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ABSTRACT

Smart Start is a statewide initiative to ensure that all of North Carolina's children arrive at school healthy and ready to learn. A formative evaluation assessed, from the perspective of local participants in the original twelve Smart Start sites, how well these process goals are being met in the implementation process. Focus group and individual interviews were conducted with 53 local Smart Start participants, including parents, providers, non-profit and business personnel, board members, board chairpersons, and executive directors. Two broad process goals which are central to Smart Start were discussed in the interviews: non-bureaucratic decision-making and broad-based participation. Each of these process goals were then explored in terms of five factors which interviewees identified as keys to success to determine strengths and weaknesses in the implementation process and suggestions for improvement. These five key success factors for broad-based participation are non-agency participation, trade-offs in the decision-making process, managing potential conflicts of Interest, the role of the executive director, and combating burnout. It was determined that non-bureaucratic decision making was helped or hindered by local control, state management practices, politicization, systems change, and inter-agency collaboration. (JPB)

Reinventing Government?:

Perspectives on the Smart Start Implementation Process

Report to the Department of Human Resources
by the Smart Start Evaluation Team

November, 1995

This report was written by Catherine Awsumb with editorial assistance from Donna Bryant and Kelly Maxwell. We want to thank all respondents in the Smart Start counties who participated in the focus groups and interviews and thoughtfully gave us their opinions.

Reinventing Government?:
Perspectives on the Smart Start Implementation Process

Executive Summary

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Executive Summary

This report is part of the formative evaluation of Smart Start, the statewide initiative to ensure that all of North Carolina's children arrive at school healthy and ready to learn. From its inception Smart Start was designed to meet this broad outcome goal through a local decision-making process that was as non-bureaucratic and participatory as possible. The design of Smart Start is informed by the "reinventing government" (REGO) model, in which higher levels of government establish performance-based outcomes and then allow local communities flexibility and autonomy in devising the means to attain them. Because they keep responsibility for solutions grounded in local communities and allow for maximum innovation, these process goals are described as integral to the success of the program both in the enabling legislation and in the beliefs of participants at all levels.

The purpose of this report is to assess, from the perspective of local participants in the original twelve Smart Start sites, how well these process goals are being met in the implementation process. It should be emphasized that this report reflects only the local perspective and that these issues may well look very different from the state perspective. The report is based on focus group and individual interviews with 53 local Smart Start participants, including board members, board chairpeople and executive directors. Two broad process goals which are central to Smart Start were discussed in the interviews: ***Non-Bureaucratic Decision-Making*** and ***Broad-Based Participation***. The report discusses each of these process goals in terms of five factors which interviewees identified as keys to success, analyzing each of these key success factors in terms of its strengths and weaknesses in the

implementation process and offering suggestions for improvement. This executive summary follows the same structure as the body of the report, so that readers with an interest in a particular area can refer to the main report for more detailed analysis and recommendations.

I. Non-Bureaucratic Decision-Making

Participants describe the local partnership concept which is the heart of Smart Start as being "a new way of doing business." For this REGO ideal of non-bureaucratic decision-making to work, the decisions must be kept as close as possible to the communities which are affected by them and must begin with the needs of young children and their families rather than with pre-packaged solutions. Interviewees identified five aspects of the implementation process which have helped or hindered in the attainment of a non-bureaucratic decision process:

A. Local Control

Smart Start is explicitly designed to be "bottom-up" government in which decision-making is decentralized to local communities so that they can devise the most locally appropriate strategies for meeting the broad goal of increasing school readiness. However, in only two of the fifteen interviews conducted for this study (seven group interviews and eight individual interviews) did participants state unequivocally that Smart Start actually operated on the model of bottom-up government. While emphasizing that Smart Start did afford local boards an "unheard of amount of *input* into policy," most local participants felt that they did not have genuine *authority* over decisions. They expressed varying degrees of disappointment and frustration with what one characterized as an "increasing gravitational pull of power back to the center" which tended to stifle innovation by second-guessing local plans and forcing them to conform to standardized state-level systems. Many participants reported that despite the abstract promise of local control in the enabling legislation, concrete local plans are often questioned or

rejected because they deviate from some state-level model of what Smart Start should look like. They argued that their plans were based on a level of broad-based input and intimate knowledge of local conditions which state decision-makers could never hope to match. Thus participants contended that the retraction of genuine local authority over substantive decisions not only violated one of the clearly articulated process goals of Smart Start but seriously compromised the quality of decisions and threatened the ultimate outcome goal.

B. State Management Practices

Just as the degree of local control affects the quality of the Smart Start process at the policy level, state management practices affect the ability of local boards to make and implement good decisions at the administrative level. Almost all interviewees expressed surprise at the extent to which the state appeared to be "making it up as they went along" during the first year of Smart Start and reported that administrative chaos and mixed signals from the state had proved costly and frustrating at the local level. With few exceptions, however, participants felt that the state was "catching up" procedurally and that this aspect of the state-local relationship was becoming smoother and more collaborative. Interviewees did identify several ways in which their ability to adhere to a non-bureaucratic decision process at the local level could be further enhanced by changes in state management practices. Most significantly, they felt that streamlining and clarifying the long, sometimes anonymous, decision-chains in Raleigh would reduce time lags between submission and approval of plans and improve the ability of local partnerships to take advantage of locally identified opportunities.

