

A Conversation About State Government Management and Policy

In July 2008, five former governors joined a small group of Pew Center on the States staff and advisors for an informal conversation about the importance of state government management in achieving goals that matter most to the public. This discussion took place at the headquarters of the Pew Charitable Trusts in downtown Philadelphia, just before the National Governors Association historic Centennial Meeting convened.

As these leaders understand so well, effective implementation is critical to the success of any policy solution. That's where Pew's Government Performance Project comes in—and why we asked them to join in this conversation. While the challenges facing our states, our nation and the global community have risen sharply in the months since we spoke, so has the need for exactly this kind of dialogue about effective governance. The Project's mission is to improve outcomes that matter to the public by strengthening government policy and performance.

We are greatly benefiting from these leaders' insights on management lessons learned from their years of public service, and are happy to share as well their thoughts on both the challenges states are facing today and the potential solutions that are emerging for tomorrow.

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Managing Director
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**Participants in the Pew Conversation on
State Government Management and Policy**

The Former Governors

The Honorable Gerald L. Baliles (D)

Governor of Virginia from 1986 to 1990
Current Director for the Miller Center of Public Affairs at the
University of Virginia

The Honorable James (Jim) Edgar (R)

Governor of Illinois from 1991 to 1999
Current Distinguished Fellow of the
Institute of Government & Public Affairs at the University of Illinois

The Honorable Daniel (Dan) Evans (R)

Governor of Washington from 1965 to 1977
Current Chairman of Daniel J. Evans Associates

The Honorable James Edward (Jim) Geringer (R)

Governor of Wyoming from 1995 to 2003
Current Director of Policy and Public Sector Strategies,
Environmental Systems Research Institute

The Honorable Roy R. Romer (D)

Governor of Colorado from 1987 to 1999
Current Chairman and Lead Spokesperson for Strong American Schools

Pew Center on the States Staff and Consultants

Sue Urahn

Managing Director, Pew Center on the States

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Amy Edwards

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Richard Greene and Katherine Barrett

Senior Consultants, Pew Center on the States

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THE CONVERSATION:

“I really was very interested in coming to this discussion because you were talking about management, which I think is an ignored topic. But it’s really tough to get the media to think about these management issues.” – Governor Jim Edgar

Q: Governor Edgar, you walked in the door saying that getting discussion of management into the public conversation is one of the biggest challenges. What can we do better to get this subject on the radar screen, and how do Pew’s report cards help in this regard?

Jim Edgar: I was very interested in coming to this discussion because you were talking about management, which I think is an ignored topic. Leadership is a great thing, but if you can’t manage you’re not going to be a very effective leader. So I applaud you for taking on this subject. I think the grading is important not just at campaign time. But, I think it gets the media attention. And unfortunately, in our system, at least in Illinois, a lot of what we do in government is what the media will cover.

I can remember trying to talk about policy issues and things that were kind of dull, but they were important – and the media ignored me. Then, I’d do some goofy thing like hold up an American flag or a waffle or talk about my opponent, and I said ‘waffle’ all of the time. Well, that got me in the front page of every paper in the state, the lead story on the evening news.

So the grades do get the media’s attention. I wouldn’t do away with the grades. Now, the follow up is important, too, but I do think the grade hit gets the media attention and that, I hope, gets the policy makers to realize this is something they’ve got to focus on. Okay, they’re going to be held responsible if they don’t. But it’s really tough to get the media to think about these management issues as important.

Gerald Baliles: Grades are important in political campaigns, but they don’t really help you very much when you’re trying to govern and persuade the legislature and the public. I’ve always thought what’s missing in many of our discussions -- whether we’re talking about infrastructure, education, mental health, the environment -- is the context in which these subjects fit. Political leaders talk about subjects as if the rest of the listening audience, if there is one, understands the context in which they’re talking about.

I don’t take that for granted. I think in order to persuade someone to a point-of-view, whether it’s a legislator or the public, you have to be prepared. And you can’t prepare legislators and the public without setting the stage, without showing them the context. And that is often missing.

“States aren’t very good at developing leaders.” – Governor Jim Geringer

Q: We talk a lot in states about workforce development, or preparation of the workforce. But what if state government were to become a leader in investing in the skills of its workers? In other words, if the governor said, ‘We’re making this investment in our workforce, and we expect other employers to do the same.’

Jim Geringer: Most states now are suffering some sort of a budget impact, not quite the magnitude of California, but the trend is not good. And one of the very first things that legislatures cut out of budgets will be training and educational opportunities. And that gets at what you’re talking about. Young people are working for government and would like to do something meaningful. They have the opportunity for a long-term retirement, but that’s not what motivates them.

States aren’t very good at developing leaders, identifying people of promise and exposing them to new ideas. My deputy chief of staff commented to me one day: ‘Governor, praise is as important as pay raises.’ And what we do in government is just contrary to what you talked about. We cut out their opportunity. We don’t let them go to conferences. That’s out of state travel, we’ll cut that out. Or opportunities for education. It sets a really bad example.

