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# HARD TRUTHS / TOUGH CHOICES

*An Agenda for State and Local Reform*

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THE FIRST REPORT OF THE NATIONAL COMMISSION  
ON THE STATE AND LOCAL PUBLIC SERVICE

THE HONORABLE WILLIAM F. WINTER  
CHAIRMAN

PRESENTED AT A WHITE HOUSE MEETING  
WITH PRESIDENT BILL CLINTON



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*The Nelson A. Rockefeller  
Institute of Government  
State University of New York  
411 State Street  
Albany, New York 12203-1003  
(518) 443-5825*

1993

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Address inquiries to:  
The National Commission on the State and Local Public Service  
The Nelson A. Rockefeller Institute of Government  
411 State Street  
Albany, New York 12203-1003  
(518) 443-5825  
(518) 443-5788 (Fax)

Manufactured in the United States of America

ISBN: 0-914341-26-X

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## SPONSORS

*The Commission acknowledges with gratitude the following foundations for providing financial assistance:*

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*The Commission is solely responsible for the content of this report.*

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## CHAIRMAN'S FOREWORD

**A**t no time in recent American history has there been a more searching concern about the performance of our political institutions than at the present.

This state of mind in the body politic is amply demonstrated by the flood of remedies that are now being proposed to improve the system.

All of this has to be put into perspective. In the first place, there are no silver bullets. Our political system is a reflection of our individual values and priorities. It will function properly only when it is led by those for whom leadership means more than the inclination to read public opinion polls and when it is sustained by a citizenry who understand that it cannot always opt for the easy choice. Anyone who has seriously worked at it will acknowledge that making democracy function properly has never been simple. But today it is harder than ever.

Making democracy work is what the state and local public service must be about. It is here that the actual delivery of the most basic and essential services takes place. Since people have the most direct contact with their public officials in county seats, city halls, and state capitols, it is here that most citizens form their opinions of how well government is performing.

An obvious part of the process of addressing the problems that face us as a society is examining the structure of government and determining how it can be better organized to do its job more efficiently. This must be a continuous activity, and one sufficiently dynamic and broadly based to resist those defenders of political turf who would argue for maintaining the status quo. But there is another measure of governmental performance that is even more important: the human dimensions of public service.

The process has to start with executive leadership. Certainly the chief executive has the benefit of the bully pulpit. But, as important as that is, it is still only a platform for oratory. It is the act of leading by example that more often makes the difference. It is this quality that is at the heart of public leadership, and it is this element that in too

many cases is lacking, thereby contributing to a rising cynicism both within and outside government.

The concept that public service, especially public service at the state and local level, is a noble and worthy calling must somehow be revitalized in this country. Those of us who have had the good fortune to serve in state and local government know how many genuinely dedicated and committed people work there. In most cases their efforts are unsung and their contributions to society are unrecognized and inadequately rewarded.

Most people with whom I have been associated in government take added pride in their work and produce infinitely more satisfactory results when they are kept informed of the larger mission in which they play a supporting role. It is an elementary fact of life that most of us like to be involved in a meaningful process that is larger than ourselves. The key to more successful and efficient performance by the various elements of state and local government lies in sharing the vision of together building and serving a better society.

In the final analysis, the quality of our lives in the future will depend on how well we come to grips with our concerns about the capacity of our political system to handle the issues of the moment. That capacity will be determined in large measure by the commitment of the men and women who make up the state and local public service, sustained and supported by a citizenry intent on forging a better future.

The National Commission on the State and Local Public Service follows in distinguished footsteps. Our work is the logical sequel to the important work of the National Commission on the Public Service, which primarily focused on the national government. This commission was chaired by Paul A. Volcker, who has been helpful and supportive in our work. L. Bruce Laingen, who was Executive Director of the Volcker Commission, ably serves as a member of our Commission.

I wish to thank my colleagues on the National Commission on the State and Local Public Service as well as the staff for working so effectively together over the past two years as we start down a road that we hope will lead to real governmental reform in America.

*William F. Winter*  
Chairman



# 1

## THE CHALLENGE

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*... One of the great failings of democracy is its tendency to take the path of least resistance and to avoid controversy wherever possible, and above all, to silence debate because it is not fashionable.*

Eugene Patterson  
Editor Emeritus, *The St. Petersburg Times*  
Tallahassee Hearing, May 1992

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**T**here are over 15 million state and local public employees, making up 13 percent of the nation's total work force. These employees do much of the real work of domestic governance. We literally could not live without them. They provide our water, collect our trash, vaccinate our children, police our communities, and administer traffic safety, airports, and the vital systems we need to communicate with each other and with other nations. They do much of the teaching, training, and counseling in our public schools, universities, and community colleges to prepare our children for fulfilling careers. They are responsible for environmental clean-up and protection programs. They design and carry out programs to lift our most needy out of poverty and into jobs and housing. They operate the hospitals that are the last hope of the uninsured. They staff most of our prisons, as well as our court system. Not a day passes during which their work does not touch and shape our lives (see Table 1).

Yet there is a growing consensus among both citizens and public officials that state and local institutions of government need to drastically improve their capacity and performance if we are to meet the challenges of our rapidly changing economic and social systems. This report contains a series of proposals that taken together would constitute a significant change in how our more than 15 million state and local public employees perform their duties. These proposals, we

believe, would move us away from an encrusted and outmoded system of command and control and its rule-bound management that emphasizes constraints and process at the expense of mission and results. They would move us to a new way of operating, which is to build trust and then lead. This approach, which we call *trust and lead*, requires strong and positive relationships between the leaders of state and local government, public employees, citizens, and the many diverse groups essential to the governmental process.

**TABLE 1: STATE AND LOCAL GOVERNMENT EMPLOYMENT  
(FULL- AND PART-TIME), 1991**

| <u>TYPE OF GOVERNMENT</u> |                   |
|---------------------------|-------------------|
| <b>TOTAL</b>              | <b>15,451,772</b> |
| <b>State</b>              | <b>4,521,385</b>  |
| <b>Local</b>              | <b>10,930,387</b> |
| County                    | 2,196,263         |
| Municipalities            | 2,661,823         |
| Townships                 | 414,717           |
| School Districts          | 5,045,433         |
| Special Districts         | 612,151           |

Source: U.S. Bureau of the Census, *Public Employment: 1991*, Series GE-91-1. Washington, D.C.: U.S. Government Printing Office, 1992.

Ours is a frank and urgent call for change in the nature of these relationships. How they evolve in the years to come will offer America a choice between two quite different futures. The first is mired in the hidebound, outmoded ways of doing business that too often get encrusted in our governmental institutions. The second emphasizes leadership and trust on a basis that we believe is fully appropriate to a strong democracy.

One future would result from a stand-pat approach that allows elected officials, public servants, and citizens to hide from the kinds of tough choices that would infuse new energy and purpose into public service and that would force nonresponsive bureaucracies into the forefront of change. That approach would surely lead to a future in which our nation would be poorer—in economic strength, in global influence, and in the ability of all the nation’s citizens to lead satisfying, productive, and prosperous lives.

## *The Challenge*

But America's state and local governments can work toward an alternate future. Achieving it would call for courageous leadership, not politics as usual—for empowered public servants, an engaged citizenry, and new ideas. It is a future in which schools are more effective, families stronger, the environment cleaner, and the economy more productive. It is a future that allows us to continue that remarkable historical legacy of passing on a more vibrant nation and a higher standard of living to each subsequent generation.

Unfortunately, too many of America's state and local governments appear to muddle along, deceiving themselves and ducking decisions. Just as discouraging—and more to the point of this report—those who are willing to face reality confront a host of obstacles to action. Imagine a governmental system that embodied all of the often-caricatured problems that prevent governmental systems from making tough choices and effecting change. This system would have many debilitating features:

- It would deny chief executives the authority to act, by fragmenting and diffusing authority over the programs and agencies those chief executives are supposed to lead.
- It would put those executives in charge of unyielding bureaucracies, clogged with layers of management and supervision, driven by antiquated personnel, procurement, and budget systems that seek to regulate even the smallest decisions.
- It would foster a “knowledge gap” inside those public agencies, preventing employees from acquiring the skills and information they need to do their jobs better and enjoy them more.
- It would encourage public distrust by blocking access to information about who influences the system, including information on campaign finance and lobbying. At the same time it would bring citizens into the policy-making process at the latest possible moment, so that their ideas would really have no bearing on final outcomes. It would be a system that keeps the public off balance and uninformed, thus fueling their anger, apathy, and cynicism.
- Finally, that system would saddle itself with an overwhelming fiscal burden, guaranteeing that it would operate in a state of recurring budget crisis, further dampening the willingness of

potential executives to serve, hampering the ability of rank and file employees to muster the resources to do their jobs right, and confirming public suspicions that state and local government cannot do the job.

Unfortunately, these conditions are realities for many state and local governments. Governments hamstringing their chief executives by diffusing their power. They operate with antiquated and obsolete personnel, procurement, and budget systems. They fail to invest in the most critical resource they have: their rank and file personnel. They isolate and frustrate their citizenry. And, finally, they find themselves struggling to cope under the weight of a crushing crisis in health care funding. In many ways it could be described as a system undergoing death by a thousand paper cuts, while states are losing their fiscal life blood to Medicaid costs.

Of course, many are coping—even prospering—through remarkable energy and innovation, an energy and innovation that helped inspire this report. But the fact is that many are far from able to play a role in assuring the alternative American future. And if state and local governments are not ready to lead an American renewal, it will not happen. Washington has its own budget problems, and while it may offer some financial relief to states and localities, the federal government cannot provide a quick fix. Furthermore, the economic recovery is likely to be slow and will be unable to lift states and localities out of their fiscal difficulties. That means that governments will have to make tough choices if they are to realize their alternative future. In fact, even if fiscal stress is much less than we expect, they must pursue this future if only to keep faith with the American people.

The Commission does not believe that the roughly 87,000 state and local governments and the people who work for them are failing America. Surveys show that citizens mostly like what they get from their 50 states, 3,000 counties, 36,000 cities and towns, 15,000 school districts, and 33,000 special districts.

Yet there is a growing sense that our state and local governments—and the citizenry that supports them—are missing the wake-up call. At a time when standing pat has become a recipe for decline, even dismantlement, the Commission believes that too many states and localities and their citizens are doing just that. Consider the warning signs:

## *The Challenge*

- ▶ The number of citizens who want government to spend more in virtually every category is up—more on education, child care, AIDS, homelessness, the environment, the elderly, parks, and transportation. At the same time, the state and local tax revolt movement appears alive and well.
- ▶ The number of citizens who expressed a great deal or a fair amount of confidence in local government fell from 73 percent in 1987 to 60 percent in 1991, while the number who expressed confidence in state government fell from 73 percent to 51 percent. “If we could get the public as involved and as informed about politics as they are about Monday Night Football,” one Florida legislator told *The New York Times*, “we wouldn’t have as many problems. People have to get off their duffs and participate.”
- ▶ A recent survey of college honor society students by the National Commission on the Public Service (the Volcker Commission) showed that only 1.8 percent and 0.9 percent of them, respectively, ranked state and local government as their “most preferred employer.” The federal government ranked at 3 percent, large corporations at 34 percent.
- ▶ The number of states and localities in fiscal distress has never been higher—for example, 29 states cut spending below original appropriations in 1991; 23 froze across-the-board salary increases; 17 cut the absolute value of welfare benefits; 12 laid off employees; 34 raised taxes.

Ironically, we did this to ourselves, usually with the best of intentions. We want strong leadership, but in the name of democracy we often fragment and temper authority. We want to hire the best employees, but to keep the process fair and patronage-free we have designed a system so complex that good people turn away out of frustration.

We want to use money efficiently but in the name of fiscal responsibility we have papered the procurement process with so many rules and procedures that many of our best companies refuse to bid on contracts, and the simplest and cheapest of purchases are treated as equal to the most complex and expensive. We want our bureaucracies to be fiscally accountable, but in that quest we have created enormous incentives to “spend it or lose it” at the end of each fiscal year.

There is, of course, no statute that says we have to frustrate our leadership; that we have to pile rule upon rule or manager upon manager until decision-making becomes the exception rather than the rule. There is no law that says we have to preclude front-line staff from having a say in how services are delivered or how government does its job. There is no rule that says government has to maintain an aloof relationship with citizens. There is no provision that says we cannot change. It all starts with putting away the smoke and mirrors and the chewing gum and baling wire that too many states and localities have been using to get by over the past few years. It starts by recognizing that business as usual is a guarantee that this generation of leaders will fail the next generation of Americans. Owning up to reality is at the heart of the Commission's agenda.

The Commission is based at the Nelson A. Rockefeller Institute of Government at the State University of New York in Albany, a national center for the study of American state and local government. Two years ago the 27-member Commission embarked on a journey of study and debate leading to this report. The Commission includes three former governors, two former big-city mayors, one former big-city manager, a member of the Los Angeles County Board of Supervisors and a former county council member, seven former state and local agency heads, a former U.S. Secretary of Labor, nine scholar/experts, and two journalists who made careers in covering state and local government. (Member biographies can be found starting on page 67 of this report, and lists of Commission hearing witnesses and research papers begin on pages 75 and 81, respectively.)

Launched with a generous grant from the Florence and John Schumann Foundation, and additional support from the Ford Foundation, the Henry J. Kaiser Family Foundation, and the Carnegie Corporation of New York, the Commission held six hearings, starting in Jackson, Mississippi, in January 1992, and moving to Austin the following March, Tallahassee and Sacramento in May, and Chicago and Philadelphia in June. The Commission solicited over two dozen papers from leading scholars in the field, and sought input from a host of local, state, and national organizations.

In the course of its travels, the Commission was strengthened in its conviction that state and local governments need to change, that too many are waiting for miracles that will not happen. At the same

## *The Challenge*

time, the Commission was heartened by the reports it heard of hard-won successes:

- Two of the four largest cities in Jackson County, Mississippi, have saved hundreds of thousands of dollars by letting the county government collect their taxes, thereby eliminating needless duplication of services.
- The city of San Francisco implemented a labor-management committee recommendation to free paramedic ambulances for emergencies by contracting out routine medical transport tasks.
- Bellevue Hospital, the largest public hospital in New York City, has undertaken a series of management initiatives that save money, assure accurate billing, and require less time in the waiting room. These changes and others have generated the needed revenue for a new ambulatory care program.
- The state of California has decentralized its personnel process, reduced the reliance on written test scores to give managers more hiring discretion, and established an aggressive program for increasing the diversity of the public work force.
- The Neighborhood Capital Budget Group, a nonprofit organization in Chicago, helped the city find a way to retire and refinance public debt, lowering interest costs and enabling it to take on new obligations to rebuild inner-city neighborhoods.
- The state of Florida has moved 500 of its health care workers into "outposts" to make them more accessible to people. It has streamlined its regulations and computerized the eligibility process so that its health care workers no longer have to memorize reams of complex eligibility requirements.
- Contra Costa County, California, has established a \$100,000 "Productivity Investment Fund" to loan departments money for new projects. The fund is a revolving one; the departments repay the money through budget savings from their projects.
- The city of Orlando, Florida, now provides citizens with a *City Owners Manual* and computer access to information on city resources, thus giving citizens a clear stake in their government.

- ▶ With help from the Clark Foundation and the founders of Homebuilders (a program that allows children headed for out-of-home placement to remain safely with their families), 13 states, including Michigan, Missouri, New York, and Tennessee, have adapted their child welfare systems to incorporate this innovative family preservation initiative. With 80 percent of families staying together successfully, many states have been able to finance at least part of these intensive services by redirecting dollars that otherwise would have been used for out-of-home placement.

These states and localities knew they were at the watershed, and that they would some day look back on these years as a time when they had the chance to choose a better future. In large or small measure they made the tough choices. Whether working with their local non-profit organizations, with other governments, or on their own, they changed direction; they tried something new. And in their efforts the Commission sees great hope for America. That is why the Commission does not intend to stop its work after the release of this report. The Commission will continue as a resource to states, localities, and the federal government in helping set and fulfill a national agenda for change.

The National Commission on the State and Local Public Service is a new kind of commission. This first report indicates the direction our work is taking based on the six hearings held in cities throughout the country and the book of research papers, to be published in the fall of 1993, described in the appendix to this report. But we intend to be a working commission. Plans have been made to conduct state conferences on the ideas put forward in this report with matching contributions from sponsoring groups. We also will be issuing further reports—including one on health care policy. Other Commission products will include reports in videocassette form that can be used by students and television stations, as well as instructional materials for interactive teleconferences using network facilities. The Commission also plans to undertake a field research program on the leadership systems and managerial capacity of states and localities. The chairman, staff, and members of the Commission intend to make theirs a continuing commitment to educate and motivate people and to make our work part of the “new movement” to improve the capacity of state and local governments so that they can lead and manage effectively.