C. Politicization

Many local Smart Start participants hypothesized that the increasing scrutiny their decisions are undergoing from DHR is a direct result of political questioning of Smart Start in the General Assembly and the media. They fear that the tendency of state-level Smart Start decision-makers to "play to the anticipated concerns of the legislature" has created a "defensive mentality" that stifles innovation. In addition to making local boards wary of devising innovative proposals which might raise political eyebrows, the political climate has the effect of suppressing participation and involvement until the future of the program becomes less uncertain. This cautious, wait-and-see attitude is a drain on the momentum and bottom-up idea generation so critical to successful local decision-making. Noting the surprisingly small amount of political squabbling about Smart Start at the local level, participants agreed that the best defensive strategy was to focus on telling success stories, lining up support from all camps at the local level, and keeping Smart Start a "non-political entity."

D. Systems Change

By moving decision-making outside of existing agency structures, Smart Start participants have the opportunity to rethink human services delivery systems from the ground up, beginning with the needs of children. Local boards expressed a strong concern, however, that their attempts at systems change at the local level keep bumping into regulatory and funding walls which continue to compartmentalize the way human services are conceived at the state level. It can also be difficult to plan and implement systems change, which requires significant lead time, on what one participant described as "the treadmill of annual state budget cycles." Interviewees argued that their ability to "break the mold" and stay focused on systems change would be significantly enhanced by parallel efforts at

integration on the state level and by a relaxation of traditional bureaucratic accountability and management techniques.

E. Inter-Agency Collaboration

Smart Start has provided an unprecedented opportunity for a wide array of human services professionals to transcend barriers of agency structure, mission, funding streams, and regulations and come together at the local level to devise solutions to common problems. Many participants feel that this collaboration is one of the most striking successes of the initiative. They report that the bridges that have been built benefit communities in ways that go well beyond the specific mission of Smart Start. Collaboration as practiced by Smart Start boards is characterized by integrated planning in which traditional agency roles and turfs are jointly negotiated to better respond to client needs, the identification and reduction of gaps and overlaps in service delivery, and the ability to serve as a focal point to leverage funds and make the best use of existing resources. Participants offered numerous concrete strategies for fostering collaboration at the local level, including cross training of agency personnel, making collaboration a criteria in the proposal review process, and serving as a broker to bring together service providers with related goals.

II. Broad-Based Participation

Broad-based and participatory decision-making is the second major REGO strategy which is critical to the success of Smart Start. Through ensuring that all local stakeholders have input in deciding how best to address the needs of young children and their families, this decision-making strategy fosters both more innovation and more commitment throughout the community than a process of working strictly through formal agency channels. This section of the report examines five key success factors for broad-based participation:

A. Non-Agency Participation

While Smart Start boards have achieved tremendous success in bringing together human services professionals from a variety of public and non-profit agencies, many report that getting and keeping participation from other mandated constituencies, particularly business people and parents, has been problematic. Many business people have difficulty carving out large blocks of time to participate in board meetings and committee work. Interviewees emphasized that parents, particularly low income parents, face not only time constraints and other logistical obstacles such as lack of transportation and childcare but more subtle constraints such as being reluctant to speak out in a group of community leaders. Local boards recognize that these voices are vital to their success and are going to great lengths to bring them into the process. Specific suggestions included offering more focused opportunities for participation such as chairing a subcommittee with a well-defined mission, providing a constituency for feedback, and building a critical mass of non-agency participation.

B. Trade-offs in the decision-making process

In every interview participants discussed the tension between keeping decision-making participatory and keeping it efficient. The full board is simply an unmanageable forum for processing the wide array of issues faced by each local partnership. Each local board has developed strategies for streamlining the decision process while maintaining the open access which allows for diverse voices and innovative thinking. Most critical is delegating responsibility to committees while making sure that the flow of decisions remains transparent and accessible to all members. Participants also recommend trying to draw a line between *strategic choices* (which repay investment in the time-consuming process

of participatory, consensus-based decision-making), and *administrative choices* (which can be delegated to staff and committees and routinized without compromising the overall vision of the partnership).

C. Managing Potential Conflicts of Interest

Broad participation on the Smart Start boards brings with it the potential for conflicts of interest. Participants are defined as "stakeholders" precisely because they have some expertise or interest which is relevant to the issue of increasing school readiness. The trick is to bring their knowledge and perspectives to the table without their undue influence. Local board members recognize that the potential for conflict of interest is built into the mandated board structure, and feel that formal policies are of limited value in managing the issue. While they all have established rules such as requiring members to abstain from voting if they have a direct interest in a specific project, they believe that informal norms are more valuable in foreclosing conflict of interest without squelching valuable participation. Specifically, they rely on professionalism, peer pressure, and a focus on collaboration and outcomes to maintain the right balance.

D. The Role of the Executive Director

Executive directors, by overseeing organizational and administrative issues and maintaining an integrated view of the many facets of the Smart Start process, play a key role in keeping volunteer participation focused where it matters most: on the strategic choices. Interviewees report that ideally an executive director should be both an administrator and a leader or "idea person" but that often they are forced to wear "too many hats" for any one person. Specifically, there is a concern that heavy administrative demands from Raleigh prevent executive directors from playing as active a role in strategic functions as many board members would like them to do. As one participant put it: "The

urgent tends to drive out the important." Despite political criticism of high administrative expenses, local boards feel that without more administrative support executive directors will be so mired in details that they will be unable to perform the crucial function of "putting all the pieces together" and to be effective leaders.