Jim Edgar: I spend most of my time with college students. Before every class, I introduce myself to all of the students. When I ask them, ‘What do you want to do when you grow up?’, never do I hear that anyone wants to go into government service. Forty years ago when I was in school, we all were going to go out and change the world. Now, these kids are probably more committed and dedicated than we were then, but they don’t view government as a way to make the world a better place.

So many politicians run against the bureaucracy, denigrating the people who work for us. If we’re going to see government function – particularly state government -- we’ve got to attract good people in at all levels. Too often in the cost-cutting process the first thing they say is, ‘We’re going to cut out the bureaucracy.’ Well, they cut the wrong jobs. They cut the people who actually do the work but they don’t cut people at the top who are the political appointees.

And most people in the state don’t deal with the governor. They don’t deal with an agency director. They don’t deal with a legislator. They deal with some bureaucrat. And if that bureaucrat doesn’t have the right attitude, the right ability -- just isn’t the right person -- that individual is going to think state government doesn’t work. This is not a very sexy issue, but I am glad Pew is thinking about it. One of the reasons I wanted to be here is I think we need to pay more attention to that and figure out how we can encourage people to work in government -- particularly state government.

Gerald Baliles: I agree with Governor Edgar's assessment. There are too many people who see people in government as faceless, unresponsive people who draw a paycheck. If you really want to attract good people to government, you've got to make the position attractive. You've got to market a message of public service for the public good and that is not being done systematically, that I am aware of.

Nancy Dering Martin: We are often left with the vestiges of a personnel system that was built for 60 years ago -- when it was an employer's market, and where a merit system or civil service addressed very real issues of patronage and cronyism, and where people were attracted to government service. And I don't think it helps that there is this sense that it's not important, or sexy or challenging. But we need to take a look at, 'How do we attract the smartest, the best, the brightest?' And it's through a whole different set of human capital strategies than what we have now.

Jim Edgar: You get a lot better response from state workers if you can make them feel like their opinion matters. You ask them what they think and get their concerns. And again, that's who the public deals with. They go in and deal with some clerk in an agency. And if that clerk is not happy with his or her job or is pretty depressed, that's going to reflect on the overall state service. This is not something that you see many people talk about in the campaign, or the media writes about, but I do think that it's one of those basic issues of government that we really need to deal with.

"It's important to engage legislators more in the use of performance information." – Governor Jim Geringer

Q: How can state governments make better use of performance information, and how can they gain buy-in from the legislature and other actors?

Jim Geringer: The difference between what we have available to us now, in terms of information or management systems, is dramatically different from nine years ago. In 1999, people were still thinking about dot-com everything, so technology seemed almost entirely from a perspective of, 'What can we do to stimulate our economy?' What it has turned into is a powerful information system. Before I even talked about running for governor, I sponsored legislation to do strategic planning. When I became governor, I implemented a performance-based budgeting system.

The legislature absolutely hated it, and they threw it out. It's important to engage legislators more in the use of information. At the budgetary level, too many legislators still look at line items rather than programs, prioritization and impact. Infrastructure is the big thing today because it's so hard to catch up on. States fund the construction, but they don't provide for a long-term operation and maintenance or replacement on a regular basis. But the two biggest expenditure items are education and health, and those are quite different systems to manage than the other systems that you've evaluated in this report.

“The knowledge and skills of our citizens are fundamental to everything else we do as a nation.” –

Governor Roy Romer

Roy Romer: We have to compare ourselves internationally. In today’s global economy, the best jobs will go to the best-educated, no matter where they live. Out of 30 industrialized nations, our 15-year-olds are 25th from the top in math and 21st from the top in science. But many of those nations have a much more coherent, cohesive policy as a nation towards education standards. The knowledge and skills of our citizens are fundamental to everything else we do as a nation. No other nation in the world is faced with educational policy and funding so radically dispersed to 15,000 districts. But states and districts are not competing individually in the global economy.

Raising America’s education standards is a serious challenge that requires broad action to ensure students graduate prepared for college, work, and life. This is not to say that there is a one-size-fits-all solution to the problem; but, the current system of 50 states with 50 different sets of standards is not providing students with the skills they need to succeed. We need strong, cooperative leadership at all levels to modernize our educational system.

Dan Evans: I agree with Roy. One comment on that though: Here’s this barely adequate national success rate in the common schools, and yet we turn out graduates who go on to unquestionably the biggest, broadest and best higher education system in the world. How did these dummies make it into the best in the world when it comes to higher education?

Jim Edgar: Of course, the trouble is those that drop out. When they drop out, they really can’t survive. And before, we could get by with maybe 10 percent, 20 percent that go on to college. Today we need all to go on to something past high school or they’re not going to be able to live the kind of life that we think is successful.

Sue Urahn: I have had a couple of conversations, more than a couple in the last couple of weeks with fairly substantial philanthropists around education. And what I find is they will talk a little bit about higher ed. And they will talk a little bit about earlier childhood education, but they do not want to talk about K-12 because they are very frustrated. What is so fascinating to me is that the governors I talk to are all about K-12 education. That’s what they are concerned about. They want to fix it.