## ***SUMMARY: STEPS TO HIGH-PERFORMANCE GOVERNMENT***

**T**he Commission believes that the path to high-performance government based on the *trust and lead* strategy is clear: Give leaders the authority to act. Put them in charge of lean, responsive agencies. Hire and nurture knowledgeable, motivated employees, and give them the freedom to innovate in accomplishing the agencies' missions. Engage citizens in the business of government, while at the same time encouraging them to be partners in problem-solving. Finally—and a key to further progress—solve the health care funding crisis.

The changes called for by the recommendations that follow will hardly be easy or painless. Reforms may require constitutional amendments, new legislation, changes in rules and regulations, and restructuring many agencies and departments. Accomplishment of many of the changes may require political leaders and civic groups to mount aggressive public campaigns.

In the next five chapters, we make ten major recommendations organized under five themes:

- ▶ Removing the Barriers to Stronger Executive Leadership
- ▶ Removing the Barriers to Lean, Responsive Government
- ▶ Removing the Barriers to a High-Performance Work Force
- ▶ Removing the Barriers to Citizen Involvement
- ▶ Reducing Fiscal Uncertainty

This program challenges those who say that America can somehow stumble to recovery through the coming decade by tinkering here and there. It also calls into question the idea that a financial bail-out from Washington or rapid economic growth will be our governmental cure-all.

One size cannot fit all. Still, the Commission believes that all states and localities can benefit from a close look at how they frustrate

high performance. They will find that piecemeal change will not produce the kind of reform that is now necessary to get states and localities back on track. What is needed—and needed now—is concerted action from chief executives, the agencies they run, the employees they lead, and the citizens they serve. Finally, action is needed from the federal government on what remains a crippling budgetary problem: health care financing.

If anyone in state or local government has any doubt about whether his or her government should seriously consider any of the following recommendations, the Commission suggests that he or she now take a moment to complete the State and Local Public Service Stress Test offered on page 85 of this report.

## **REMOVING THE BARRIERS TO STRONGER EXECUTIVE LEADERSHIP**

Chief executives need the authority to forge their own leadership teams. Too many governments, especially state governments, have scattered that authority among too many elected cabinet-level officials, boards, and authorities. Legislative bodies—whether legislatures, county commissions, or city councils—need to set broad policy in concert with chief elected officers and then let the executive branch go to work. That means avoiding the tendency on the part of legislatures to parcel out executive-level proposals to a patchwork of committees with varying jurisdictions.

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### **Recommendations for Stronger Executive Leadership**

- 1. Strengthen executive authority to act by reducing the number of independently elected cabinet-level officials.**
  - 2. Temper the fragmentation of government by consolidating or eliminating as many overlapping or underperforming units as possible through a “base-closure” approach.**
  - 3. Use the executive budget approach and give state and local executives more opportunity to have their program considered as a whole in the legislative process.**
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## **REMOVING THE BARRIERS TO LEAN, RESPONSIVE GOVERNMENT**

Here the Commission echoes and reinforces what many observers of state and local government have been saying for some time now: To effect *real* change, the structures and systems that underpin state and local governments must change. Bureaucracies need to be de-layered so that the front line is in touch with upper-level management. Personnel, procurement, and budget systems need to be amended so that hiring, purchasing, and spending are not filtered through myriad layers of management or subverted by reams of rules.

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### **Recommendations for Lean, Responsive Government**

4. Flatten the bureaucracy by reducing the number of management layers between the top and bottom of agencies and thinning the ranks of the managers who remain.
5. Deregulate government by (1) reforming the civil service, including reduced use of veterans preference and seniority; (2) streamlining the procurement process; and (3) making the budgeting process more flexible.

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## **REMOVING THE BARRIERS TO A HIGH-PERFORMANCE WORK FORCE**

The role of public employees in pursuing an alternative future cannot be overstated. They need to be both encouraged and challenged. Those public employees who no longer care about challenging work or accomplishing something worthwhile should leave; those who still want to make a difference must develop and broaden their skills. Far too many of our front-line employees have spent their careers learning narrow specialties that no longer serve the public well. Far too many of their managers are still stuck in the micromangement mindset that substitutes for the mentoring, coaching, and team-building that our front-line employees need. Given a chance to participate, those front-line employees have to be ready to take risks and share their ideas. In turn, their managers need to listen to them—to *trust* them to

accomplish their agreed-upon goals in the way they think best, and to *lead* them by coaching and championing, not by dictating and disciplining.

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### **Recommendation for a High-Performance Work Force**

- 6. Create a learning government by (1) restoring employee training and education budgets; (2) creating a new skills package for all employees; (3) basing pay increases on skills, not time in position; (4) insisting on a new kind of problem-solving public manager, not merely a paper passer; and (5) encouraging a new style of labor-management communication.**
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### **REMOVING THE BARRIERS TO CITIZEN INVOLVEMENT**

All too often, governments become islands unto themselves, with their own languages, calendars, goals, and internal measures of success. They lose touch with the citizenry. Citizens must be able to play their vital role in solving society's most pressing problems, whether the problem is how to make schools better, streets safer, or neighborhoods stronger.

Opening the door to constructive citizen involvement will require responsible political leadership. Too many politicians encourage citizens to think that they can have more of everything from government without having to pay the necessary taxes. Too many engage in election-year bidding wars for votes. Too many manipulate and play to public opinion rather than create the conditions needed for informed citizen judgment in facing the hard choices. Too many seek to build voter rapport by such superficial means as bureaucrat-bashing.

State and local governments should provide clear avenues and greater support for citizen involvement. Absolutely vital to such a partnership between governments and citizens is the restoration of trust. Government needs to open up the books on campaign finance practices and on lobbying activity, two areas that currently play a significant part in fueling citizen cynicism.

**Recommendations for Greater  
Citizen Involvement**

7. **Open the books on government by providing detailed information on campaign financing and lobbying.**
  8. **Limit the political fundraising season to the six months before an election and limit the use of carry-over campaign funds.**
  9. **Encourage citizen problem-solving by experimenting with citizen liaison offices and setting up a national service corps.**
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**REDUCING FISCAL UNCERTAINTY**

Finally, the federal government must act on national health care reform. States and localities should not expect that a decade of cuts in aid will suddenly be reversed, but they ought to expect Washington to take the lead on what has clearly become a national crisis: health care funding, in particular, Medicaid funding. The federal government has failed to carry out its fundamental responsibility in this area. If it continues in this failure, then it ought to at least unleash state and local governments to deal with the problem themselves.

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**Recommendation for Reducing  
Fiscal Uncertainty**

10. **Begin to deal with the financing crisis in health care, with the federal government leading, following, or getting out of the way.**
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The Commission does not pretend that the reforms it suggests will pay for themselves. Creating a government that emphasizes skills training, for example, will mean restoring cuts made over the years in training and education budgets. Encouraging greater mobility

through earlier vesting of pensions will also have a fiscal impact. The Commission did pay attention to the bottom line in drafting its proposals, dropping a number of ideas as unrealistic in today's budgetary climate. But ultimately the Commission believes that whatever reform does cost, state and local governments can no longer afford to avoid it.

In the final analysis, money is not the key obstacle to implementation of this report's recommendations. Pervasive cynicism about government is. It is a cynicism based on some widespread and crippling beliefs: That candidates will say anything to get elected and then will only play it safe until the next election. That public employees only care about job security and bigger paychecks. That public employee unions will not cooperate in implementing change. That citizens are apathetic and uninformed. That government is simply too big, taxes too high, and spending too loose, and that our fiscal problems could be solved with just a little belt-tightening.

The realities are that many elected officials want to do the right thing, but have not been given the authority to do so. Many of our agencies were created to solve tough problems, but are now too rule-bound and slow-footed to move with the times. Many of our public employees are motivated by undertaking challenging work and accomplishing something worthwhile, but are not offered the skills to do either or the decision-making authority to make it worth their while. Many of the unions that represent those employees want to share in constructive change, but feel that they have been shut out because of a management-knows-best mentality that pervades government. Many citizens have the potential to participate in solving their own problems, but have been discouraged and frustrated by government and government systems.

More to the point, the complaining and finger-pointing have to stop and the difficult job of reform has to begin. None of this is simple, and it would be naive to think that a handful of even the most thoughtful and sophisticated recommendations will offer a fail-safe formula for progress. But governments can change, and citizen action is possible.

### 3

## REMOVING THE BARRIERS TO STRONGER EXECUTIVE LEADERSHIP

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*One of the biggest problems in getting good executive leaders is their concern about being able to manage their departments. In other words, if you have a city council that wants to micromanage the department, are you going to be able to attract good leadership? Strong leaders are going to want to make decisions, carry them out, and be held accountable—not have someone else do it.*

Kathy Whitmire  
Former Mayor, Houston, Texas  
Austin Hearing, March 1992

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**T**he Commission believes that the place to begin building high-performance state and local government is at the top, with stronger executive leadership. Obviously, there is no way to legislate strong leadership. Our elected and appointed chief executives either have the courage to effect change or they do not. But the Commission feels strongly that effecting certain government reforms will make it easier to lead.

Once in office, executives face one obstacle after another in any quest for change. They are denied the chance to appoint their own teams, shape their agencies, and hold their key legislative proposals together. It should not be a surprise that so many of the best and the brightest refuse public service, and that so many of those who make the commitment end up quitting in frustration. Far more difficult to understand is why so many good people still try.

Ultimately, this report is largely about stronger leadership, whether in giving executives more responsive agencies, more knowledgeable employees, more connection with citizens, or a de-

gree of fiscal breathing space. But other steps have to be taken to increase the odds that leaders will be able to act and act effectively.

At a minimum, states and localities can start by giving their chief executives the opportunity to shape governments. Making clear who is in charge is part of assuring constituents that their votes matter and establishes a clearer picture of who is accountable for what goes wrong or right in government. Toward that end, the Commission makes three proposals.

**RECOMMENDATION ONE:  
STRENGTHEN EXECUTIVE AUTHORITY**

*Strengthen executive authority to act by reducing the number of independently elected cabinet-level officials.*

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*One aftermath of Reconstruction was that we constructed a [state] government with a weak governor, a strong legislature, and a system of boards and commissions to run agencies. That was fine in 1879 . . . now we have 250 agencies that are basically islands unto themselves.*

Billy Hamilton  
Deputy Comptroller of Public Accounts  
State of Texas  
Austin Hearing, March 1992

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Many state and local governments limit their executives from the very beginning through the direct election of key executive department heads. However well intended this practice may be, direct election of cabinet-level officials undermines accountability and dilutes a chief executive's ability to direct key elements of the government. Yet, of the nearly 2,000 major administrative officers serving in American state government, almost 300 were elected directly by the public, while another 750 were appointed by somebody other than the governor. Over half the officers of state government are independent in one way or another from the chief executive. Consider the following figures:

- 36 states elect a separate secretary of state
- 38 elect a treasurer



- 25 elect an auditor
- 16 elect a comptroller
- 12 elect an agriculture commissioner
- 11 elect public utility boards or commissioners
- 10 elect an insurance commissioner
- 5 elect a land commissioner
- 15 elect a superintendent of education

Even though states have been moving in the direction of greater consolidation of executive authority, more needs to be done. Governors should be given full authority to select their cabinet-level officials. The Commission believes that the public is best served when they can identify a single elected or appointed executive at the top of government who is responsible for what government does. Where states continue to elect independent cabinet-level officials, the Commission strongly urges that those officials run as a ticket under the chief executive's banner, thereby providing a measure of unity and accountability.

At the local level, we still have too many outmoded and highly dispersed forms of government. This is a particularly serious problem at the county level. Among county governments, commissions or boards that divide executive authority among several officials are still the most common form. Counties must establish more efficient arrangements to combat fragmentation of public services and cut costs. Mayors too need the executive authority to select and deploy managers in order to replace the old command and control approach with a *trust and lead* approach.

**RECOMMENDATION TWO:  
TEMPER THE FRAGMENTATION OF GOVERNMENT**

*Temper the fragmentation of government by consolidating or eliminating as many overlapping or underperforming units as possible through a “base-closure” approach.*

Government directories are filled with agencies that no longer serve a public need or with agencies and departments with overlapping, competing, and/or conflicting missions. Unfortunately, once created, many government agencies prove immortal. It is obviously far easier to create an agency than to kill one. Many states have tried automatic

sunsetting of agencies and commissions as a way to ensure regular review, only to find that it is renewal—rather than dismantlement—that becomes automatic. Agencies develop special niches in the budget process, cultivate strong allies in the legislature and among lobbying groups, and invariably find a way to wait out the latest blue-ribbon reform group.

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*In the transportation sector, we had five or six agencies doing transportation-related planning [so] that we had a turnpike authority that was building turnpikes that didn't connect with any feeder roads from nonturnpike areas . . . we have a Texas Water Commission, Texas Water Development Board, Texas Air Commission, Texas Low-Level Radioactive Waste Commission. I can't even name them all. They do good work, but frequently they don't do it together.*

Billy Hamilton  
Deputy Comptroller of Public Accounts  
State of Texas  
Austin Hearing, March 1992

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If chief executives are to cull the ranks of outmoded, defunct agencies and reorganize governments, they need a mechanism with which to do so. The Commission recommends a device such as the one used by the federal government to close outmoded military bases. Facing enormous resistance from individual members, Congress passed a law in 1988 to require the President to appoint a commission to recommend a list of bases to be closed. The base-closing commission presents an “all-or-nothing” plan: Congress can either approve closing all the bases on the list—thereby spreading the pain across a number of districts in one bold move—or reject the entire package and be left with no closures at all. Congress has a fixed period of time in which it can act; otherwise the base-closing plan goes into effect automatically.

Given the resistance to eliminating and consolidating agencies on a case-by-case basis, the Commission urges establishment of similar reform commissions in state and local governments. Although we recognize that setting up the Congressional base-closing process

was in and of itself a highly political exercise—one that took leadership and courage—it did ultimately achieve its goal.

**RECOMMENDATION THREE:  
KEEP THE EXECUTIVE AGENDA INTACT**

*Use the executive budget approach and give state and local executives more opportunity to have their program considered as a whole in the legislative process.*

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*Instead of seeing the issues debated, . . . we see . . . finger-pointing, blame-assessing, petty partisan politics, name-calling, and personality attacks. The citizenry is frustrated and I don't blame them. I am frustrated too, and I am part of the system. More and more people are becoming dissatisfied. I am convinced that we are not going to want the harvest we are now sowing for our future.*

The Honorable Dick Molpus  
Secretary of State, State of Mississippi  
Jackson Hearing, January 1992

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Executive leadership is further hampered by highly fragmented legislative procedures. State legislative processes sift statutes through a confusing committee structure, splitting what should be comprehensive bills into hundreds of pieces, occasionally allowing endless amendment on the floor of the legislature, and increasingly requiring “super-majorities” of three-fifths or two-thirds for certain bills to win final passage. The Commission believes that states and localities need to give chief executives a greater chance to hold their agendas together through the legislative gauntlet.

Consider the rules governing amendments. Many states and localities allow the executive's agenda to move through the legislative process under “open rules,” which allow individual members of the legislature or council to introduce what are sometimes extraneous and unrelated amendments. The Commission believes that accountability is fostered by giving executives clear votes of approval or disapproval

on their priorities. We therefore believe that legislatures should limit the use of open rules.

The executive budget is a second example. Twenty-nine states currently split the budget into pieces en route to passage. Oregon and Pennsylvania both consider roughly 100 spending bills each year; Illinois, 150 to 200; Mississippi, over 200; and Arkansas, 450. Alabama splits the budget into 2 major and over 600 minor bills. This fragmentation may weaken the legislature's ability to keep track of the bottom line, and increases the chance that pieces of the budget will be isolated and captured by special interest groups, again weakening executive authority and diffusing accountability.

Bills to reorganize or improve the overall organization of government are a third example. Because such bills involve comprehensive reform, crossing many committee jurisdictions, they may present yet another opportunity for extraneous amendments, becoming either Christmas trees or freight trains for special projects that have nowhere else to go.

Thus, where possible the Commission urges legislatures to keep the executive agenda whole, first by using temporary, cross-jurisdictional committees to consider large-scale reform, and second, when bills must be divided, by setting clear deadlines for action and reassembling bills into omnibus measures before final consideration. And, at all points in the process, super-majorities should be abandoned. Hard choices are tough enough to make at 50 percent plus one.