E. Burn-out: Sources and Solutions

Collaboration, consensus and broad-based participation are what make the Smart Start decision process work, but ironically these very virtues, because they demand so much time from so many individual volunteers, also leave participants highly subject to burn-out. Participants feel strongly that the process is worth the investment and leads to substantially better decisions, but they admit to feeling overtaxed. For some, heavy cumulative time demands are intensified by disillusionment with what they see as an increasingly politicized process with less meaningful local control. To combat burn-out and maintain crucial momentum, local boards recommend rethinking the committee system to maximize delegation and reduce duplication of functions and broadening the base of participation by bringing in fresh faces with expertise for specific tasks.

Conclusion

After more than two years of intense involvement and a year of full scale implementation, local participants in Smart Start remain deeply committed both to the program's outcomes goal of improving school readiness and to the "Reinventing Government" process goals of non-bureaucratic decision-making and broad-based participation as the best means to achieve the desired end. As partnerships have moved from the wide-open creativity of the planning phase to the details of implementation, these process ideals have come into increasing tension with both standard government procedures and the realities of running a functioning organization. At the state level, political pressures have led to a

perceived retraction of local autonomy and to increased pressures for standardization and regulation of local partnerships. At the local level, board members have worked to sustain broad participation and to balance their desire for an open decision process with the efficiency demands of their evolving organizations. Board members have found it increasingly imperative to reflect on challenges to their decision-making process and to identify solutions. The following report attempts to capture the reflection of local participants systematically and to serve as a resource for Smart Start participants at all levels in their commitment to non-bureaucratic, participatory decision-making for the ultimate benefit of North Carolina's children, families, and communities.

I. Introduction

A. Purpose of the Report

The Smart Start initiative in North Carolina fits neatly into a recent movement in public policy which has been characterized as "reinventing government" (hereafter referred to as REGO.)[1] In contrast to the classic bureaucratic style of public management which works through specifying strict "how to" regulations, under the REGO model higher levels of government establish performance-based outcomes and then allow local communities flexibility and autonomy in devising the means to attain them. The assumption that non-bureaucratic, participatory decision-making is the most effective mode of operation is central to the REGO philosophy.

The assumptions of the REGO model can be seen throughout the design of Smart Start. The broad outcome goal is for all of North Carolina's children to arrive at school healthy and ready to learn. According to the enabling legislation, "communities shall be given the maximum flexibility and discretion practicable in developing their plans" to meet this goal. The REGO ideal of non-bureaucratic, participatory decision-making has also permeated the program. As outlined in an April 1994 memo from the Department of Human Resources (DHR) to local Smart Start team leaders, Smart Start works best when the decision-making process is "driven by positive outcomes for young children and their families, rather than by bureaucratic needs and rules," and is characterized by "demonstrated collaboration among all of the stakeholders in the community."

The purpose of this report is to assess, from the perspective of local participants in the original twelve Smart Start sites, how well these assumptions are actually being met in the

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[1] Osborne, David and Gaebler, Ted. 1992. Reinventing Government: How the Enrepreneurial Spirit is Transforming the Public Sector (New York: Plume).

implementation process. It is critical to emphasize that these process characteristics are not ends in themselves. Everyone involved in Smart Start recognizes that only the outcome goal of improved school readiness could justify all of the money, time and effort which have been expended. There is a solid consensus among local participants, however, that the needs of North Carolina's young children are not being well met through traditional systems and that Smart Start's promise of a bottom-up, non-bureaucratic, participatory solution is crucial to realizing the ultimate goal. Accordingly, this report will begin with the assumption, embodied in both state-level documents and the beliefs of local participants, that the REGO process is vital to achieving the outcome goals of Smart Start.

The report focuses on analyzing particular components of the REGO decision-making process and identifying which characteristics of Smart Start implementation have supported it and which have hindered it. The objectives of this analysis are threefold: (1) to provide the original twelve sites with perspectives on their own implementation process; (2) to enable the next wave of counties moving into implementation to take a proactive approach to the challenges which they will face; and (3) to provide feedback to state-level decision-makers about how their actions affect the ability of local partnerships to use a non-bureaucratic and participatory process.

Readers should bear in mind that all of the voices heard in this report are those of local Smart Start participants. This report attempts to present a comprehensive picture of the implementation process at the local level, but that is only one side of the story. State-level participants doubtless have differing perspectives on some of the issues examined here. It is hoped that the report will serve as a resource for dialog not only among local Smart Start participants but also between state and local participants. Many of the comments made by participants in the study are critical of aspects of the implementation process and focus on the gap between the non-bureaucratic,

participatory REGO ideal and the reality of their daily work in Smart Start. However, the overall tone of the comments- and therefore the report- is by no means negative. Rather, the thoughtful and usually constructive criticisms indicate the deep commitment of participants to the ideals of Smart Start and their desire to see them fulfilled for the ultimate good of the children of North Carolina.