Gerald Baliles: Helping state governments appreciate the importance of the context of competitiveness in the global economy is very important. We’re talking about the return on investments: this investment in education of our citizens, in transportation infrastructure, in the environment. Investments in education and these other programs are critical if this country is to succeed.

“If the business community says your state needs stronger management, people have a tendency to believe that, more than a bunch of politicians.” – Governor Jim Edgar

Q: How should the business community be involved in this conversation? All of you are business leaders yourselves, as well as serving in public roles, and so we especially appreciate your insights on how to engage the business community and perhaps build an economic competitiveness case for effective public management.

Jim Geringer: I'd go to California for both a good and a bad example. In the past, Caltrans, the Department of Transportation, just built roads wherever they wanted. So for years, transportation drove everything. When I was first assigned to the space program in California, they built and opened Interstate 5, but they forgot to build any gas stations alongside the road. So they were delivering gasoline to people who would run out of gas. Then they couldn't figure out why there was so much sprawl occurring on both sides of this new freeway.

So the absence of context, engaging the business community and developing plans of action were well beyond just the engineering of building a road. Caltrans has taken a whole different approach now, partly at the urging of the governor. He says, 'I want smart growth. So Caltrans, before you build another road, go into the community and ask what they want in terms of the location of jobs and economic development, healthcare and education? And put those into a comprehensive planning document, and then build your roads.'

And what has finally motivated Caltrans to do that is the governor, by law, has to reduce greenhouse gases down to 1990's level at the same time as the state is growing at a half-million people per year. Well, those are two very contradictory curves. To reduce greenhouse gas in California, you have to reduce automobile travel. That's the single largest contributor. So they had to work together to create compact for smart growth.

Amy Edwards: This can work on the management issue, as well. Governor Sonny Perdue brought in the top 300 business executives in Georgia, and they developed the Commission for a New Georgia, which focused on different management areas. One of the hallmarks of it was customer service. And we're seeing some remarkable improvements in public service – such as slashing the time it takes to get a driver's license renewed from some two hours to 10 minutes. So they really made that the focus of the administration, and it's paying off big time.

Neal Johnson: To his credit, Governor Perdue very much framed it as: 'This is not going to turn into a report. You've got 90 days to develop an action plan,' when he walked in the door, and they turned it around.

Jim Edgar: And it goes back to what Governor Baliles said about, you've got to market this. Look, if the business community says you need this, people have a tendency to believe that more than a bunch of politicians.

Dan Evans: You've just got to be a little careful, I think, on some of that, too, because most business leaders don't understand public management any more than most public managers understand business.

Nancy Dering Martin: It's a different bottom line.

Dan Evans: Talking about business leadership, George F. Russell, chairman emeritus of Russell Investments, one of the world's biggest financial advising companies, gathered together a group of international business leaders. They work with some of the top people from the World Bank and other institutions that have a major role in economic development in developing countries. And they created the World Bank "Doing Business" Initiative, a grading system that tracks 10 business regulation indicators that would make a country acceptable or inviting to foreign investment.

Then they went to these countries as a team of international business leaders. They went to their prime minister, their finance minister, the top dogs in the country, and said, 'Look, if you want investments here's where you're weak. Here's where you're strong. Here's where things have got to change.' And that really got the attention of those countries. The "Doing Business" group is a catalyst for change, and they report on the reformers in detailed case studies doing as well as country-by-country reports.

Now, translate that to state governments. What you've got to do to make that stick is not just develop, on your own, these measuring sticks and put it out there -- but really get the top business leadership and investment leaders and the others who will makes those decisions involved to the extent that they agree that this is the right kind of measuring tool.

"Target governors during their transition. That's the best place to do it." – Governor Dan Evans

Jim Edgar: You mentioned the bad grades, and I was thinking you probably have a good relationship with the states that probably need the least amount of help. And so I was sitting here thinking, how do you get a state that has the problems, without creating victims? How can we get to these states?

Neal Johnson: You got it. We're doing a project that we're referring to as the Pew State Management Lab. We have invited governors to compete, and we have established a set of criteria that ensures commitment on the part of the governor. We'll use that as a way to identify some states that really do need some help, and that are beginning to recognize that there's an opportunity. And we'll provide a small planning stipend and top notch change agents as coaches to the governor's action tem.

Dan Evans: Target governors during their transition. That's the best place to do it.

Neal Johnson: Absolutely.

Dan Evans: With these analyses of all states and practices and grading, you must have about as good a dictionary of best practices of anybody around.

Neal Johnson: That's all very much in synch with how we're approaching our Management Lab initiative. And specifically, Governor Evans, we actually have already done our first event, about a month after we launched the report card, highlighting the most promising practices and management change agents we have come to know over the past year. We've got a lot of that material up on our website and have been responding to state requests for more information. We're figuring out other ways to get the information in the hands of people who need it. We're asking the leaders in each of these states what areas that they need help on, and they're not shy about letting us know. And they're saying: 'Can you show up tomorrow?' So actually it's very exciting to be involved in this way.

We've got our work cut out for us. But with the help of folks like you we're very optimistic that we're going to be able to take this solid information from the report card process that Pew has invested in over a period of 10 years, and really leverage this into this new century.