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*A small minority—27 of the 80 Assembly members or 14 of the 40 Senators—can block action. A very tiny minority—14 members of a 27-member Assembly minority party caucus, or 8 members of a 14-member Senate minority party caucus—can bind the rest of their caucus to a “no” vote and block action.*

The Honorable Barry Keene  
Majority Leader  
California State Senate  
Sacramento Hearing, May 1992

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## 4

### **REMOVING THE BARRIERS TO LEAN, RESPONSIVE GOVERNMENT**

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*At one point I was asked, on behalf of the county, to implement . . . nutrition feeding programs for senior citizens. It took me two and a half hours a day to fill out the paperwork on 57 meals.*

The Honorable Sunne Wright McPeak  
Supervisor, Contra Costa County, California  
Sacramento Hearing, May 1992

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**G**iving chief executives greater authority to pick their cabinets, reorganize their agencies, and hold their programs together will help make clear who is in charge. The question then becomes "In charge of what?" Being able to pick cabinet-level officers does not count for much if the agencies they run will not respond to the new leadership, or if the rules and regulations by which they operate inhibit innovation and action at every turn.

In reality, many of our state and local agencies stand as great monuments to themselves, sustained and protected by their internal rules and hierarchies. They often stifle the creativity that is so desperately needed, putting one obstacle after another in the way of new ideas and energetic leaders. Innovation tends to become an accident when it could so easily be the natural result of reconnecting chief executives, employees, and concerned citizens. That is how Illinois initiated a program to recruit minority adoptive parents through a network of churches; how Tupelo, Mississippi, invented a public-private partnership in education; and how Massachusetts designed a unique antipollution program that worked with manufacturers to prevent pollution at the source. Their experiences, and those of other winners of the Ford Foundation's innovations program

**Table 2: 1992 Winners of the Ford Foundation's  
Innovations in State and Local Government Award**

***Automated Traffic Surveillance and Control (ATSAC), City of Los Angeles, California***

Los Angeles cuts congestion, improves air quality, and reduces travel time for millions with ATSAC, a state-of-the-art computerized signal management system.

***Environmental Cleanup Project, City of Wichita, Kansas***

The Environmental Cleanup Project balances environmental recovery and economic health. By assuming responsibility for a costly environmental cleanup, Wichita avoids federal Superfund regulations, which invite excessive cost and time delays.

***Bilingual Outreach, Arlington County, Virginia***

Bilingual Outreach stabilizes immigrant communities and helps immigrant families adjust to American lifestyles through easily accessible acculturation services.

***Humanitas, Los Angeles Unified School District, California***

Humanitas returns relevance to urban education through writing-based learning and interdisciplinary team teaching that puts teachers in control of curriculum and students in control of learning.

***CityWorks, City of Cambridge, Massachusetts***

CityWorks prepares ninth graders for jobs in the twenty-first century by re-integrating vocational and academic learning and by marrying the classroom to the community at the Rindge School of Technical Arts.

***Fleet Improvement R&D Network, City of New York, New York***

New York City's Fleet Improvement R&D Network provides low-cost, quality maintenance for 6,000 sanitation vehicles by tapping the creativity of front-line mechanics.

***Workers' Compensation System, State of Washington***

Washington's Workers' Compensation System that compensates workers for on-the-job injuries was rescued through sound financial investment and management programs, updated information technology, and worker safety campaigns.

***Quincy Court Model Domestic Abuse Program, Quincy District Court, Massachusetts***

Quincy Court's Model Domestic Abuse Program protects battered women and children through court-based services that encourage victims to seek justice and safety by effectively controlling and punishing batterers.

***Child Assistance Program (CAP), State of New York***

CAP builds on the premise that parents want to work to help their children out of poverty, by reforming welfare to encourage employment, savings, and child support.

***Elderly Services Program, Spokane County, Washington***

Spokane County's Elderly Services Program helps isolated elders remain independent through referrals by public and private service workers who link elders with at-home support services.

(administered by Harvard University), teach us that there are things state and local governments can do to assure that innovation will emerge and endure (see Table 2).

All organizations—from the smallest businesses to the largest corporations, from the tiniest public agencies to the largest bureaucracies—grow thicker and more rule-bound over time. This does not really happen by choice. No agency wants to be fat and sluggish. Rather, it occurs through the steady buildup of layers over time.

The need to flatten and thin out these agencies goes to the heart of high-performance government. Chief executives must be connected with front-line employees in order to gauge how well an agency or department is doing its job—indeed, to gauge what job, exactly, should be done. At the same time front-line employees should not be the last to know when a decision comes down from on high, or kept in the dark about why the decision was made. In fact, they should be included in the decision-making process from the start.

Chief executives may believe that adding layers of management will somehow improve communication—or control—but the result is often exactly the opposite. They often find themselves more isolated and more unable to shape the roles and performance of their organizations.

There are other reasons for cutting layers of management, not the least of which is the reduced salary and administrative costs made possible by a low manager-to-employee ratio. Heavily layered organizations are also slow to respond, limiting executive and legislative options for changing directions to meet new problems. Finally, holding an agency responsible for outcomes is nearly impossible when no one is quite sure who is responsible for a given objective. Government has to be as fast off the mark as possible. Toward that end, the Commission makes one proposal.

#### **RECOMMENDATION FOUR: FLATTEN THE BUREAUCRACY**

*Flatten the bureaucracy by reducing the number of management layers between the top and bottom of agencies and thinning the ranks of the managers who remain.*

There is no magic number of layers between the top and bottom of government, no proven ratio of managers to employees, no maximum

number of units a chief executive should supervise. The appropriate number of layers depends on mission and goals.

The fragmented, balkanized arrangements characteristic of many governments today evolved for a variety of reasons: Executives added layers to foster command and control; managers, to promote employees into better-paying positions; legislators, to run new programs. Whatever the reason, it is time to cut the hierarchies. The Commission believes that most agencies can cut their management layers significantly, without any decline in efficiency. Just the opposite. The cuts should improve accountability and save money, while allowing most agencies to shift personnel dollars to the front line.

In this regard, we believe that in many areas demands on front-line workers—for example, job counselors, social service case workers, public health nurses—are excessive and unrealistic and inhibit quality performance. On occasion more, not fewer, personnel are needed.

#### **RECOMMENDATION FIVE: DEREGULATE GOVERNMENT**

*Deregulate government by (1) reforming the civil service, including reduced use of veterans preference and seniority; (2) streamlining the procurement process; and (3) making the budgeting process more flexible.*

Creating flat, responsive agencies also involves freeing chief executives, managers, and front-line employees from the thicket of out-moded laws, internal regulations, and controls that has grown up around them over the years. Deregulation is virtually required by de-layering—there will be fewer managers and supervisors available to enforce the rules.

Even without de-layering, however, a reduction in rules is long overdue. Hiring, purchasing, and budgeting systems now often frustrate the goals they were enacted to achieve.

In order to create more responsive agencies, the Commission makes the following proposals for an overhaul.

#### **END CIVIL SERVICE PARALYSIS**

America's civil service was invented 100 years ago to guarantee merit in the hiring process. Sadly, many state and local governments have



created such rule-bound and complicated systems that merit is often the last value served. How can merit be served, for example, when supervisors are only allowed three choices from among hundreds of possible candidates for a job? How can merit be served when pay is determined mainly on the basis of time on the job? How is merit served when top performers can be “bumped” from their jobs by poor performers during downsizings?

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*I do think government needs more flexible personnel systems. I strongly believe in collective bargaining. I strongly believe that public employees' rights have to be protected. But I think we could come up with a more rational structure and a better structure for public employees to work in; I envision an era of higher quality public service, better skilled and motivated workers, and as a result of that, more satisfied taxpayers.*

The Honorable Stan Lundine  
Lieutenant Governor, State of New York  
Philadelphia Hearing, June 1992

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Over the years, the basic purpose of the civil service system has been forgotten: To recruit the most talented among our citizens into government, not to employ legions of classification experts and personnel administrators who spend their days tracing bumping routes and rewriting job descriptions. State and local governments have a hard enough time as it is recruiting the best and the brightest without actively discouraging them. We must not be so hidebound in order to protect against failure that we quash the spirit of innovation.

The Commission believes that states and localities are best served by a decentralized merit system that helps agencies and departments address issues of hiring and mobility, pay, diversity, firing, and the operation of the personnel system. Obviously public sector unions have worked hard in these areas over the years and care deeply about safeguarding workers against management actions they feel are arbitrary. In many jurisdictions it will be pivotal to develop a full partnership with unions to achieve the reforms needed to create a high-performance work force.

*The task for government is to find a suitable balance or accommodation in its civil service processes for these often conflicting interests and values. . . . One person's perceived "red tape" is another person's preferred accountability system. In California we believe we have approached a reasonable balance between these competing values. However, the changes have been evolutionary and incremental rather than a cataclysm of reform.*

Gloria Harmon  
Executive Officer  
California State Personnel Board  
Sacramento Hearing, May 1992

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### **On Hiring and Mobility**

Many civil service systems sharply limit freedom to hire in two ways: (1) They rely heavily on written tests that may be biased, out-of-date, poor in predicting performance, and expensive to construct. (2) They sharply limit the number of candidates who are forwarded for interviews, through a "rule of three" or other limiting provision. Under such a rule, only the top three individuals on a list of eligibles are certified for hiring. Placement on the list often depends heavily on performance on a written test, downplaying other important characteristics such as interpersonal skills.

These constraints on managerial discretion were put in place to ensure the primacy of merit, and cannot be dropped without instituting clear protections for those who might face discrimination. Nevertheless, the Commission recommends that states and localities reconsider these requirements in light of today's needs. Many governments are finding that using selection criteria other than written tests is critical to finding and promoting good people. In addition, expanding the list of candidates who can be forwarded for interviews can allow more aggressive recruitment in order to achieve diversity.

The Commission further recommends that effective pipelines for recruiting the best and the brightest into public service be fully exploited. Fortunately, there appears to be a renewed interest in public service as a career. Good intern programs, of which there are many, help make for good government, often serving as fast-track vehicles

for outstanding students to enter government service. They should be sustained and expanded.

The Commission also urges that states and localities pay greater attention to seniority and veterans preference rules and recommends that, when they present a problem, limits be placed on their use in determining who gets hired, promoted, and protected during downsizing. Seniority rules, which protect longtime workers, can present a fairness issue, especially for women and minorities. A special advantage in the personnel selection process should only be extended once to any one individual who has served in the military, and then only in order to break a tie between otherwise equally qualified applicants.

The Commission proposes reducing the number of job families into which all employees fit, instead of continuing to wrestle with the hundreds or even thousands of classifications that currently characterize most state and local systems. In states, for example, the number of classifications ranges from as high as 7,300 in New York to as low as 551 in South Dakota (see Table 3). The Commission believes that no more than a few dozen are needed, with some provision for distinctions between positions within job families to reflect different levels of expertise or "bands." Under such a system—which has been recommended by the National Academy of Public Administration for the federal government—the number of job classifications in most jurisdictions would drop significantly. Such a system would allow much greater flexibility in staffing government according to shifting needs and would also permit greater flow of staff among agencies and departments.

The Commission believes that keeping good people once government finds them is equally important. At the same time, employees should not be handcuffed to a lifetime of government service, nor should talented candidates be locked out of lateral entry at midcareer by antiquated, nonportable pension systems. The Commission therefore recommends that states and localities at the least honor the same five-year vesting minimum required of private firms under federal law. After five years employees could take both their contribution and the government's when they leave and roll the money over into a new pension fund, if they wish. As of 1991, an estimated 40 percent of all state and local employees had to work ten years before becoming vested.

*Hard Truths / Tough Choices*

**Table 3: State Government  
Job Classifications, 1991**

| <u>State</u>   | <u>Number of<br/>Classifications</u> |
|----------------|--------------------------------------|
| Alabama        | 1,600                                |
| Alaska         | 1,050                                |
| Arizona        | 1,500                                |
| Arkansas       | 1,900                                |
| California     | 4,324                                |
| Colorado       | 1,348                                |
| Connecticut    | 2,600                                |
| Delaware       | 1,434                                |
| Florida        | 1,596                                |
| Georgia        | 1,570                                |
| Hawaii         | 1,660                                |
| Idaho          | 1,550                                |
| Illinois       | 1,680                                |
| Indiana        | 1,500                                |
| Iowa           | 1,250                                |
| Kansas         | 1,142                                |
| Kentucky       | 1,614                                |
| Louisiana      | 3,800                                |
| Maine          | 1,500                                |
| Maryland       | 3,000                                |
| Massachusetts  | 1,150                                |
| Michigan       | 2,700                                |
| Minnesota      | 2,140                                |
| Mississippi    | 2,053                                |
| Missouri       | 1,100                                |
| Montana        | 1,350                                |
| Nebraska       | 1,300                                |
| Nevada         | 1,300                                |
| New Hampshire  | 1,490                                |
| New Jersey     | 6,400                                |
| New Mexico     | 1,200                                |
| New York       | 7,300                                |
| North Carolina | 3,500                                |
| North Dakota   | 1,075                                |
| Ohio           | 1,804                                |
| Oklahoma       | 1,418                                |
| Oregon         | 1,100                                |
| Pennsylvania   | 2,782                                |
| Rhode Island   | 1,500                                |
| South Carolina | 2,318                                |
| South Dakota   | 551                                  |
| Tennessee      | 2,258                                |
| Texas          | 1,339                                |
| Utah           | 2,500                                |
| Vermont        | 1,280                                |
| Virginia       | 1,888                                |
| Washington     | 2,100                                |
| West Virginia  | 2,000                                |
| Wisconsin      | 2,000                                |
| Wyoming        | 774                                  |

Note: The numbers of classifications for some states are approximations.

Source: National Association of State Personnel Executives and the Council of State Governments. *State Personnel Office: Roles and Functions* (2nd ed.). Lexington, KY: Council of State Governments, 1992.

One aim of such mobility reform should be to encourage free movement between the public and private sectors. Many of the skills they require are interchangeable, and it is in the nation's long-term best interest to have its workers understand both worlds.

### **On Pay**

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*In HRS [Health and Rehabilitative Services] there was high turnover, with people making less than a metro zookeeper. When they had ten open positions, I suggested they hire five people and pay them more, but regulations didn't let us do that.*

Janet Reno  
Florida State Attorney  
Eleventh Judicial Circuit, Dade County  
Tallahassee Hearing, May 1992

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The Commission advocates a simple pay and promotion structure that would allow much greater flexibility in rewarding good employees and also encourage greater movement of employees across agencies and easier reassignment on an as-needed basis. Such a system uses a small number of broad pay bands, usually three, to replace the complicated grade-and-step system currently in place. Under that system, employee pay is based on a set number of grades—usually 15 or so—and on various steps based on seniority within those grades—usually 10 or so. Not surprisingly, a system with as many as 150 different pay levels can create an enormous amount of conflict within the workplace. Besides being less complex, broad-banding of pay allows managers to reward employees without having to give them a new job title. It allows managers to reassign personnel more easily to meet shifts in demand and priorities.

The Commission proposes that state and local governments reevaluate their pay-for-performance plans. Almost half of all states, and a majority of counties and cities, now have at least some of their employees in pay-for-performance plans. Unfortunately, many of those plans promise far more than they deliver. Some of the systems are unbelievably complicated and paper-intensive. Others are simply poorly administered. Still others are launched without adequate fund-

ing. The best available research suggests that pay-for-performance in the public sector has been a disappointment, and that states and localities should be exceedingly cautious about overselling what are likely to be small performance bonuses allocated through a cumbersome and potentially political process. The Commission recommends that such plans be dropped if they are not perceived by employees as fair or if they are underfunded.

The Commission further encourages pay-setting approaches and bonus systems that make it every employee's business to assure the overall success of the organization. For example, team-based pay-for-performance systems—whether the team is several employees, a small unit, or an agency—send the right signal, that employees rise or fall on the basis of outcomes. Gainsharing is a viable step toward such a system. Under a gainsharing formula, workers on a given team split the savings from higher productivity equally with taxpayers, whether through a one-time bonus or an innovation investment fund for the team's future productivity improvements.

### **On Diversity**

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*In the public sector, we have a special responsibility to try to make sure that the people who take care of our patients reflect the diversity of those patients. I cannot imagine providing appropriate psychiatric services to largely Spanish- and Chinese-speaking patients if you cannot speak the language.*

Pamela S. Brier  
Chief Executive Officer  
Bellevue Hospital Center, New York City  
Philadelphia Hearing, June 1992

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The pattern and the problem are clear. The face of America outside government is changing faster than the face of the work force inside. Consider the situation in Los Angeles. According to the report of the Independent Commission on the Los Angeles Police Department in the wake of the Los Angeles riots, 63 percent of the city's population is nonwhite compared to approximately 31 percent of the city's police officers. In spite of aggressive recruiting of

African-American and Latino officers, the city still has a long way to go in assuring that the force both is representative and allows minority officers the opportunity to rise to the highest-level positions.