B. Research Methodology

The enabling legislation for Smart Start called for both a formative evaluation of the initiative, focusing on process and efficiency questions, and a summative evaluation, focusing on the ultimate effectiveness and outcomes of the program. This report is part of the formative evaluation, and it builds on earlier components of that evaluation, including the "Lessons Learned" report assessing the first year of Smart Start and the "Key Participant Interviews" conducted during the summer and fall of 1994. Throughout the formative evaluation, issues surrounding the decision-making process and the extent to which it fulfills the non-bureaucratic and participatory promise of the REGO model have been central. This study was designed to assess the status of issues which were raised as critical in the two earlier reports and to monitor issues which have emerged as newly salient as local sites moved from planning into implementation.

Focus group interviews were the primary research method used. This approach was chosen in order to engender discussion among local participants about the strengths and weaknesses of the implementation process. Focus group interviews were conducted with subsets of the partnership boards in six of the twelve pioneer Smart Start programs. Participants were selected to elicit a mix of perspectives (ie agency, providers, non-profits, parents, business). A total of 38 people participated in these six local board focus groups. Additionally, seven of the twelve executive directors participated in a separate focus group, and eight of the twelve board chairs were interviewed individually by telephone, for a total of 53 participants in the study. All focus groups

and interviews were conducted using a standard protocol, included as Appendix A. Full transcripts were made of each focus group and interview. The transcripts were then coded to identify the major themes which comprise the structure of this report.

C. Structure of the Report

This report is organized around two core ideals of the REGO model: NON-BUREAUCRATIC DECISION-MAKING and BROAD-BASED PARTICIPATION. From its inception these two process goals have been seen by both state leaders and local participants in the program as central to the success of Smart Start and its ability to achieve the ultimate outcome of improved school readiness for all of North Carolina's children. Each of these two broad process goals includes five component parts, factors which were identified by interviewees as key to the success of the Smart Start implementation process. Each key success factor is first analyzed in terms of its reported strengths and weaknesses in the implementation process, and then recommendations for sustaining or improving it are offered. For the sake of brevity, the recommendations which conclude each section are presented in summary form rather than in the original words of the interviewees. It should be emphasized, however, that the recommendations are the suggestions of interviewees rather than the conclusions of the researcher.

The ideal of NON-BUREAUCRATIC DECISION-MAKING is often described by Smart Start participants as "a new way of doing business" or "beginning with the needs of children and their families rather than existing services or agencies." In the view of local participants, the relationship between local boards and the State is crucial to their ability to operate in a non-bureaucratic fashion. Several of the themes explored in Section II of the report revolve around state-local relations, including (a) the extent of **local control** over substantive decisions, (b) **state management practices**, and (c) the impact of state-level **politicization** of Smart Start on the work of

local partnerships. This section also explores the extent to which the goals of (d) **systems change** and (e) **inter-agency collaboration** in the provision of services are being achieved.

The goal of BROAD-BASED PARTICIPATION is understood by interviewees to mean both including a wide variety of stakeholders in the decision process (particularly stakeholders outside of human services agencies who might not ordinarily have access to the decision process) and using an open and consensus-oriented decision process so that all of those voices will be meaningfully incorporated. Section III begins by examining (a) **non-agency participation** in the Smart Start implementation process, particularly the participation of parents and the business community. The next theme examined is (b) **trade-offs in the decision-making process** which local boards are making in their efforts to keep the process participatory. The section also examines (c) how local boards deal with **conflicts of interest**, (d) how the **role of the executive director** is defined to support broad-based participation, and (e) how the boards deal with the issue of **burn-out** among participants.

II. Non-Bureaucratic Decision-Making

Participants describe the local partnership concept which is the heart of Smart Start as being "a new way of doing business." For this REGO ideal of non-bureaucratic decision-making to work, the decisions must be kept as close as possible to the communities which are affected by them and must begin with the needs of young children and their families rather than the pre-packaged solutions of existing agencies and service systems. Many of the comments in the interviews centered on aspects of the implementation process which have helped or hindered the attainment of a non-bureaucratic decision process. This section begins by analyzing local control, state management practices, and politicization (three aspects of state-local relations which participants identified as

influential on their work) and then examines the issues of systems change and interagency collaboration.

A. Local Control

In true REGO fashion, Smart Start is frequently characterized as a "bottom-up" model of government in which local communities are given the resources and the autonomy to devise the most locally appropriate strategies for meeting the broad goal of increasing school readiness. The ideal of decentralized decision-making was embodied in the enabling legislation and continues to be an important aspect of the political debate surrounding the program. For the majority of local participants in Smart Start, however, the rhetoric of local control surpasses the reality. In only two of the interviews conducted for this study did participants state unequivocally that Smart Start actually operated on the model of bottom-up government. While emphasizing that Smart Start did afford local boards an "unheard of amount of *input* into policy," most participants expressed varying degrees of disappointment and frustration with what one characterized as an "increasing gravitational pull of power back to the center." This gravitational metaphor aptly conveys the sense of many participants that although Smart Start began with a genuine intention to decentralize decision-making, that intention has been slowly and seemingly inevitably compromised by "typical politics." As one participant described the evolution,

> Smart Start certainly started out as a bottom-up model of government. The concept was absolutely magnificent. They were really turning responsibility for the initiation of ideas and collaboration in making them a reality over to the locals. But we have found that there is a natural tendency to pull control back to the state. DHR is under

increasing pressure from the legislature and you see that in the form of them second-guessing our decisions and plans, asking us for more reports, making more emergency requests for information to settle a particular detail.

