislators with the tools they need to focus on performance. Five-year strategic plans for each agency—goals, objectives, strategies, performance measures

and workforce plans—are made available to all legislators during the session. Reliable, audited performance measures and targets for future performance also are attached to all appropriations requests.

The budget always passes on time, despite the short, 140-day legislative sessions once every two years. The state's conservative revenue-estimating processes have resulted in sizable surpluses in recent years, although a 2006 decision to pick up more of the tab for school finance is putting considerable strain on the state's general fund. Texas will get a better sense of its fiscal outlook this spring, when receipts from a new business tax—expected to bring in \$3 billion more than the tax it replaced—will come in for the first time.

The Texas Department of Transportation is strapped for cash, but has demonstrated a commitment to maintaining the condition of its existing assets even when it's meant putting off more glamorous projects. The executive director of the department, Amadeo Saenz, has increased its focus on strategic planning and performance management. He also has begun talking frankly to employees about his vision for the agency in periodic video messages posted on the TxDOT intranet.

This is an important time for the agency to communicate its message to the general public, because there is widespread unease in the state about toll roads and joint public-private highway financing mechanisms. The Trans-Texas Corridor is especially controversial. It's a north-south super-highway that's being planned to incorporate truck lanes and rail lines. The public got the impression that TxDOT had made up its mind about what to build and where to build it, and was allowing input only as a formality during hearings. "That really gave us a black eye," admits Saenz. Now, TxDOT finally is allowing Texans to engage it in a conversation about the project, with a set of informal town hall meetings that kicked off in January.

**For additional data and analysis, go to:** [pewcenteronthestates.org/gpp](http://pewcenteronthestates.org/gpp)

### Money B

Long-Term Outlook	●
Budget Process	●
Structural Balance	●
Contracting/Purchasing	●
Financial Controls/Reporting	●

### People B

Strategic Workforce Planning	●
Hiring	●
Retaining Employees	●
Training and Development	●
Managing Employee Performance	●

### Infrastructure B

Capital Planning	●
Project Monitoring	●
Maintenance	●
Internal Coordination	●
Intergovernmental Coordination	●

### Information A-

Strategic Direction	●
Budgeting for Performance	●
Managing for Performance	●
Performance Auditing & Evaluation	●
Online Services & Information	●

**Population (rank):** 23,507,783 (2)

**Average per capita income (rank):** \$22,501 (36)

**Total state spending (rank):** \$85,513,928,000 (3)

**Spending per capita (rank):** \$3,638 (50)

**Governor:** Rick Perry (R)

**Took office:** 12/2000

**Senate:** 31 members: 11 D, 20 R

**Term Limits:** None

**House:** 150 members: 71 D, 79 R

**Term Limits:** None