The disconnection between those whom government serves and those who serve government can only create tensions. There is a very legitimate question as to whether a government that does not reflect the demographic makeup of the governed can operate effectively over the long haul, or in the face of widespread hostility or resentment on the part of disenfranchised groups.

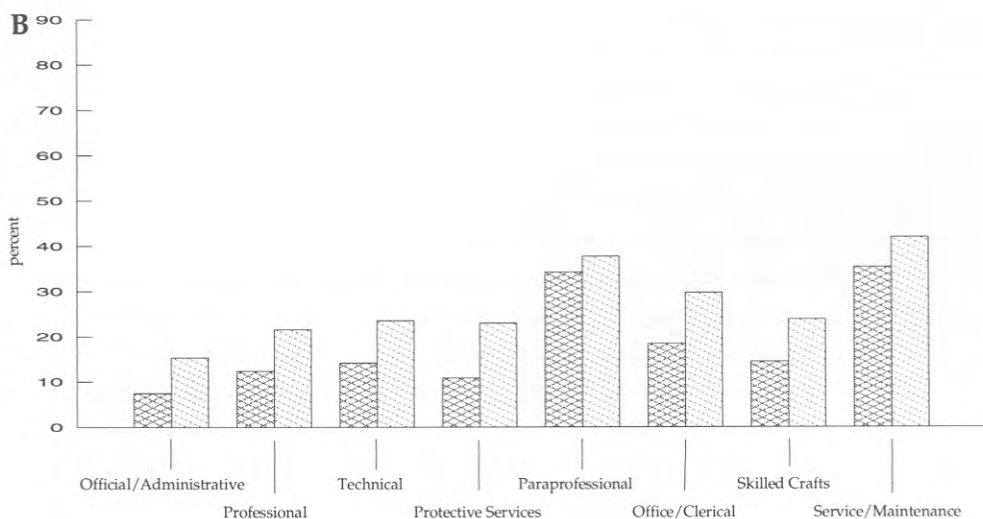
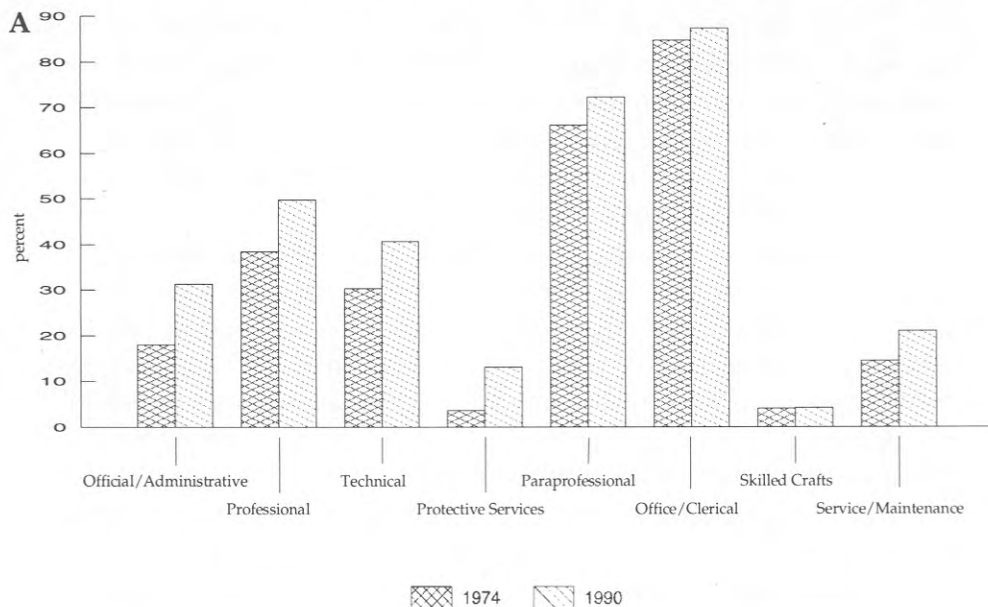
Remedying this disconnection is going to take more than aggressive recruitment of women and minorities. In some communities government agencies may have to take a leading role in ensuring a diverse work force. The Commission strongly recommends that government not only actively recruit workers to reflect the diversity of the community served, but that it also actively promote investment in all young people, encouraging everyone to stay in school so that more women and minorities will qualify to work in public service.

States and localities have made progress in the area of recruiting women and minorities in the past two decades—the proportion of female full-time employees increased from 35 percent in 1974 to 42 percent in 1989, while the proportion of minorities rose from 20 percent to 27 percent. But women and minorities still staff the front lines and not the front office. The vast majority of the lowest-paid positions in state and local government are held by women and minorities. Although the imbalance has been substantially redressed since the mid-1970s, states and localities have a long way to go (see Figure 1).

The Commission endorses efforts to find innovative ways for women and minorities to break through the ceiling to higher-level jobs. State and local governments should initiate educational opportunities for their current work forces that will better prepare under-represented groups for top management positions. Introducing more flexible hiring and promotional practices can also help these groups move into the middle- and upper-ranks of government.

But money and titles are not the only issues. The Commission believes that part of government's effort to create a work force that mirrors the population it represents also ought to include elimination of barriers that keep women out of mid- and upper-level jobs in many departments. Women are still far more likely to be found in education, health, aging,

Figure 1: Percentage of women (A) and all minorities (B) in eight major occupational categories in state and local government, 1974 and 1990



Note: In 1990, the title for "Office/Clerical" changed to "Administrative Support." For clarity these charts retain the "Office/Clerical" label. Source: Adapted from Rita Mae Kelly, "Diversity in the Public Workforce: New Needs, New Approaches," in Frank J. Thompson (ed.), *Revitalizing State and Local Public Service* (San Francisco, CA: Jossey-Bass Inc., forthcoming). Data adapted from U.S. Equal Employment Opportunity Commission, *Job Patterns for Minorities and Women in State and Local Governments, 1974 and 1990* (Washington, D.C.: U.S. Government Printing Office).



library, and welfare agencies than in transportation, corrections, agriculture, or law enforcement, yet women have time and again proved themselves to be capable contributors in these and other fields.

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*. . . We began to take a closer look at what the demographic changes . . . mean in terms of the future work force. By weaving the demographic pieces together, the emerging picture for employers, especially public employers, can be particularly grim. . . . the Franchise Tax Board . . . will continue to administer an increasingly complex body of tax law. We will need to inform an increasingly diverse public about their tax obligations. . . . The challenge for the FTB is to become a desirable buyer in a sellers' market for skilled workers, or, failing in that effort, [to implement] strategies to grow our own skilled employees from those people who are willing to work for us.*

Gerald Goldberg  
Executive Officer  
Franchise Tax Board, State of California  
Sacramento Hearing, May 1992

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### **On Firing**

Many of the current systems demonstrate the worst of two worlds: The hiring process can be ponderous, frustrating both managers and highly qualified candidates for government jobs, and at the same time the mechanism for releasing poor performers can be even more daunting. Many managers are so stymied by the process that they would rather promote a poor performer into a new, useless job than initiate termination proceedings. Firing should always be a last resort, but once the decision has been made, the Commission recommends that there be mechanisms in place to move it to resolution, preferably through binding arbitration that brings both sides to the table within days.

### **On Operating the Personnel System**

Most state and local governments rely on highly centralized personnel systems that exert a good deal of control over all personnel decisions government-wide. In California, however, the central board gives the responsibility to the departments under clearly written guidelines,

then gets out of the way—thus saving time, money, and frustration. The Commission strongly recommends that states and large local governments consider turning more authority for staffing decisions over to agencies and departments, then acting as a consultant to ensure that such decisions are fair and conform to all applicable state, local, and federal laws.

The fairness of the civil service hiring and promotional process can best be measured by the quality of the people hired and the work they perform, not by the number of steps in the process, the amount of paperwork involved, or the rigidity of the policies.

### **ACCELERATE THE PROCUREMENT PROCESS**

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*We treat buying a police car and buying psychiatric services for children in almost the same way. . . . We treat a \$1 million bid the same way we treat a \$5,000 bid. . . . That is a system, much like the civil service system, that we have been trying to overhaul for a hundred years. . . .*

Elizabeth C. Reveal  
Former Director of Finance  
City of Philadelphia  
Philadelphia Hearing, June 1992

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By far the greatest impediment to fast, sensible government contracting and procurement practices is the multiple layers of approval through which requisitions must pass. The process has become so complex and so expensive that many of our best companies refuse to bid on government contracts because it is simply not worth the time and effort. Government managers and employees, meanwhile, cannot obtain the supplies or equipment they need or cannot get them when they need them. Worst of all, cost, rather than quality, is often the overriding criterion for purchasing and contracting decisions.

In the end, the process really only serves to subvert the goals it was intended to achieve. Competition is reduced, unrealistically low bidding becomes commonplace, and neither the government nor the taxpayers get their money's worth. As a step toward fixing the system, the Commission recommends that any state and local procurement process possess four key characteristics:

- *An emphasis on quality and results over cost*, with clear incentives for high performance and strong penalties for poor work. The low bid cannot be the only or the overriding criterion in selecting a contractor, whether it is a road builder or a foster care provider.
- *A process streamlined enough to keep pace with new technology and procedures*. State and local governments cannot afford to wait two years to procure new computer systems, nor should employees have to wait six months for basic supplies and services. Government must seek devices for speeding up its timetable to provide quick access to supplies and services, perhaps by raising the threshold for noncompetitive bidding, by allowing managers the flexibility to make faster decisions on their own, or by the awarding of multiple open-ended contracts to suppliers who would then have an incentive to provide fast service.
- *A minimum of paperwork*. Multiple reviews and justifications not only slow the process, they add needless costs to the final contract—costs that must ultimately be paid by the taxpayers.
- *A single-signature policy on small purchases*. It makes no sense to force front-line employees to seek multiple signature approval on every small purchase. It makes no sense to require that every piece of equipment or office supply come from the agency or department's central supply department. If an employee needs some relatively inexpensive item and can get it quickly and at competitive cost at a nearby store, management should provide for that sort of quick decision. Adherence to the *trust and lead* strategy implies that our employees have to be trusted to do the right thing.

In sum, governments need to put in place contracting and procurement systems that emphasize quality, efficiency, and accountability for outcomes.

### **ELIMINATE SPEND-IT-OR-LOSE-IT BUDGET SYSTEMS**

Almost all state and local budget systems create enormous incentives toward waste by requiring managers either to spend the money in their budgets by the end of the fiscal year or to send it back to the general fund, and probably suffer a cut in next year's appropriation on top of that. In other words, frugality is punished, not rewarded.

*Think about line-item budget systems. First of all, you are a manager and all your money is trapped within these line items, which may or may not have made sense five and ten years ago when they originated, but may not be where you need to spend the money today. . . . Second, if you don't spend every penny of every line item in every fiscal year, you lose it. You have to give it back; you get less next year and the budget director yells at you because you asked for too much last year. So if you are not a total idiot, you spend every penny of every line item every year. . . .*

David Osborne  
Coauthor of *Reinventing Government*  
Jackson Hearing, January 1992

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Spend-it-or-lose-it budgets are more onerous still in concert with highly detailed line-item budgets, with specific accounts for virtually every activity imaginable, so that funds cannot be transferred to areas of more serious need. Instead of being able to reprogram funds quickly to meet an emerging problem, managers are locked into strict categories by budget lines. The Commission believes that every budget system should have four simple features:

- ▶ *As few budget lines as possible to give chief executives more flexibility to reprogram funds to meet unforeseen problems and emerging needs.* While the Commission recognizes legitimate legislative responsibilities in both raising and spending funds, chief executives must have considerably more freedom to move funds quickly than they do now. The Commission recommends that states and localities experiment with complete “de-lining” of an agency’s budget, guided by clear performance goals set in consultation with the legislature, council, or other legislative body.
- ▶ *The ability to carry over unspent funds from fiscal year to fiscal year.* If agencies cannot, managers and employees are being punished for thinking carefully about how to spend money, and rewarded for spending money in an end-of-the-fiscal-year frenzy. Allowing carry-over of a quarter of a given budget line into the next fiscal year is a good first step toward reducing the spend-it-or-lose-it incentives that currently exist.

*It occurred to me that I was making the same mistake that a lot of people in elected office make: that is, thinking that the best way to control spending was to get your hands around—and control—your budget. It is a mistake that virtually all governments make. We don't fashion a cohesive strategic plan that identifies statewide goals, and then cuts people loose to achieve those goals, with rewards and consequences for success or failure.*

The Honorable Ric Williamson  
Vice Chairman, Appropriations Committee  
Texas State House of Representatives  
Austin Hearing, March 1992

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- ▶ *The ability to depreciate capital investments.* Without depreciation, the budget shows long-term maintenance as a luxury, actually encouraging states and localities to wait until our roads, bridges, water systems, and other public works seriously deteriorate before thinking about the future. Such a practice is costly because it discourages the much more sound financial practice of maintaining our infrastructure rather than having to overhaul or replace it—a process, incidentally, that assures that citizens bear the full brunt and aggravation of disrepair. The Commission encourages states and localities to experiment with ways of depreciating physical capital, and, in doing so, to show that the failure to maintain assets is an expensive illusion.
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*The Governmental Accounting Standards Board is currently working on finding a good public-sector equivalent to depreciation so that politicians cannot pretend they are saving money when they don't maintain assets.*

David Osborne  
Coauthor of *Reinventing Government*  
Jackson Hearing, January 1992

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- ▶ *A link between spending inputs and program outcomes.* Although performance budgeting is tough to implement, it does get

states and local workers thinking about the right thing: *performance*. Instead of asking how many state troopers or city patrolmen have been hired, performance goals ask whether the roads are safer because accident rates are reduced or whether cities are safer because crime rates are down. Instead of asking how many workers there are in our welfare agencies, performance goals ask whether case loads are dropping, family heads are finding jobs, or at-risk children are graduating from high school. The key idea is that program goals should be clear from the start and should then be ratcheted up as a way to motivate workers and give the public a sense of progress and accomplishment.

Thus striving for lean, responsive government will require making many tough choices—about civil service provisions, hiring and other personnel practices, pay, vesting requirements, procurement processes, and budgeting. It also means being open to rethinking relationships and defining new opportunities between government and the private sector. This may take the form of innovative partnerships such as those that the California Franchise Tax Board has developed in working with businesses and educational institutions at all levels; the purpose is to be an active partner in addressing community concerns and to help prepare its work force for the future.

In some cases, privatizing services may make sense. Although privatization is far from a cure-all and can actually increase fragmentation of responsibilities as well as long-term costs, it can bring freshness and energy into government. Actually, state and local governments have done more than most people realize to privatize program delivery. Nonprofit groups especially have grown in competence and sophistication, and are frequently worthy of consideration to shoulder responsibilities. These groups already play a major role in delivering the social service programs of state and local governments.

## REMOVING THE BARRIERS TO A HIGH-PERFORMANCE WORK FORCE

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*If training is so obvious a need, then why do we do it so badly?*

Frank P. Sherwood  
Jerry Collins Eminent Scholar  
in Public Administration  
Florida State University  
Tallahassee Hearing, May 1992

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**T**he flat, lean agencies of tomorrow can only work if staffed by a new kind of employee. Public employees need the training to broaden their skills and horizons, and they need to be strongly encouraged to abandon the play-it-safe style of working in favor of taking risks.

If they are going to be asked to accept this new role, though, they need to be involved in all aspects of organizational decision-making. For work to be fulfilling—for risk-taking to be worth it—employees need to know that their opinion and judgment count.

The first step is changing how employees are viewed. Rather than seeing them as “personnel” to be micromanaged, managers prepared to make the commitment to the *trust and lead* approach to managing would benefit greatly by recognizing them as problem solvers and innovators—as a source of institutional savvy about what works and what does not. Instead of being placed at the bottom of every organizational chart, they should be elevated to the front line. As part of their new role, public employees need the freedom to take risks and to act quickly to solve problems themselves, even if that means they may make some mistakes.