Many participants attributed this gravitational pull to the fact that while local control may sound good in the abstract, when counties begin submitting concrete plans they may not be quite what state decision-makers had envisioned:

> When we were just planning, the state could sit back and praise us for our innovation and creativity but when counties started to spend money and those plans took concrete forms, everyone could point fingers and say "that is not what I expected it to look like." The state really wanted to shape something familiar, something they are used to dealing with. Systems thinking is taking over again. There is a pressure for us to look alike, sound alike, be alike. Local boards should fight that tendency with every fiber in their being.

Numerous participants described this tension between an abstract promise of local control and a tendency to question or deny concrete local plans in terms of the state having a "hidden agenda." To many local board members it seemed that their plans were being accepted or rejected on the basis of their conformity to some centralized model which was never revealed to them. One compared the back and forth with the state during the planning process to playing the game "Battleship" in which players must figure out through trial and error the pre-determined location of their opponent's ships on a grid: "If you guess right, you win." In over half of the interviews, participants described specific projects or aspects of projects which had been vetoed by the state. Many were taken aback by the level of detail at which their plans were scrutinized:

> We felt that getting these detailed questions about specific aspects of particular projects from some anonymous bureaucrat was a stinging slap after all the local planning behind those choices.

Participants reported that this pulling in of the reins exacted a high price in creativity and enthusiasm at the local level. Some questioned whether local boards would be willing to continue to put so much time and energy into local planning if they feared that anything that deviated too far from the state agenda would just be vetoed.

The bottom-line assessment of most local board members was that Smart Start provides local boards with significant input into the decision-making process, but not final authority. For some participants this level of input was such an improvement over the way government normally operates that they were content to call it local control:

> I think the promise of this being bottom-up government has been largely fulfilled. We had to shape and craft our proposals for the state, put them into the kind of context and language they expected, but we still feel like we own it. These projects are not foisted on us. We initiate them and then there is some back and forth before things are finalized.

Others, however, felt that this back and forth process of negotiation in which local boards modified their plans to satisfy the state amounted to a fatal compromise of the ideal of local control:

> It feels to me that we do have more input into how the money can be spent but we don't have the decision-making. We get to make suggestions and some of those things are happening but others aren't. It is not like some good things aren't happening from this but it is more like we make suggestions and they say yea or nay.

For those participants who defined local control or bottom-up government as not just input but actual authority, the past year has been disillusioning. Many felt that particular local plans which had been vetoed were superior strategies for moving the children of their county towards the statewide goal of increased school readiness. They argued that their plans were based on a level of broad-based input and intimate knowledge of local conditions which the state could never hope to match. These front-line inputs which rarely penetrate traditional decision-making hierarchies are precisely what the REGO decision process is designed to tap. Thus participants contended that the limiting of local control not only violated one of the clearly articulated process goals of Smart Start but actually worked against the ultimate outcome goal.

Board members value the opportunity to have meaningful input into decisions affecting their communities and recognize Smart Start as a significant improvement over most government programs in this regard. Many, however, argued that the program would be even more effective if local boards had more real decision-making authority:

> It was presented as, we're going to do 12 pilot sites and they're not all going to operate the same way and some are going to be successful and some aren't and down the road we can learn from this, what works and what doesn't. But they didn't trust us enough to let us fail. Everything got homogenized to the point that things just start looking very traditional. This is a whole lot better than a lot of other stuff we get to do- we are making good use of this money but it is a lot more frustrating and limiting than it needs to be. It is still very good but it could be a lot better than what it is.

There was a shared sense among participants that Smart Start has been a significant step forward in enabling North Carolina communities to build their own solutions to early childhood education and

health issues but that even more potential could be tapped if counties were granted the real decision-making authority originally envisioned.

Recommendations from local participants about maintaining local control

• DHR and/or the North Carolina Partnership for Children should take a more aggressive role in protecting the decision-making integrity of the local partnerships against politically-motivated interference.

• The State should provide some portion of the funding to local boards on a "truly non-contingent basis" to foster innovation and experimentation.

• Local boards should "manage upward" in order to hold on to as much meaningful local control as possible. Interviewees recommend couching proposals in language that is familiar to state decision-makers, holding a firm line in negotiations, and approaching the State by asking "How can we do this?" rather than "Can we do this?"

B. State Management Practices

Although interviewees thought that local decision-making had become more constrained in the implementation year at the *policy* level, they reported that *administratively* "some of the technical glitches of the first year are getting ironed out." Almost all interviewees expressed surprise at the degree to which the state was "making it up as they went along" during the first year of Smart Start, but a clear majority felt that during the second year the State had been "catching up" procedurally. With regard to technical issues such as contracting and reporting requirements the state-local relationship has become smoother and more collaborative. However, a few state management issues emerged clearly as continuing to limit the ability of local boards to make and implement good decisions. The most frequently mentioned ongoing management problem at the state level was time

lags between the submission of a local proposal and the state response. Comments such as "it is really frustrating to have to rush to get in a report or proposal and then wait such a long time to get the decision or the money allocated" were made in almost every interview. In addition to frustration and loss of momentum, these time lags limit the effectiveness of local boards in a more tangible way:

> I get frustrated with the state because of the amount of time it takes to get anything approved and done. That is one reason we can't spend the money the way it is supposed to be spent in the time we are given. It takes so long to get it through the process. By the time it gets through all the process at the state and a check gets cut, half a year is gone. We've just started some of our projects in April.

Many interviewees attributed the time lags in state decision-making to what one described as "this long, long decision chain that doesn't make any sense to us at the local level." Participants objected not only to the length of the decision chain but to the fact that it is not made transparent to them at the local level, limiting their ability to follow through on issues which they consider vital to their local effectiveness:

> The frustrating thing was that our plan got sent around to 35 different people and we had no idea who they were. They all made detailed comments without knowing anything about our county. I thought that was inappropriate. It helps to get to know the individuals making decisions so that you know where they are coming from and vice versa. It should never be an anonymous process.

Because the state decision chain looks so long and so opaque from the local level, many local participants felt that they lacked access to the real power structure in these administrative matters. When their direct contact with the state was "mainly the person who is the teller of the news, not the

person with the authority to really affect what we do," it became difficult for local boards to communicate or negotiate with the state on these matters because "something always gets lost in the translation."

Although local Smart Start participants had a number of specific criticisms of state management practices, for the most part they took a philosophical attitude about administrative difficulties. Unlike compromises of local control, which they view as serious threats to their decision-making effectiveness, most treated administrative problems as an annoying fact of life when doing business with the government:

> Our problems with the state have to do with the slow pace and the internal dynamics which are not made transparent to us but affect what we do. You have to have a lot of patience to tolerate it. It is easier for people who are public employees and are accustomed to working this way. That is just the way government operates. Smart Start isn't supposed to be like government, but it is not surprising that we have to deal with that.

In hundreds of small ways the experiences of local partnerships with state management practices show how efforts to reinvent government must be prepared to deal with the procedural realities of government as usual.

Recommendations from local participants about state management practices

• The State should reduce the number of people and the amount of time it takes to review local proposals.

• Local partnerships should always be told specifically who in Raleigh is reviewing and approving their plans and have the opportunity to negotiate directly with those decision-makers.

• State decision-makers should spend more time with the county boards and programs so that they are aware of the local context behind specific proposals.

• Local boards should "ask lots of detailed questions" about state regulations and "get it in writing" rather than make assumptions and rely on informal communications.

C. Politicization

Politicization is a final state-level issue which significantly constrains the capacity of local boards to operate in the creative, non-bureaucratic fashion of the REGO ideal of decision-making. In discussing politicization, participants made a clear distinction between DHR and the General Assembly, hypothesizing that most of the increased second-guessing they are undergoing from DHR is a direct result of the pressure DHR is getting from the General Assembly and the media:

> It's when the decisions that the local folks are making get put through the screens of the General Assembly that DHR begins to retract on autonomy. My perception of how decisions get questioned is not that DHR does not think these were wise decisions but that they were trying to look at them through a political screen knowing that they were going to raise big red flags.

Many interviewees reported that DHR's tenedency to "play to the anticipated concerns of the legislature" has created a "cover-your-___" mentality at the state level which in turn stifles innovation at the local level. Due to increased political scrutiny "there is no more risk taking, no more taking a good idea and running with it." Two focus groups made specific mention of an article in the Raleigh News and Observer which was critical of administrative spending in Smart Start as having the effect of "making everyone really defensive and starting to second guess decisions whereas before there was a level of trust."

In addition to making local boards wary of devising innovative proposals which might raise eyebrows, the political climate has the effect of suppressing participation and involvement in Smart Start at the local level. Participants reported that they are having difficulty recruiting new members because "no one really knows if Smart Start is going to be around and if so in what form. With things so unsettled it is hard to get people on board." This cautious, "wait-and-see" attitude is a drain on the momentum and bottom-up idea generation which are critical to the successful functioning of local decision-making groups in the "Reinventing Government" model. In a climate where people fear "repercussions" if they take a stand on Smart Start, participation will be constrained.

Recommendations from local participants for responding to politicization

• Local boards should concentrate on achieving their goal of increased school readiness in their own communities and not be distracted by state-level political dynamics which they cannot control.

• Local boards should focus on lining up support from all camps at the local level and keeping Smart Start a non-partisan issue within their community no matter what partisan splits occur in Raleigh.

• Local board members should be more aggressive in telling success stories and educating their legislators about Smart Start so that they will not be turned against it by "misleading news stories" and anecdotes taken out of context.

D. Systems Change

The words "systems change" and "collaboration" recur frequently in conversations about Smart Start. Both of these concepts are critical to the REGO ideal of decision-making being driven by the needs of clients rather than the pre-existing solutions of agencies. Although the two concepts

are intimately linked, Smart Start participants distinguished between them by noting that systems change implies designing *new* systems while collaboration means improving the efficiency and effectiveness with which current pieces work together. Systems change is clearly the loftier and more abstract ideal, and the one towards which local boards stated they have made less progress. Local boards identified four features of the Smart Start implementation process which make genuine systems change difficult: accountability concerns, budget cycles, the pressure of short term needs, and the "snowball effect" which keeps the same programs funded over and over.

Accountability concerns work against systems change at both the state and the local level. Local boards expressed a strong concern that their efforts to change local systems were frustrated by regulatory and funding walls which continue to govern and compartmentalize the way human services are conceived at the state level:

> What you're hearing is frustration with the fact that we are charged with system change and doing things differently and better at the local level and the state is not responsible for the same thing at their level. Systems and funding streams at the state level are still going up separate chimneys. We are trying to work at our level to get those barriers and those walls to come down. No one is charged with that at the state. Not the North Carolina Partnership, not DHR. None of these systems change kind of conversations are happening at the state level. They continue to try and put us all in boxes that are identifiable and understandable.