*Public worker demoralization is now rampant—in part because employees are being asked to do a job with far too few resources, and in part because of negative attitudes toward them. But the morale problem is due in large measure to a work culture which utterly denigrates the people at the bottom who are in many instances the very people who are actually delivering the service, who are actually in direct contact with the public. And I would argue that when you hear talk of incentives—and people often think of pay as what we mean when we talk about incentives—in fact one of the most powerful incentives to people being able to do a better job is having more control over the job that they're doing.*

Roberta Lynch  
Director of Public Policy  
American Federation of State, County and  
Municipal Employees, Council 31  
Chicago Hearing, June 1992

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The problem is not a lack of challenging work or chances to accomplish something worthwhile at all, but a “knowledge gap” created by a decade of cuts and narrow thinking about government’s human capital. Too many of our state and local employees simply are not ready to take on the jobs of tomorrow.

**RECOMMENDATION SIX:  
CREATE A LEARNING GOVERNMENT**

*Create a learning government by (1) restoring employee training and education budgets; (2) creating a new skills package for all employees; (3) basing pay increases on skills, not time in position; (4) insisting on a new kind of problem-solving public manager, not merely a paper passer; and (5) encouraging a new style of labor-management communication.*

It is clear by now that when asked to take on such a new role, employees do not just respond, they get excited. That energy needs to be captured and magnified by ensuring that state and local governments become learning centers. It is utterly self-defeating to that goal for governments to cut training money the instant that budgets get tight, or to make spending so restrictive that employees are only able



to get training in narrow career areas. It makes no sense to limit access to new skills and valuable information by restricting scarce travel and conference budgets to mid- and upper-level managers. Surveys, such as that carried out by the National Commission on the Public Service, have shown that employees are motivated primarily by challenging work and the opportunity to learn (see Table 4). Denying them in these areas is a sure way to discourage them. By recognizing this fact,

**Table 4: Rankings of What the Best and Brightest Value Most in a Job**

- |     |                                 |
|-----|---------------------------------|
| 1.  | Challenging work                |
| 2.  | Personal growth                 |
| 3.  | Pleasant working conditions     |
| 4.  | Good social relations           |
| 5.  | Job autonomy                    |
| 6.  | Service to society              |
| 7.  | Job security                    |
| 8.  | Professional recognition        |
| 9.  | Opportunity for advancement     |
| 10. | Pay and other financial rewards |
| 11. | Prestige                        |

Source: National Commission on the Public Service, 1988 survey of college honor society members--Phi Beta Kappa, Sigma Xi (science and engineering), and Phi Alpha Alpha (public affairs).

governments can compete for top talent with the private sector in key ways other than level of pay.

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*We will never be able to compete in a salary war with the private sector in the skilled job market. . . . We must also be prepared to offer those things that are as important as money to the new worker—a workplace culture that recognizes that today's worker wants more out of life than just a job.*

Gerald Goldberg  
Executive Officer  
Franchise Tax Board, State of California  
Sacramento Hearing, May 1992

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Creating learning organizations means that government training units are going to have to change their views on who knows best

about what employees need. They will also have to think in broader career terms, and allow employees to pick up a variety of skills, whether in the area of basic computer use, in communications, or in customer service. Toward this end, the Commission makes five proposals.

### **REBUILD GOVERNMENT'S HUMAN CAPITAL**

Ultimately, learning involves access to education, which, in turn, requires funding. While the quality of the learning is far more important than the number of hours purchased, the Commission believes that states and localities should aim for a stable learning budget set at at least *three percent of total personnel costs*.

Once a figure is set, the Commission urges states and localities to protect those budgets by making learning an earned right—that is, a part of basic compensation agreements and labor contracts. Thus, instead of giving the learning budget to a training department to be doled out, money is assigned to employees as individual accounts to be spent under general guidelines consistent with the mission of the organization. If those employees want to purchase courses from their government training units, fine; if they want to purchase courses from local colleges and universities, that is fine, too. These training accounts would create incentives for every employee to continue learning, while fostering healthy competition both inside and outside government for the learning dollar.

### **CREATE A NEW SKILLS PACKAGE**

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*Get good people around you and give them considerable latitude to do their thing and you get a radiating effect. . . . I'm a deep believer that you've got to build an incentive, attract the best people with potential, give them lots of incentive and encouragement, develop an élan of not having any problems that can't be overcome.*

Louis Gambaccini  
Chief Operations Officer/General Manager  
Southeastern Pennsylvania Transportation Authority  
Philadelphia Hearing, June 1992

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## *A High-Performance Work Force*

Complementing its endorsement of government as a learning organization, the Commission believes that there are certain skills every public employee should have. Just as our education and training units ought to, as a rule, emphasize broad, outcome-related learning over narrow specialization, so too should the courses reflect a new set of competencies essential for performance:

- ▶ *Competency in team building.* The Commission believes that much of government's future work will be carried out by small teams, some of them led by executives and managers, some by front-line employees. To succeed, managers and employees alike need to know how team-building works and should be trained in the dynamics of goal-setting and conflict resolution.
- ▶ *Competency in communication.* One of government's greatest challenges is to communicate with constituents, whether to advertise services to potential users, or solicit public input on or build support for proposed programs and projects. Good marketing in government calls for two kinds of skills often missing in the public sector: (1) the ability to shape a persuasive message for a particular audience and (2) the ability to understand what that audience thinks and wants. If government is to articulate a clear vision of the future—and build support for it—it must learn to listen and respond.

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*The thing I like about quality circles is that we go to the people who do the work every day and ask: "How can it be done better?" Whether or not you call it a quality circle . . . doesn't really matter. The point is that employees get a say in what they do and how they do it.*

Mary E. Grogan  
Director, Parks and Recreation Department  
Modesto, California  
Sacramento Hearing, May 1992

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- ▶ *Competency in involving employees.* A recurring theme of this report is the need to get front-line employees more involved in the day-to-day work of government. However, such involvement requires a new style and level of communication be-

tween the front line and management. It requires that managers learn how to create a receptive environment for participation. At the same time, employees have to learn how to shape their ideas into persuasive proposals.

- *Commitment to cultural awareness.* As our society becomes more multicultural, every public employee should learn to communicate across cultures. This learning goes well beyond traditional sensitivity training to involve real-world learning about different cultures that public servants will be encountering every day, as either service providers or co-workers. This new learning is not a frill. In localities and states where the population is becoming increasingly diverse, government will be both the glue that binds the diverse cultures together and a source for jobs and upward mobility.
- *Commitment to quality.* While the Commission does not endorse any specific philosophy of management, such as Total Quality Management, it does see value in an emphasis on quality and in a new view of constituents as customers, where that is appropriate to the service being provided by government. Certainly, departments of motor vehicles are obvious examples of places where a consumer focus would be appropriate. But such an orientation is equally appropriate in many of government's other dealings with its citizens, not only those that take place across a counter. A commitment to quality is not exactly a "skill." Nevertheless, the Commission endorses any training that challenges labor and management to higher levels of achievement and service.

### **CREATE FINANCIAL INCENTIVES FOR LEARNING**

Pay increases based on skill acquisition are clearly a powerful way to encourage learning and to improve performance. Such a system may be difficult to design at the outset. However, skill-based acquisition pay gives employees a better incentive to stretch and develop their abilities than do automatic annual pay raises. Another year spent on the job does not necessarily make for a better employee. But a skill acquired adds new capabilities to an organization and thus can make an employee more valuable. Ultimately, of course, the most powerful incentive for learning is to assure that employees can use their skills in meaningful, challenging work.

## **ENCOURAGE A NEW TYPE OF PUBLIC MANAGER**

Managers are going to have to relearn their jobs, too, in some cases applying the new skills package outlined earlier. More broadly, however, managers have to accept a new role. They must forego the supervising, disciplining, second-guessing and double-checking that have for so long passed for leadership and begin the coaching, benchmarking, listening, mentoring, and championing that new times and a new type of job-motivated employee demand. It is to them that the challenge of implementing the *trust and lead* strategy on a day-in, day-out basis falls.

- As *coaches*, their role is in teaching and encouraging workers to do what comes naturally—innovate and achieve. A manager's role is not to prescribe in detail how to get the job done, but to help workers pick up the skills and confidence to decide the best way to get it done themselves.
- As *benchmarkers*, their role is to search out "best practices" for getting things done and then work with employees on investigating whether similar practices would improve efficiency in their own offices and shops. Their job is not to quash new ideas, but to borrow and fine-tune any idea they can find, or that an employee brings to them, that will help their operation run more smoothly.
- As *listeners*, their role includes taking employees' suggestions and treating them seriously. The best way to discourage employee involvement in any organization is to invite ideas from the front line and then ignore the input. Once employees recognize that managers are ready to listen *and* act, they will start sharing their ideas.
- As *mentors*, their role is to share authority and knowledge with their employees. In the flat, flexible agencies of the future, managers will no longer solely be directors. They will be creating self-managed teams in which all employees share responsibility for performance, and in which many perform duties once reserved for managers.
- As *champions*, their role is to support employee ideas. Their job is to say "yes," whenever it makes sense to, and then figure out ways to push the ideas into practice, whether by securing needed resources or taking the idea higher up the line.

**ENCOURAGE A NEW STYLE OF LABOR-MANAGEMENT  
COMMUNICATION**

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*Labor and management get to the point where the adversarial positions no longer serve either party effectively, and they have no choice but to sit down and work together to try to come to some better way. . . . I think that if labor and management leaders could both understand that they should—if they're sincere—share the same goal, which is to provide a quality service to the public, . . . then they would be able to sit down and come up with the kinds of solutions that are necessary.*

Norma Goodling  
Assistant to the Executive Director  
American Federation of State, County and  
Municipal Employees  
Council 13  
Philadelphia Hearing, May 1992

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Much of what the Commission recommends earlier in this chapter would be the natural consequence of a closer working relationship between labor and management. For far too long an adversarial climate between the two has predominated. It is a climate that can stifle innovation and feed public cynicism about government's ability to get the job done. In governments in which labor and management work together the positive results are clear.

To achieve such a closer working relationship, the Commission believes that management and labor need to open up new and substantive channels of communication—whether or not workers are formally organized into unions, as 35 percent of the nation's state and local work force currently is. Management, for its part, must start including workers, including union leadership, in decision-making processes at the start, and not simply brief staff "from on high" at the end. Early engagement of a work force in change is a hallmark of the current quest for quality management, a factor too often ignored by those government executives who remain mired in a command and control mentality. Once labor and management have established a more positive relationship, unions should reciprocate by reconsidering protective devices inherited from the era of adversarial relations,

## *A High-Performance Work Force*

such as the premium placed on seniority, overly elaborate “bumping” rules in the event of force reductions, and excessively constraining work rules.

Not only are there a host of promising examples of cooperative labor-management problem-solving across the country, but research indicates that unionized employees are more likely than non-unionized employees to make suggestions to management, given the opportunity. This approach certainly helped in Oregon, where members of a Service Employees International local worked with management to reduce a crushing social service work load. It led to positive change in Minnesota, where members of the American Federation of State, County and Municipal Employees helped restructure the state’s mental retardation system. And it is an ongoing and very beneficial new style of operating in Madison, Wisconsin, where Labor International workers have been at the forefront of the quality movement, saving funds while increasing citizen satisfaction.

Few of us—perhaps none of us—know how to make government work better than those who do the front-line work. Continuing the old adversarial relationship in today’s highly competitive world simply makes no sense and only drags government down. Cooperative action to make government more productive is in the interest of all government workers; the fruits of enhanced labor-management cooperation and labor-saving innovations should be shared by workers and the public.

## 6

### REMOVING THE BARRIERS TO CITIZEN INVOLVEMENT

**W**e believe that a fundamental priority of state and local governments must be to trust and work with citizens. Effective government requires that citizens be informed about policies, programs, and issues and be enlisted as active participants in the ongoing process of government. Government has to offer citizens the chance to be part of the solution, rather than merely a client for or object of its services. This paradigm requires a shift in how governments think of and treat citizens. It also requires that governments start opening the books in all areas, from the budget process to the campaign trail.

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*The ordinary citizen in approaching his or her government often encounters arrogance—"we know better," "we know best," and "we don't really want to hear your opinion"—and resistance to the ideas that citizens have to offer from their community experience. . . . Together with communities, government must begin to reaffirm a rhetoric of the public interest: that government is there to serve the people. It's there to be the steward of our shared common public resources and our shared public common life as a society and, with community, to work to find ways to become more responsive.*

Jackie Leavy  
Executive Director  
Neighborhood Capital Budget Group  
Chicago, Illinois  
Chicago Hearing, June 1992

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While it is true that the public tends to have more faith in some levels of government than in others, public suspicion of and cynicism



about government are widespread. Asked in a 1989 survey to identify which officials—federal, state, or local—were the most honest, 13 percent of the public picked federal, 11 percent state, and 35 percent local, while one-quarter of the sample volunteered “none of the above.” Although local governments fared better than the states and the federal government, the pattern is clear: People do not trust their governments. According to surveys, citizens still give high grades to localities for basic service delivery, and still want states to take the lead on key issues of public policy. But they have little faith that *any* government cares much about what they think, nor do they believe that government is run for them.

Government at all levels is failing to carry out one of its most critical responsibilities—to assist and enable citizens to participate meaningfully, beyond the voting booth and on a continuing basis, in the processes of government. Citizens feel estranged from government for many reasons, but among the most crucial is the reality that citizens are not adequately helped to understand what is happening in government, why it is happening, and what it means for them. As governmental structures and operations have grown larger and more complex, the need for keeping citizens fully and currently informed has intensified. After all, it is their government.

There are many good examples of government engaging citizens effectively in its processes. This includes such efforts as the Oregon Benchmark program begun in the late eighties. Citizens participate in an exhaustive process to set year-by-year achievement goals for the entire state on issues ranging from education to drug abuse. In some localities, “community policing” has offered a good vehicle for bringing citizens into the decision-making process. Still, government as a whole needs to be imbued with the critical importance of utilizing citizen input to help make better policy decisions and to improve the efficiency and effectiveness of governmental processes.

Not all the blame for the current situation can be laid at the feet of government, however. Clearly citizens need to reengage. Asking for increased and expanded services while fighting tax increases at every turn is a now-familiar and contradictory pattern in which citizens do not seem willing to acknowledge their role.

Although the Commission hopes that citizens recognize their part in the larger social compact of public service, there are steps that government can take now to reduce citizen suspicion and cynicism

and also encourage public involvement in problem-solving and policy-setting.

**RECOMMENDATION SEVEN:  
OPEN THE BOOKS ON GOVERNMENT**

*Open the books on government by providing detailed information on campaign financing and lobbying.*

The view that government is run for the benefit of the few is clearly fueled by rapidly increasing campaign spending and lobbying activity. Of course, money has always been a part of the political process, and it is beyond the scope of the Commission's mission to judge the extent to which that is good or bad, although the increases in both campaign spending and lobbying activity raise serious questions about how untainted the process can really be. The most immediate problem, however, is money and lobbying activity *plus* secrecy. In combination, the Commission believes that they are detrimental to government's image and the public trust and thus recommends opening the books on government through the following actions.

**MAKE CAMPAIGN SPENDING MORE VISIBLE**

State and local elections have become big business, with total campaign spending by or on behalf of all candidates growing from \$240 million in 1976 to \$905 million in 1988. Concerns about the increase have led many states and localities—including ten states in 1991 alone—to establish new reporting practices or to limit campaign expenditures. The U.S. Supreme Court has clearly ruled that campaign spending of a candidate's own resources represents an exercise of free speech, although reasonable limits on contributions by others to political campaigns are acceptable. However, the lack of clear disclosure of who spends how much raised from whom and for what purposes can only heighten public suspicions of corruption. One way to address those perceptions, short of total public financing of campaigns, is to offer citizens access to clear information on campaign spending, on both who gives the money and how it is spent. Secrecy serves no purpose here.

Toward that end, the Commission believes that all states and localities ought to ensure that their current or planned reporting mechanisms include four key features:

- *Citizen access at reasonable cost to periodic reports on campaign contributions during the election cycle, and within two weeks of each election.*
- *Mandatory reporting by all candidates of significant information, including the names, addresses, bank depositories, and treasurers of their campaign committees; the same information for any political action committees on which they hold leadership positions; and the name, address, occupation, and employer of anyone who gives more than \$100 to their campaigns.*
- *Mandatory disclosure by campaign committees of all expenditures within clear categories—for example, media purchases, polling, and voter registration.*
- *Provision by states and localities of some analysis of the statistics to help citizens understand them more fully.*

The Commission believes that states and localities should implement such sunshine laws for all campaigns. Cynicism is only natural in the absence of this kind of easily accessible information.