Many focus group participants, particularly the executive directors, who have the most intimate knowledge of state regulatory procedures and reporting requirements, argued that innovative local proposals for human services delivery will be stillborn until decision-makers at the state level begin "thinking of the broader picture, not just the regulations they operate under in their particular

division." The pressure to cram new ideas into the line items of old accountability systems is particularly frustrating to local boards attempting to innovate because "that just makes it look like government all over again, which creates a perception that we are not doing business in a new way at all but just being repetitive and duplicating services." Accountability pressures may also prevent innovative ideas from even making it out of the local board and being submitted to the State. Several boards intimated that it was "safer" for them to fund proposals from existing agencies or collaborations of existing agencies rather than taking a chance on an entirely new entity:

> If an organization is brand new and has just developed to take advantage of Smart Start money, it might not be in existence a year from now. They need a track record. They need to show that they have grass roots support and can get the job done, and to show a level of fiscal responsibility before we feel comfortable funding them.

Budget cycles were mentioned in almost every interview as an obstacle to systemic change. Particularly in the first year, boards felt they were under such pressure to get the money spent that their best bet was to put most of it into existing agencies and systems which were already up and running and could make use of the allocation immediately. Several interviewees pointed out that systems change requires significant "lead time" which simply isn't available on the "treadmill" of state budget cycles. Some resentment was expressed at the state for having put the local partnerships in an "untenable position" in which they were told simultaneously "don't just throw money at problems" and "you must have the money spent by the end of the year." Participants emphasized strongly that "none of the money was wasted- it went to real kids with real needs," but that they could have made more systemic change if given time to spend the money thoughtfully.

The pressure to allocate money in sync with state budget cycles rather than on a timeline dictated by specific local needs was compounded by the stark fact that there are always plenty of

problems to throw money *at*. More than enough immediate, short-term needs exist, particularly lengthy waiting lists for subsidized daycare. A number of participants stated frankly that it was unrealistic to expect them to spend money and effort designing the "utopias" or "castles in the sky" of systems change when the basic needs of young children were going unmet:

> When you start with a concept like systems change there is almost an implicit assumption that the basic needs of the community are already being met and we're just trying to make things better. The reality is there ain't no county in North Carolina in that situation. So a lot of the things we're doing aren't real creative but it's because we've got so much crappy childcare out there. Despite the expectations of the General Assembly and the Governor and all of us when we started this that we were going to see these vast improvements and innovative new systems, the reality is that the new money that is coming in to the counties in most cases is being used to meet really basic needs because the existing systems weren't doing it.

Participants recognized that this admission left them vulnerable to the charge that they were "just one more layer of bureaucracy" but argued that radical innovation would not be feasible without a solid foundation of wide access to quality childcare.

A final factor cited by participants as working against systemic change was what one called "the snowball effect." Not only did boards feel pressure to allocate money quickly in the first year, they felt ongoing pressure to continue their initial allocations at least until they had results data. Several boards described regret over "worthy proposals" that they were unable to fund this year because of their reluctance to stop previously funded proposals in midstream. Thus what participants described as the "scurrying" and "scrambling" to allocate money under the short-term plan has had a long-term effect on funding patterns in some counties.

Recommendations from local participants about implementing systems change

• The amount of implementation money given to future sites during their planning year should be limited in order to prevent them from being "overwhelmed" and rushing into decisions before they have developed their long-term priorities.

• The iron law of the annual budget cycle should be relaxed by allowing carryforward of unspent funds to accomodate complex projects which require more lead time.

• Instead of plunging directly into "systems change," counties should build on a long term plan, informed by a careful assessment of local needs and resources. This knowledge of existing pieces of the system and how they work together provides a solid foundation for systemic change.

• Local boards should revisit their long-term plan frequently to keep them focused on how individual projects they are considering fit into the big picture and address their long-term priorities.

E. Inter-Agency Collaboration

Although "collaboration" is akin to "systems change" in that both concepts imply decisions that begin with client needs rather than agency structures, "collaboration" among existing providers struck local Smart Start participants as a more attainable goal than the nebulous ideal of "systems change." Indeed, for most participants collaboration is not only attainable but has proved to be one of the most striking successes of the initiative. It is perhaps in the area of interagency collaboration that local boards feel they have come closest to the REGO ideal of decision-making which proceeds without regard to existing bureaucratic structures. In every interview participants told stories about longstanding turf wars which had been overcome and new partnerships which had been built to benefit young children and their families. Interviewees also stressed that the benefits of the

collaborative process go well beyond the specific mission of Smart Start and benefit communities throughout the entire range of human services:

> Even non-Smart Start problems are better solved by agencies now because they know each other and know how to talk. They are more aware of the issues and of the services that each can bring to bear to solve a problem. It is one of those things that we don't get a lot of credit for. The politicians rarely talk about it, but it is an important by-product.

Both within and beyond the partnerships, participants have found collaboration to be one of the most successful and rewarding aspects of the Smart Start process.