#### **MAKE LOBBYING MORE VISIBLE**

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*We are recommending that all expenditures by lobbyists and public officials be reported—no loopholes, all expenditures. This is not to encumber legitimate lobbyists, but to ensure that citizens have equal footing with special interests, and it is a way to bring people back into the process.*

The Honorable Dick Molpus  
Secretary of State, State of Mississippi  
Jackson Hearing, January 1992

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Lobbying activity at the state and local level is now a major industry. It also happens to be a major source of scandal. Legislatures in Arizona, South Carolina, and California have all been rocked by revelations of vote-buying. Many states and localities are trying to limit lobbying activities, including tightening controls on what lobbyists can give in the way of, for example, gifts and entertainment.

The Commission does not believe that lobbying is inherently bad. As with campaign spending, it is lobbying *plus* secrecy that hurts the image of politicians and government.

The Commission recommends that states and localities implement lobbying disclosure laws that meet five requirements:

- *Guarantee citizens access to periodic reports on lobbying expenditures during key legislative and executive sessions in which decisions are made.*
- *Register, by broadly defined categories, all lobbying organizations.*
- *Report by specific categories all expenditures on lobbying of any kind, such as the number of full- and part-time lobbying personnel, and funds spent on mailing, phone banks, receptions, and so forth.*
- *Identify public officials who receive gifts or services of any kind from lobbying organizations.*
- *Make information on lobbying activity and expenditures easily available at low cost to citizens.*

#### **RECOMMENDATION EIGHT: LIMIT THE POLITICAL FUNDRAISING SEASON**

*Limit the political fundraising season to the six months before an election and limit the use of carry-over campaign funds.*

In the field of campaign finance, we are concerned that big monied interests are too dominant and ubiquitous in government. Individual citizens acting on their own initiative have less of a chance for access—and government less of a chance to listen to them—if elected officials spend too much of their time and energy raising large sums of money for future campaigns. This crowding out of their constituents by nearly constant fundraising not only denies state and local leaders the opportunity to interact with them, but also creates further misunderstandings of who “owns” government, especially when elected officials raise money during legislative sessions.

There is no simple solution to this problem. After all, the idea that all interests are special to someone and should be represented in the political process lies at the very core of the American ideal. As an issue of governmental process and fairness, however, the Commission recommends that states and localities place a moratorium on fundrais-

ing events until six months before elections and that campaign funds carried over from a preceding campaign not be used to fund a subsequent campaign or diverted for personal use. Fundraising events would no longer be held on a year-round, every-year basis. While some candidates would undoubtedly seek ways around such a moratorium, the Commission believes that a formal stated policy will set a tone and send a signal to citizens and elected officials alike that the first priority of office is making decisions, not raising campaign money.

**RECOMMENDATION NINE:  
ENCOURAGE CITIZEN PROBLEM-SOLVING**

*Encourage citizen problem-solving by experimenting with citizen liaison offices and setting up a national service corps.*

Even the best-led and most responsive government cannot possibly be the lone player in solving all of society's problems. Local governments, for example, cannot put a cop on every dangerous corner or a social worker in every fragile home. What government can do, however, is allow and encourage citizens to share the role of problem solver.

To encourage such a broadening of the role, states and localities ought to weigh each new program not just for cost, but also for its impact on this problem-solving capacity. The state of Colorado did so by working with local citizens on deciding where and how to spend child and family welfare funds.

Rebuilding civic capacity involves access to government. If public comment periods are scheduled at the tail end of the decision-making process, long after the key agreements have been hammered out, conflict and cynicism are an almost inevitable result. Denying citizens the basic information that might help them speak with greater clarity and authority on issues means that citizens will neither learn how to work with their government officials nor develop a basic level of trust in government. If citizens are to participate, they need to be included not merely early on in the decision-making process, but throughout it. If governments continue to offer citizens only last-second, shallow engagements, like public hearings or public comment periods, public cynicism will grow and public policy-making will suffer.

*I would say—and it would be only a bit of an overstatement—that the public hearing is the most counterproductive instrument of government that we have today. It is counterproductive because it is neither public nor a hearing. That is to say, it has people there, but it is the showcase of those who would have a particular special interest. It is not hearing; nobody hears anything because nobody is listening.*

David Mathews  
President  
The Kettering Foundation  
Jackson Hearing, January 1992

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Toward the overall goal of citizen reengagement, the Commission makes two proposals.

#### **CREATE CITIZEN LIAISON OFFICES**

The Commission urges that major agencies of large governments consider the creation of citizen liaison offices. These offices can serve as a mechanism for changing how agencies view their mission, helping assure that accurate and timely information about governmental policies, programs, and pending issues is provided to citizens, and enlisting citizens to serve on a volunteer basis and participate in governmental activities. We view this as an experimental approach for getting citizens plugged into government. The mission of these liaison offices should be fourfold:

- *Designing programs that engage citizens more creatively in solving their own problems.*
- *Providing advice to departments and agencies on how existing and proposed legislation and regulations can be changed to assure better performance.*
- *Seeking opportunities for greater involvement of citizens within the decision-making process.*
- *Supporting better outreach efforts to communities and citizens within governmental departments and agencies.*

With small amounts of funding for training and outreach, these offices could become instruments for community problem-

solving. Our view is that the charter for these citizen liaison offices should be time-limited—that they should serve as catalysts and not necessarily become permanent fixtures.

### **CREATE A NATIONAL SERVICE CORPS**

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*Every child should participate every year in activities appropriate to their grade-level. This should be a dynamic, participatory program that shows students how government is affecting them and how they can affect government.*

Janet H. Clark and Carla Wall  
Executive Directors  
Mississippi First, Inc.  
Jackson Hearing, January 1992

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Political scientists have long understood that early exposure to public life leaves a lasting positive imprint on people. Those who participate early, whatever the activity, tend to be more involved in public service and activity throughout their lives. Therefore, the Commission endorses the concept of national public service. Models include Boston's City Year and the District of Columbia Service Corps, which work by giving people real public jobs in return for course credits, low-interest college loans, and scholarships.

Such public service programs generate at least three benefits for states and localities:

- ▶ *They introduce citizens to the demands and complexities of government work and public decision-making.* The "seasoning" of our citizenry through such real-world experience could help reduce the constant escalation of demands that puts such a burden on political and service-delivery systems government-wide; a taste of civic problem-solving helps constituents understand how difficult and complex a task it can be.
- ▶ *They create a larger pool of people interested in careers in public life.* As continuing surveys of college freshmen suggest, the pendulum of interest is swinging away from private interest back toward public engagement. What people need most now is the

## *Citizen Involvement*

chance to experience the work that constitutes so much of what state and local government does.

- ▶ *They improve the very skills that permit citizens to address their own problems.* While such programs call for some financial outlay, national service will produce significant long-term savings, in part because every person who participates becomes a citizen problem solver.

Whatever shape a national service corps takes, the Commission urges that the final proposal provide for a strong partnership with state and local government—young people should be given the opportunity to work at all levels of government. The Commission also urges that the federal government pay its fair share of the costs.



## REDUCING FISCAL UNCERTAINTY

**A**lthough this report is primarily concerned with the management and operation of state and local governments, the Commission would be remiss if it did not address the single most crippling fiscal issue that government budget offices face: the cost of Medicaid. Over the past decade, Medicaid has become the fastest growing line item in state budgets. As the federal government has dragged its feet over how to control health care costs and what to do about America's 37 million uninsured individuals, state budgets have absorbed huge cost increases and additional mandates for care. Those increases have eaten away at fiscal stability. They show no signs of abating; indeed, they seem to be accelerating.

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*Let me . . . tell you the kinds of services we provide in the city's public hospital systems. We provide half of the care for all New Yorkers who need ambulatory care; we take care of 30 percent of all the mothers, infants, and children in the city; we provide 30 percent of all the care to people with AIDS; half of all the city's psychiatric patients are treated in public hospitals in New York City. . . . We provide over 65 percent of all uninsured outpatient visits and a little less than that of all uninsured emergency room visits; we provide 27 percent of the uninsured inpatient care in the city.*

Pamela S. Brier  
Chief Executive Officer  
Bellevue Hospital Center, New York City  
Philadelphia Hearing, May 1992

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States and localities have not been passive victims of the health care cost explosion, however. They have experimented with dozens of strategies for covering the uninsured and controlling costs, and in

the process have come up with some methods for coping that the federal government ought to consider as it wrestles with the issue. The question now is whether the federal government can move quickly enough in its health care reform effort to prevent further serious fiscal damage to states and localities.

**RECOMMENDATION TEN:  
PROMPT THE FEDERAL GOVERNMENT TO LEAD,  
FOLLOW, OR GET OUT OF THE WAY ON HEALTH CARE**

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*The federal rules on Medicaid are 694 pages long. The federal/state Medicaid manual encompasses six large texts. One chapter alone has been revised 12 times since last December. For every problem, government thinks there ought to be a new statute or regulation. The accumulation of 27 years' worth of rules is truly a bog.*

Gary Clarke  
Assistant Secretary for Medicaid  
Department of Health and Rehabilitative Services  
State of Florida  
Tallahassee Hearing, May 1992

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Recommendations on the specifics of health care reform, such as managed competition or caps on global costs, are beyond the scope of the Commission. However, in order to serve states and localities today, the federal government can take three actions:

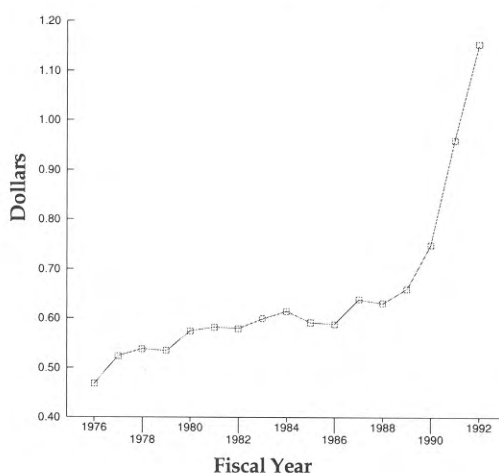
- *Lead* by enacting a national health care package that will control costs and cover the uninsured, while possibly “federalizing” the Medicaid program as a consequence.
- *Follow* by backing states in their efforts at cost control through compacts, cost limits, insurance reform, and expanded federal funding of the Medicaid program.
- *Get out of the way* by reducing the obstacles that currently exist to further innovation in the states—for example, by reforming the Employee Retirement and Income Security Act (ERISA) to allow greater flexibility in coverage, and by allowing greater numbers of waivers on Medicaid rules so that states can

## Reducing Fiscal Uncertainty

experiment with ways to deliver the best health care to the maximum number of citizens possible.

The Commission is issuing a separate report on health policy that focuses on the state role and the financial crisis spurred by Medicaid. Medicaid is monopolizing state finances and crowding out public health services and prevention activities, stripping state governments of fiscal flexibility (see Figure 2). We are especially concerned that federalism, institutional, and managerial issues be taken into account in the debate on national health care reform. It will,

**Figure 2: State and local spending for Medicaid per \$100 of personal income, 1976 to 1992.**



Notes: Spending paid for by federal aid is excluded. Medicaid spending for each fiscal year is divided by personal income in the calendar year that ended during it.

Sources: For Medicaid spending, U.S. Health Care Financing Administration, unpublished data provided March 18, 1993 (1992 spending is projected). For personal income, U.S. Department of Commerce, Bureau of Economic Analysis, unpublished data provided September 2, 1992.

for example, be critical to have highly qualified professional managers to run new systems. Whatever the federal government decides to do, the Commission hopes it will act quickly and decisively. The states cannot wait much longer for a resolution. With health care costs projected to rise by 30 percent again this year and next, the time has come for change.

## *CONCLUSION: A QUID PRO QUO APPROACH TO IMPLEMENTATION*

**A**chieving higher performance will not be easy. Comprehensive reform never is. The temptation will always be toward tinkering and small-scale adjustment, toward turf protection and politics as usual. After all, the Commission is asking for all the stakeholders in state and local public service to give up something, and to take on more responsibility in return.

Yet the Commission firmly believes that whatever any one group gives up, it will receive much more in return. The Commission believes that if all the various interest groups view the report's proposals in terms of one broad quid pro quo, momentum for comprehensive action will be created.

Consider *chief executives*. The Commission asks them to engage in a new dialogue with the public, to set a clear vision of the future, and to put greater faith in citizens and front-line employees alike in helping shape and carry out what government does. In return it offers them more authority to shape their governments, their policies, and their staffs—in a phrase, to be change agents.

Consider *public employees*. The Commission asks America's more than 15 million state and local public workers—unionized and nonunionized alike—to take more risks and accept more responsibility. It asks them to make learning a lifelong ambition and quality work and better performance an ever-present goal. In return, the Commission asks government to give employees the challenging work they deserve along with a greater share in making decisions about how the job gets done. At the same time it asks government to make the necessary investment in the training and education that is the right of every hard-working public servant. It emphatically rejects “bureaucrat-bashing” by those seeking or holding elective office.

Consider *managers*. The Commission asks managers to get out of the supervising, disciplining, second-guessing, and double-

checking role and to get into coaching, benchmarking, listening, mentoring, and championing—the essence of the *trust and lead* strategy. Managers must help sustain a climate that promotes innovation and accept some failure as the inevitable result of these creative efforts. In return, those managers who are ready to change will be freed from many of the mind-numbing regulations that occupy so much of their time, whether in hiring and firing personnel or in making purchasing decisions. This transformation will allow managers more time and greater freedom in shaping how their departments run. They, too, will have access to the educational opportunities they deserve, as well as the upward contact with executives they want and need.

Consider *citizens*. The Commission asks them to put government back into perspective—to recognize that, while government can do more, it does not have the capacity to solve every problem. Citizens must rediscover their role as community problem solvers. When citizens insist that government act, they need to recognize that government action costs money. They also need to realize that action requires giving leaders the authority to act. In return, the Commission recommends a much greater role for citizens in government, in part through citizen liaison offices, so that they can be involved at every step of the policy-making process. It also recommends that government end the secrecy that surrounds campaign financing and lobbying activity in too many states and localities.

The advantage to thinking in terms of such *quid pro quos* is that every party in the public service milieu can be invited to the table to share in a package of mutual give-and-take. Only by conceiving of change as such a shared effort can we move toward needed reform. As with any overhaul, merely replacing one or two parts here and there, or tuning one or two systems along the way, will not be as effective as changing the whole. The pressure is not on chief executives, public employees and their unions, managers, or citizens alone, but on all four groups to engage in building a public service that can look forward confidently to the task ahead.

True reform is impossible, however, without also changing the agencies and systems of government. Our chief executives, citizens, and public employees have been banging their heads against the bureaucracy for too long. Without the deregulation and reduction of government layers called for in this report, obsolete systems will continue to win out.

## *A Quid Pro Quo Approach to Implementation*

We end on a point worth remembering. The American governmental system operates under the oldest continuing democratic political charter in the world—our federal Constitution. Its basic values of pluralism and wide access are today the envy of many nations wrestling with the establishment of new democratic political institutions. In this world of instant communication, global competition, and rapid change, governments are challenged to be faster off the mark. We need stronger executive leadership to temper our pluralism—to get beyond the muddle of conflicting voices that often result in gridlock. We need to improve the capacity of governments at all levels to govern effectively. But we must never lose sight of the fundamentals. Our governmental system—though undoubtedly imperfect and often fractious—is a rich heritage. We can improve it. We must never weaken it.

## BIOGRAPHIES

### COMMISSION MEMBERS

**William F. Winter**, chairman of the Commission, served as governor of Mississippi from 1980 to 1984. His public career in Mississippi also included service as lieutenant governor, state treasurer, and state representative. Currently a senior partner in the Jackson, Mississippi law firm of Watkins Ludlam & Stennis, Governor Winter is chairman of the Kettering Foundation and is a past chairman of both the Commission on the Future of the South and the Foundation for the Mid South. He has been a Fellow of the Institute of Politics at the John F. Kennedy School of Government at Harvard University, the Jamie Whitten Professor of Law and Government at the University of Mississippi, and the Eudora Welty Professor of Southern Studies at Millsaps College. He was an infantry officer during World War II and the Korean War.

**Meg Armstrong** is the former executive vice president and chief operating officer of the Institute for East-West Securities Studies in New York City. Currently she is managing director of the Leadership Group, Inc., which provides consulting and training services for women leaders in the United States and around the world. Ms. Armstrong was the founding executive director and a board member of Women Executives in State Government. Her background includes designing management strategies for the presidential Grace Commission on federal government reorganization, directing the President's Reorganization Project on Economic Development from 1977 to 1978, and serving as director of Federal-State Relations for two governors.

**Reubin O'D. Askew** served as governor of Florida from 1971 to 1979 and as U.S. trade representative under President Jimmy Carter from 1979 to 1980. His career has included service in the 82nd Airborne Division and the Air Force. Currently Of Counsel to Akerman, Senterfitt & Eidson, P. A. in Orlando, Governor Askew is Distinguished Service Professor of Public Administration at Florida Atlantic University, Broward and a member of the board of the LeRoy Collins Center for Public Policy. A Fellow of the National Academy of Public Administration, he received his bachelor's degree in public administration from Florida State University and his law degree from the University of Florida law school.

**Mary Jo Bane** is currently assistant secretary-designate at the Administration for Children and Families at the U.S. Department of Health and Human Services. Prior to that she was commissioner of the New York State Department of Social Services, an agency where earlier in her career she had also served as executive deputy commissioner. For several years Ms. Bane was a Malcolm

Wiener Professor of Social Policy and director of the Malcolm Wiener Center for Social Policy at Harvard University's John F. Kennedy School of Government. She has authored many books and articles on human services and public policy.

**Barbara B. Blum** is currently president of the Foundation for Child Development. She was formerly president of the Manpower Demonstration Research Corporation when that organization began conducting work/welfare experiments in eight states. Mrs. Blum, an advocate and volunteer for disabled children for 15 years before working in state and local government, has served as commissioner of New York State's Department of Social Services and as head of the state unit responsible for closing Willowbrook. In New York City, she was deputy director for mental health and commissioner of special services for children.

**Walter D. Broadnax**, formerly president of the Center for Governmental Research Inc., is currently deputy secretary of the U.S. Department of Health and Human Services. His public sector career has included serving as both president of the New York State Civil Service Commission and commissioner of the state's civil service department; during his tenure he guided the creation of the Governor's Work Force Planning Initiative. Previously a faculty member at Harvard University's John F. Kennedy School of Government, Mr. Broadnax directed the Innovations in State and Local Government Awards Program of the Ford Foundation and Harvard. He is a Fellow of the National Academy of Public Administration.

**Yvonne Brathwaite Burke**, formerly a partner in the California law firm of Jones, Day, Reavis & Pogue, returned to the Los Angeles County Board of Supervisors in 1992, having previously served in 1979. Her tenure in elective office includes 12 years of combined service in the California State Assembly and U.S. House of Representatives. Ms. Burke served on numerous boards, including the University of California's Board of Regents. She was chair of the Los Angeles branch of the Federal Reserve Bank of San Francisco and is past chair of the Ford Foundation's advisory committee for the Innovations in State and Local Government Awards Program. Ms. Burke is a Fellow of the National Academy of Public Administration.

**Karen S. Burstein**, currently a New York State family court judge, has served in many government capacities. She has been New York City's auditor general, led the New York State Civil Service Commission and the state's civil service department, chaired and directed the state's Consumer Protection Board, and served as a New York State senator. Her career in New York State has also included serving on the state's Public Service Commission, chairing the Temporary State Commission on Workers' Compensation and Disability Benefits, and co-chairing from 1978 to 1989 the Governor's Task Force on Domestic Violence.



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**Henry G. Cisneros** is the U.S. Secretary of Housing and Urban Development. Previously, he chaired Cisneros Asset Management Company, a national fixed-income asset management firm for tax-exempt institutions. Secretary Cisneros, who was a councilman for six years in the city of San Antonio, Texas, was elected mayor in 1981 and served four two-year terms. In 1985, he became president of the National League of Cities. Prior to being appointed as U.S. Secretary, he served on numerous boards; he was deputy chairman of the Federal Reserve Bank of Dallas, chairman of the National Civic League, and a member of the board of the Rockefeller Foundation.

**John J. DiIulio, Jr.** is Professor of Politics and Public Affairs at Princeton University and Senior Fellow in Governmental Studies at the Brookings Institution. He served as founding director of Princeton's Center of Domestic and Comparative Policy Studies and currently chairs the American Political Science Association's standing committee on professional ethics. Mr. DiIulio, who teaches both in the Woodrow Wilson School and the Department of Politics, concentrates on the areas of American politics, public management, criminal justice, and military affairs. His numerous publications include *Reconstituting the Public Service: Can Government Be Improved?*

**R. Scott Fosler** is president of the National Academy of Public Administration. The academy is chartered by Congress to help improve governance and public management at all levels—federal, state, local, and international. Previously, Mr. Fosler was vice president and director of government studies for the Committee for Economic Development, a national organization of corporate executives and university presidents. From 1978 to 1986, he was a member of the county council for Montgomery County, Maryland. Mr. Fosler is a Senior Fellow of the Institute for Policy Studies at Johns Hopkins University and serves on the boards of the Public Administration Service and the National Civic League.

**Robert Fulton** is a public policy analyst based in Patton, Missouri. He currently works on policy development as well as program delivery issues relating to children and families in the fields of health care, social services, training, child care, and employment. Mr. Fulton is senior advisor for the National Center for Children in Poverty at Columbia University. From 1983 to 1991 he served Oklahoma state government first as director of human services and then as cabinet secretary of social services. Prior to state service, Mr. Fulton was a senior staff member of the U.S. Senate Budget Committee and worked in a number of federal agencies, first as a careerist and then in senior policy and managerial positions.

**John Herbers**, a graduate of Emory University and a Nieman Fellow at Harvard, was a reporter and editor for *The New York Times* for 24 years. His assignments as a national correspondent included the civil rights movement in the South, Congress, the White House, state and local governments, politics,

and social trends. He also served as assistant national editor in New York and as deputy bureau chief in Washington in the 1970s. After retiring from *The New York Times* in 1987, Mr. Herbers taught seminars on politics and the press at Princeton University and the University of Maryland and was a columnist and contributing editor for *Governing* magazine.

**Elizabeth L. Hollander** is the executive director of the Government Assistance Project of the Chicago Community Trust. From 1990 to 1991 she directed the Illinois Commission on the Future of Public Service. For six years she served as the commissioner of planning for the city of Chicago. Her prior positions include directing the Metropolitan Planning Council and serving as associate director of the Task Force on the Future of Illinois. Ms. Hollander is a graduate of Bryn Mawr College and attended the state and local program at Harvard University's John F. Kennedy School. She is an adjunct faculty member of the Illinois Institute of Technology's Master's in Public Administration program and a member of the institute's board of trustees.

**Robert A. Kipp** serves as group vice president of corporate communications and services for Hallmark Cards, Inc. as well as president of the Crown Center Redevelopment Corporation. Beginning his career as planning director of Newton, Kansas, Mr. Kipp later held city management positions in Lawrence, Kansas, Vandalia and Fairborn, Ohio, as well as Kansas City, Missouri, where he served from 1970 to 1983. A Fellow of the National Academy of Public Administration and a life member of the Missouri City Management Association, Mr. Kipp is a past president of the International City Management Association. He received a master's in public administration from the University of Kansas.

**L. Bruce Laingen** was executive director of the National Commission on Public Service from 1987 to 1990 and is president of the American Academy of Diplomacy in Washington, D.C. After serving in the U.S. Navy during World War II, he joined the foreign service, where his 38-year career included serving as ambassador to Malta, chargé d'affaires in Tehran, and vice president of the National Defense University. In 1984 he won a Presidential Meritorious Performance Award and in 1986 a Distinguished Public Service Award from the Department of Defense. A native of Minnesota, Ambassador Laingen is a graduate of St. Olaf College and the National War College and earned a master's degree from the University of Minnesota.

**Ray Marshall** was the U.S. Secretary of Labor under President Jimmy Carter. He currently holds the Audre and Bernard Rapoport Centennial Chair in Economics and Public Affairs at The University of Texas at Austin. He is a member of the new federal Commission on the Future of Worker/Management Relations. Mr. Marshall has a doctorate in economics from the University of California, Berkeley and is the author or coauthor of more than 200 books, monographs, and articles. Topics include such areas as the economics of the

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family, education and the economy, the competitiveness of the United States in an internationalized economy, and international workers' rights. His most recent publication, written with Marc Tucker, is *Thinking for a Living: Education and the Wealth of Nations*.

**Ruth W. Massinga** is chief executive of The Casey Family Program, a private operating foundation based in Seattle, Washington that provides foster care to more than 1,200 children in 13 states. From 1983 to 1989 she served as secretary of the Department of Human Resources in Maryland. Former president of the American Public Welfare Association in Washington, D.C., Ms. Massinga is a member of the National Commission on Children and is on the boards of the Family Resource Coalition and the American Humane Association. Ms. Massinga holds a master's degree in social services from Boston University.

**William G. Milliken** retired in 1983 as Michigan's longest serving governor; during his years in office he served a term as chairman of the National Governors' Association. Elected as chief executive in 1970, he moved into that office in 1969 after serving as lieutenant governor. He has also served in the Michigan State Senate where he became Majority Floor Leader. Governor Milliken chaired the Education Commission of the States and has been a president of the Council of State Governments. Prior to public service, he was president of J.W. Milliken, Inc., a chain of Michigan department stores. Governor Milliken currently serves as a director on a number of boards including both the Chrysler and Unisys corporations. He is a graduate of Yale University.

**Richard P. Nathan** is director of the Nelson A. Rockefeller Institute of Government and provost of the Rockefeller College of Public Affairs and Policy of the State University of New York in Albany. Previously, he was a professor of public and international affairs at Princeton University and a Senior Fellow at the Brookings Institution. Mr. Nathan served in government as associate director for the National Commission on Civil Disorders (Kerner) Commission, director of domestic policy research of the national campaigns of Nelson A. Rockefeller, assistant director for the U.S. Office of Management and Budget, and deputy undersecretary for welfare reform of the U.S. Department of Health, Education and Welfare. His books include *Turning Promises into Performance* and *The Administrative Presidency*.

**Neal Peirce** writes the country's first national column focused on state and local government themes, syndicated by The Washington Post Writers Group. He was a founder and remains a contributing editor of the *National Journal* and served in the 1960s as political editor of the *Congressional Quarterly*. His series on America's states and regions culminated in *The Book of America: Inside 50 States Today*. Among his numerous publications is the recently released book, *Citistates: How Urban America Can Prosper in a Competitive World*. Mr. Peirce is

one of the founders of the Center for the Redesign of Government based at the National Academy of Public Administration.

**Nelson W. Polsby**, director of the Institute of Governmental Studies and professor of Political Science at the University of California, Berkeley, has taught American politics and government at the university for 25 years. He is currently president of the Yale University Council and is a member of the Academic Advisory Board of the American Enterprise Institute. Mr. Polsby has held Guggenheim fellowships twice and is a Fellow of the National Academy of Public Administration. A former managing editor of the *American Political Science Review*, Mr. Polsby currently serves on the editorial boards of four scholarly journals. His many books include *Congress and the Presidency*, *Political Innovation in America*, and *Consequences of Party Reform*.

**Michael B. Preston** is professor and chair of the Department of Political Science at the University of Southern California. Mr. Preston, who received his doctorate from the University of California, Berkeley, has also taught at the University of Illinois, Urbana and the University of Chicago. He has served as a vice president of the American Political Science Association and president of the National Conference of Black Political Scientists. A member of several editorial boards, he was associate editor of the *National Political Science Review*. His research focuses on urban and black politics and public administration. Publications include *The Politics of Bureaucratic Reform* and the recent *Racial & Ethnic Politics in California*, coauthored with Bryan Jackson.

**Charles T. Royer** directs the Institute of Politics at the John F. Kennedy School of Government at Harvard University and is a lecturer at the Kennedy School. In 1977 Mr. Royer was elected mayor of Seattle, Washington and served in that office for 12 years. He is a past president of the National League of Cities, served on the U.S. Conference of Mayors Advisory Board, and for seven years was the president of the American delegation to the Japan-American Conference of Mayors and Chambers of Commerce Presidents. He also chaired the National Advisory Committee to the Robert Wood Johnson Foundation's Health Care for the Homeless Project. Mr. Royer's service as mayor followed a career in newspaper and television journalism.

**Lisbeth B. Schorr**, a national authority on improving the future of disadvantaged children and their families, is a lecturer in social medicine at Harvard University, a member of the Harvard Working Group on Early Life, and director of the Harvard Project on Effective Services. Ms. Schorr holds leadership positions in many of the major national efforts on behalf of children, including the Carnegie Task Force on Young Children, the National Alliance on School Restructuring, and the boards of the National Center for Children in Poverty and the Public Education Fund Network. She co-chairs the National Academy of Sciences' Roundtable on Effective Services. Her book, *Within our*

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*Reach: Breaking the Cycle of Disadvantage*, analyzes social programs that have improved the lives of disadvantaged children.

**Max Sherman** is professor and dean of the Lyndon B. Johnson School of Public Affairs, The University of Texas at Austin. He holds the J. J. "Jake" Pickle Regents Chair in Public Affairs and is a past president of the National Association of Schools of Public Affairs and Administration. He served in the Texas Senate from 1971 to 1977, was special counsel to the Governor of Texas, and was also the president of West Texas State University. Mr. Sherman is a Fellow of the National Academy of Public Administration and serves on numerous boards and committees including the National Advisory Committee for the Innovations in State and Local Government Awards Program of the Ford Foundation and Harvard University. He was recently named Distinguished Alumnus by his undergraduate institution, Baylor University.

**Eddie N. Williams** is president of the Joint Center for Political and Economic Studies, a national institution based in Washington, D.C. that researches and analyzes major national policy issues, particularly those affecting black Americans. He is a former vice president for public affairs and director of the Center for Policy Study at the University of Chicago. In 1988 Mr. Williams was awarded the MacArthur Foundation Prize Fellowship. He currently chairs the boards of the Pew Partnership for Civic Change and the National Coalition on Black Voter Participation. He serves on the boards of several organizations and corporations including the National Endowment for Democracy and the Grumman Corporation.

### STAFF AND ADVISORS

**Frank J. Thompson**, executive director, is dean of the School of Public Affairs and associate provost of Rockefeller College at the State University of New York at Albany. He is immediate past president of the National Association of Schools of Public Affairs and Administration. Mr. Thompson has published extensively on topics of policy and administration and is editor of the Commission's companion volume, *Revitalizing State and Local Public Service*.

**Paul C. Light**, senior advisor, is a professor of planning and public affairs at the Hubert Humphrey Institute of Public Affairs at the University of Minnesota. He is currently a Senior Fellow at the Governance Institute and previously served as director of studies for the National Academy of Public Administration. Mr. Light is the author of six books including *Monitoring Government: Inspectors General and the Search for Accountability*.

**Enid F. Beaumont**, special advisor, is director of The Academy for State and Local Government. She is a past president of The American Society for Public Administration and a former vice president and director of the National Institute of Public Affairs at the National Academy of Public Administration.

*Hard Truths/Tough Choices*

**Steven D. Gold**, advisor, is director of the Center for the Study of the States at the Rockefeller Institute of Government, State University of New York. He previously served as the director of fiscal studies for the National Conference of State Legislatures.

**Miriam Trementozzi**, project manager, is a budget examiner on leave from the New York State Division of the Budget. She previously served as the executive director of a nonprofit organization.

**Barbara C. Guinn**, research assistant, recently received her master's degree from the School of Public Affairs, University at Albany and has been selected as a Public Management Intern with New York State's budget division.

## REGIONAL HEARING WITNESSES

*Identifying information is correct as of hearing date.*

### **Jackson, Mississippi** **January 16–17, 1992**

**Janet H. Clark and Carla Wall**, Executive Directors, Mississippi First, Inc. Topic: *Connecting citizens and government.*

**Alton Cobb**, Mississippi State Health Officer. Topic: *Health delivery systems and health problems, particularly as they relate to the poor and minorities in rural areas.*

**Steven D. Gold**, Director, Center for the Study of the States, Rockefeller Institute of Government. Topic: *The outlook for state finances in the 1990s and the need for major reforms.*

**David Mathews**, President, The Kettering Foundation. Topic: *Public attitudes as identified through the Foundation's "Citizens and Politics" Project.*

**The Honorable Dick Molpus**, Secretary of State, State of Mississippi. Topic: *Reforms needed in state government.*

**David Osborne**, Coauthor with Ted Gaebler of *Reinventing Government*, and consultant to state and local governments. Topic: *On Reinventing Government.*

**The Honorable Lynn Presley**, Clerk of the Chancery Court of Jackson County and Clerk of the Jackson County Board of Supervisors. Topic: *Government performance issues.*

**The Honorable Robert Walker**, Mayor, Vicksburg, Mississippi. Topic: *Government performance and innovation at the local level* (addressed the Commission in Vicksburg).

### **Austin, Texas** **March 25, 1992**

**Camille Barnett**, Austin City Manager. Topic: *Total Quality Management and customer service in government.*

## *Hard Truths / Tough Choices*

**Ernesto Cortes, Jr.**, Southwest Regional Director, Industrial Areas Foundation. Topic: *Citizen action in government in Texas and other states.*

**Fred Ellis**, Director of Appointments, Office of Governor Ann Richards, State of Texas, and **Anne Wynne**, Board Chair, Texas General Services Commission. Topic: *Innovative approaches taken by Governor Richards to open up the agenda of state agencies through diversity in the appointment process* (addressed the Commission at March 24 dinner).

**DeAnn Friedholm**, Special Assistant for Health and Human Services, Office of the Lieutenant Governor, State of Texas. Topic: *State and local health issues and innovative programs addressing these issues.*

**John Garth**, County Judge, Bell County, Belton, Texas. Topic: *Innovations in county government.*

**Billy Hamilton**, Deputy Comptroller of Public Accounts, State of Texas. Topic: *Performance review of state government.*

**Jan Hart**, City Manager, Dallas, Texas. Topic: *Metropolitan governance and Dallas's recognition for top management practices* (addressed the Commission at March 24 dinner).

**Kathy Whitmire**, Institute of Policy Studies, Rice University, Houston, and former Mayor, Houston, Texas. Topic: *Executive leadership and federal mandates.*

**Ric Williamson**, State Representative and Vice Chairman of the Appropriations Committee, Texas State House of Representatives. Topic: *The performance budgeting process passed by the last Texas legislature requiring specific output and outcome measures of state agencies.*

### **Tallahassee, Florida**

**May 7, 1992**

**Robert Bryant**, Superintendent, Gadsden County Schools. Topic: *Improving the climate for learning by addressing students' health and social services needs in schools.*

**The Honorable Lawton Chiles**, Governor, State of Florida. Topic: *Reshaping the public work force.*

**Gary Clarke**, Assistant Secretary for Medicaid, Department of Health and Rehabilitative Services, State of Florida. Topic: *Overcoming structural and fiscal restraints in Medicaid administration.*



## *Regional Hearing Witnesses*

**Glenda Hood**, Mayor Pro tem, City of Orlando and President, National League of Cities. Topic: *Government by the people.*

**Mark Neimeiser**, Legislative Political Director, American Federation of State, County and Municipal Employees, AFL-CIO, Council 79, Tallahassee. Topic: *The role of unions in improving public sector performance.*

**Eugene Patterson**, Pulitzer Prize-Winning Editor Emeritus, *The St. Petersburg Times*. Topic: *The Florida Voluntary Code of Fair Campaign Practices.*

**Janet Reno**, Florida State Attorney, Eleventh Judicial Circuit, Dade County. Topic: *Rethinking social services delivery on the state and local levels.*

**Frank P. Sherwood**, Jerry Collins Eminent Scholar in Public Administration, Florida State University. Topic: *On the need for a vision of the public service and recent reform efforts in Florida* (addressed the Commission at May 6 dinner).

### ***Sacramento, California***

***May 21–22, 1992***

**Joan Braconi**, Director of Research and Training, Service Employees International Union, Local 790, San Francisco. Topic: *The union role in improving public sector performance; employee involvement in decision-making.*

**Jim R. Browder**, Co-Chair, Ethnic Coalition of Southern California. Topic: *Building minority involvement in government leadership roles.*

**Gerald H. Goldberg**, Executive Officer, Franchise Tax Board, State of California. Topic: *Innovative strategies for human resources management.*

**Mary E. Grogan**, Director, Parks and Recreation Department, Modesto, California. Topic: *Quality circles in city government.*

**Bonnie Guiton**, Secretary, State and Consumer Services Agency, State of California. Topic: *Improving government efficiency and responsiveness.*

**Gloria Harmon**, Executive Officer, California State Personnel Board. Topic: *Achieving and maintaining diversity in the work force.*

**The Honorable Barry Keene**, Majority Leader, California State Senate. Topic: *Structural causes for policy gridlock and the argument for a constitutional convention.*

**The Honorable Sunne Wright McPeak**, Supervisor, District Four, Contra Costa County, California. Topic: *Innovation and leadership in*

## *Hard Truths / Tough Choices*

*improving performance; public/private partnerships in the delivery of public services.*

**Richard Martinez**, Executive Director, Southwest Voter Registration Project. Topic: *Consent of the governed and California's changing demographics; citizen disaffection from political participation.*

**Linda Orrante**, Assistant Director, Department of Social Services, Fresno County, California. Topic: *K-6 program: integrated social services.*

**Mark A. Pisano**, Executive Director, Southern California Association of Governments. Topic: *Forging solutions for improved public services through regional governance.*

**Kevin Scott**, Executive Director, Commission on State Finance, State of California. Topic: *The outlook for California's economic and fiscal well-being.*

**David Werdegar, M.D., M.P.H.**, Director, Office of Statewide Health Planning and Development, State of California. Topic: *Overcoming the barriers to performance in the delivery of health care services.*

### **Chicago, Illinois**

**June 9, 1992**

**Michelle Carmichael**, Caseworker, Illinois Department of Public Aid, and **Tanya Chapman**, Board Member, Women for Economic Security. Topic: *Women for Economic Security Project to create dialogue between Department of Public Aid caseworkers and clients to improve operations of the Illinois Department of Public Aid field offices.*

**Jackie Leavy**, Executive Director, Neighborhood Capital Budget Group, Chicago. Topic: *Keeping government open and accountable.*

**Roberta Lynch**, Director of Public Policy, American Federation of State, County and Municipal Employees, AFL-CIO, Council 31, Chicago. Topic: *Motivating front-line workers: a labor perspective.*

**Howard A. Peters, III**, Director, Illinois Department of Corrections. Topic: *Motivating government workers through participation.*

**Jacqueline Reed**, Executive Director, Westside Health Authority, Chicago. Topic: *Pushing past anger to organize both the community and government to improve the health care delivery system.*

## *Regional Hearing Witnesses*

**Maria Whelan**, Director, Chicago Department of Human Services, Children's Services Division. Topic: *Re-energizing a government work force.*

### ***Philadelphia, Pennsylvania***

***June 22, 1992***

**Pamela S. Brier**, Chief Executive Officer, Bellevue Hospital Center, New York City. Topic: *Strategic issues for public hospitals and their patients.*

**Louis J. Gambaccini**, Chief Operating Officer and General Manager, Southeastern Pennsylvania Transportation Authority. Topic: *Holding to a vision of the future while riding a fiscal rollercoaster.*

**Norma Goodling**, Assistant to the Executive Director, American Federation of State, County and Municipal Employees, AFL-CIO, Council 13, Harrisburg, Pennsylvania. Topic: *Council 13's role in upgrading state and local government performance.*

**Theodore Hershberg**, Professor of Public Policy and History and Director, Center for Greater Philadelphia, University of Pennsylvania. Topic: *On report Reforming Philadelphia City Government.*

**The Honorable Stan Lundine**, Lieutenant Governor, State of New York. Topic: *The challenges of managing state and local government in an era of sharp cutbacks in federal aid and increasingly complex problems in America's cities.*

**Dianne E. Reed**, Executive Director, Eastern Division, Pennsylvania Economy League. Topic: *Who's in charge?—rethinking human resources management in the public sector.*

**Elizabeth C. Reveal**, Director of Finance Designate, City of Seattle, Washington, and former Director of Finance, City of Philadelphia. Topic: *Making government work better.*

**Alice M. Rivlin**, Senior Fellow, The Brookings Institution, Washington, D.C. Topic: *On her book, Reviving the American Dream: The Economy, the States, and the Federal Government (addressed the Commission at June 21 dinner).*

## RESEARCH IN SUPPORT OF THE COMMISSION

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Many of the following papers will appear in the Commission's volume, *Revitalizing State and Local Public Service*, edited by Frank J. Thompson, to be published by Jossey-Bass, Inc. in the fall of 1993.

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- Bernard E. Anderson, The Anderson Group, Philadelphia. *Minority Employment in State and Local Public Health Agencies.*
- Carolyn Ban and Norma Riccucci, Rockefeller College of Public Affairs and Policy, University at Albany, State University of New York. *Personnel Systems, Labor Relations, and Government Performance.*
- Robert Behn, Institute of Policy Studies, Duke University. *Thinking About Executive Education in State and Local Government.*
- Robert Behn, Institute of Policy Studies, Duke University. *Briefing memo on leadership colleges.*
- Lawrence D. Brown and Michael S. Sparer, School of Public Health, Columbia University. *Between a Rock and a Hard Place: How Public Managers Manage Medicaid.*
- Jorge Chapa, Lyndon B. Johnson School of Public Affairs, University of Texas at Austin. *Selected Data on Employment in State and Local Government.*
- Jorge Chapa, Lyndon B. Johnson School of Public Affairs, University of Texas at Austin. *A Potential Role for Nonprofessionals in Rebuilding the Public Trust.*
- Steven Cohen, School of International and Public Affairs, Columbia University. *Involving Front-Line Employees in State and Local Government Decision-Making.*
- James K. Conant, Department of Political Science, University of Oklahoma, and Dennis Dresang, Department of Political Science, University of Wisconsin. *Career Professional Retention, Morale, and Recruitment in State Governments.*

*Hard Truths / Tough Choices*

- Anthony J. Corrado, Jr., Department of Government, Colby College, Waterville, Maine. *Financing State and Local Elections: An Agenda for Reform.*
- Anne R. Edwards, School of Public Policy Studies, University of Chicago. *Professional Internships in State and Local Public Service: Transcending the Traditional.*
- Steven D. Gold and Sarah Ritchie, Center for the Study of the States, Rockefeller Institute of Government, State University of New York. *Compensation of State and Local Employees: Sorting Out the Issues.*
- Patricia Ingraham, Maxwell School of Citizenship and Public Affairs, Syracuse University. *Pay for Performance in the States.*
- Cristy Jensen, Public Policy Program, California State University at Sacramento. *Briefing Paper: California State Government.*
- Rita Mae Kelly, School of Justice Studies, Arizona State University. *Diversity in the Public Service: New Needs, New Approaches.*
- Donald F. Kettl, Department of Political Science, University of Wisconsin. *Privatization and the State and Local Public Service.*
- John Mendeloff, School of Public Health, University at Albany, State University of New York. *The Requirements of an M.D. Degree for State and Local Health Directors—Prevalence, Impact and Desirability.*
- Christopher Muste, Institute of Governmental Studies, University of California at Berkeley. *Public Opinion and Democratic Governance in the U.S. Federal System: The Dimensions of Public Attitudes Toward State and Local Government.*
- John Parr, National Civic League. *The Role of Citizen Groups in Strengthening the Capacity and Performance of State and Local Governments.*
- James L. Perry, School of Public and Environmental Affairs, Indiana University, and Kenneth L. Kraemer, Graduate School of Management, University of California at Irvine. *The Implications of Changing Technology for the State and Local Public Service.*
- Deborah D. Roberts, Center for Public Service, University of Virginia. *The Challenge of Executive Leadership.*
- Victoria Rodriguez, Lyndon B. Johnson School of Public Affairs, University of Texas at Austin. *Texas Government.*

## *Research*

Alice Sardell, Department of Urban Studies, Queens College, City University of New York. *Capacity Building for Medical Services: Recruiting and Retention of Physicians for Public Service.*

Lana Stein, Department of Political Science, University of Missouri at St. Louis. *Municipal Administrative Reforms: Hope or Reality?*

Frank J. Thompson, Rockefeller College of Public Affairs and Policy, University at Albany, State University of New York. *The Challenges.*

Bart Wechsler, School of Public Administration and Policy, Florida State University. *Restructuring Florida's Career Service System: The Chiles-MacKay Reform Initiative.*

## *THE STATE AND LOCAL PUBLIC SERVICE STRESS TEST*

Score each question as accurately as possible, then add up your scores.

### ON LEADERSHIP

1. How many cabinet-level officials of your state or local government does the chief executive select? (More applicable to large local governments.)

|                 |       |          |
|-----------------|-------|----------|
| All             | _____ | 0 points |
| Most            | _____ | 3 points |
| Fewer than half | _____ | 6 points |
  
2. How many budget bills does your state or local government use for passing a final budget? (More applicable to large local governments.)

|                   |       |          |
|-------------------|-------|----------|
| One and only one  | _____ | 0 points |
| Less than a dozen | _____ | 3 points |
| Multiples of ten  | _____ | 6 points |
| Multiples of 100  | _____ | 9 points |
  
3. How many programs are there in your state or local government for solving the problems of (pick one): (a) children, (b) families, (c) environmental protection, (d) crime, (e) homelessness, or (d) any problem you care about?

|                   |       |          |
|-------------------|-------|----------|
| 1 or 2            | _____ | 0 points |
| 3 to 10           | _____ | 3 points |
| 11 to 20          | _____ | 6 points |
| Too many to count | _____ | 9 points |

**ON AGENCIES AND SYSTEMS**

4. How many layers of management exist between the top of your state or local government and the employees who actually deliver services?

Three or fewer \_\_\_\_\_ 0 points

Three to eight \_\_\_\_\_ 3 points

Eight or more \_\_\_\_\_ 6 points

5. What is the ratio of managers/supervisors to front-line employees in your state or local government? (The ratio in the federal government is roughly one for eight employees.)

One for every 20 \_\_\_\_\_ 0 points

One for every 10 \_\_\_\_\_ 3 points

One for every 5 \_\_\_\_\_ 6 points

6. How many of your state's best and brightest college students want to work in state or local government?

A fair share \_\_\_\_\_ 0 points

Some \_\_\_\_\_ 3 points

None \_\_\_\_\_ 6 points

7. How much time does it take for your state or local government to hire someone, from start to finish?

Under 30 days \_\_\_\_\_ 0 points

31 to 60 days \_\_\_\_\_ 3 points

61 to 90 days \_\_\_\_\_ 6 points

More than 90 days \_\_\_\_\_ 9 points

8. How many signatures does your state or local government require to approve a purchase of \$100 or less?

One \_\_\_\_\_ 0 points

Two or three \_\_\_\_\_ 3 points

More than three \_\_\_\_\_ 6 points



*The State and Local Public Service Stress Test*

9. How much unspent money are state or local agencies allowed to carry over from year to year (subject to executive approval)?
- As much as is left \_\_\_\_\_ 0 points
- Half of what is left \_\_\_\_\_ 3 points
- None of what is left \_\_\_\_\_ 6 points

**ON WORK FORCE LEARNING**

10. How much money (as a percent of total personnel spending) does your state or local government invest in training its work force?
- 3 percent or more \_\_\_\_\_ 0 points
- About 2 percent \_\_\_\_\_ 3 points
- Less than 1 percent \_\_\_\_\_ 6 points
11. How many of the top jobs in your state or local government are occupied by women and minorities?
- About half \_\_\_\_\_ 0 points
- About a quarter \_\_\_\_\_ 3 points
- Almost none \_\_\_\_\_ 6 points

**ON CITIZEN INVOLVEMENT**

12. How hard is it for citizens to know how much candidates are getting and spending on campaigns, or how many people are lobbying government with how much money?
- Easy \_\_\_\_\_ 0 points
- About a day's work \_\_\_\_\_ 3 points
- Nearly impossible \_\_\_\_\_ 6 points
13. How much time each week do your elected officials spend raising money for their campaigns?
- Almost none \_\_\_\_\_ 0 points
- About an hour \_\_\_\_\_ 3 points
- About a half day \_\_\_\_\_ 6 points

*Hard Truths / Tough Choices*

14. When was the last time the media ran a positive story or editorial on something your state or local government does well?

Within the last week \_\_\_\_\_ 0 points

Within the last year \_\_\_\_\_ 3 points

Cannot remember when \_\_\_\_\_ 6 points

**ON FINANCIAL UNCERTAINTY**

15. Looking back over the past five years, how often have your state or local government's revenue forecasts been wrong (off by more than 3 percent)?

Never \_\_\_\_\_ 0 points

Once or twice \_\_\_\_\_ 3 points

Every year \_\_\_\_\_ 6 points

16. How fast are health costs rising in your state?

Under 10 percent a year \_\_\_\_\_ 0 points

11 to 20 percent a year \_\_\_\_\_ 3 points

21 percent a year or faster \_\_\_\_\_ 6 points

**THE CURRENT CLIMATE FOR REFORM**

**(MAXIMUM SCORE: 105)**

0 to 35                      Congratulations—but keep watch

36 to 65                    A warning is due

66 to 95                    Take action

96+                         There is no time to spare