Collaboration as practiced by local Smart Start boards has several critical defining characteristics. First, participants stressed that collaboration "means more than coordination" or the simple sharing of information among agencies. For genuine collaboration to occur, agencies must integrate their planning around client needs from the very start, rather than trying to fit them together after the fact:

> It goes beyond cooperating- just getting together and deciding to exchange information. It has more to do with integrating so that you sit down at the table and different agencies decide who is going to do what. And there may even be a little sacrifice of what you wanted to do. In the process of jointly planning you see that someone else can do it better.

Another important aspect of collaboration is the avoidance of service duplication. In every interview participants pointed out that a major benefit of the integrated, client-centered planning fostered by Smart Start was that it enabled providers to get a holistic picture of services available in their community and identify gaps and overlaps. In many cases this process required some negotiation

and it was not always easy for agencies to cede "turf" which they had long occupied. Participants indicate that it was only the "common focus" or "shared vision" of the central Smart Start mission which enabled these negotiations to be successful. A third critical function of collaboration as practiced by Smart Start boards is the focus on "leveraging funds to make the best use of existing resources." A perfect example of this concept is the mobile health unit. The partnership itself funds the vehicle which encourages a wide array of service providers to get involved:

> People are literally jumping on board this vehicle. We are using Smart Start dollars to leverage these other funds and services and put a comprehensive package together. Our role was to jumpstart the process, provide a spark to make something happen.

Ultimately, this kind of collaboration leads beyond the integration of the existing pieces of the service delivery system to the design of new ones. Several participants described collaboration as a two-stage process. They reported beginning their efforts by fostering joint planning as a way to avoid service duplication and make the best use of existing resources. Once overlaps had been eliminated and the big picture of community needs and available resources had become clear, they turned their attention to filling in the gaps that integrated planning had revealed in the old patchwork system:

> We began by making the pieces work together better, but then we sat down and said "we are missing some pieces so let's be creative and think about who can do this." I think you have to do the first level before you do the other one. Otherwise you are going to start making up stuff that is already available in the community.

Once boards reach the stage of designing new pieces to meet needs identified through the collaborative process, "collaboration" and "systems change" become indistinguishable.

Recommendations from local participants about fostering collaboration

• Continue to invest in the training and team-building needed to overcome longstanding agency boundaries and cultural differences and foster collaborative decision-making and shared goals.

• Make collaboration an explicit criteria at every stage of the proposal review and approval process.

• When boards receive multiple proposals addressing the same service target, they should act as brokers, getting agencies together and encouraging them to resubmit their application jointly.

• "Cross train" agency workers about services available in other agencies so that they have the knowledge base to do outreach and intervention for each other.

• Maintain consistent top-level involvement on the board so that when cross-agency issues arise there is someone from each agency at the table with the authority to resolve them on the spot.

III. Broad-Based Participation

Broad-based and participatory decision-making is the second major REGO strategy which is critical to the success of Smart Start. This process goal has informed the structure and philosophy of Smart Start in numerous ways, most notably in the fact that local boards are mandated to have representation from a diverse group of stakeholders and in the emphasis on consensus-based decision-making. By ensuring that all local stakeholders have input in deciding how best to address the needs of young children and their families, this decision-making strategy fosters both more innovation and more commitment throughout the community than a process of working strictly through formal agency channels.

Bringing those diverse stakeholders together and developing a substantive consensus, however, can be a difficult and time-consuming process. Broad-based consensus by definition requires more time from more people than hierarchical decision-making. However, the costs in terms of efficiency are offset by enormous payoffs in terms of innovation and commitment. This section discusses some of the challenges local boards have faced in managing their decision-making and reaping the rewards of a broad-based, participatory process.

According to interviewees, three factors are critical in making the participatory decision-making process work. First, boards must get a diverse group of stakeholders physically around the discussion table. Second, decision-making must be open and inclusive so that all voices are heard. Third, attention must be paid to the on-going maintenance and smooth functioning of the board in order to avoid conflict and burn-out. This section will address each of these success factors in turn.

A. Non-Agency Participation

The State mandates that local Smart Start boards include representatives of a number of specific agencies and constituencies. In general getting consistent participation from representatives of public agencies and non-profit organizations has not been a problem. This is not surprising since these individuals are human services professionals whose job it is to attend to the sort of issues which Smart Start is designed to address. Both their expertise and their job descriptions make them natural participants in an initiative designed to improve services to young children and their families. Most local boards have also successfully included representatives from the child care provider community, though this has been more of a challenge since the work schedules of child care providers constrain their participation in partnership work during regular working hours and since they may be unaccustomed to treating school readiness issues on a policy level. Nonetheless,

childcare providers are intimately involved on the front lines of the issues which Smart Start addresses and their participation has been critical to the success of local boards.

Participation from members of the business community and parents has been more problematic and was the source of a great deal of discussion in the focus groups. In almost every county, members of the board stated that fostering business and/or parent involvement continued to be a serious challenge. One local board member spoke for many across the state by saying:

I think the two great flaws in Smart Start statewide are that there is still not enough business involvement and true community support financially and I don't think there is real family involvement across the board. Often the problem is not so much getting business people and parents to agree to sit on the board but keeping them meaningfully involved in decisions. As one board chair put it:

> We have had attendance problems with our parents and business people. There has not been tremendous success in getting non-agency involvement. Some of the parents and business people are actively involved but others are just names.

Despite the difficulties, participants are unanimous in their belief that fostering meaningful involvement from business people and parents is crucial to building a community wide consensus about how to address the issue of school readiness. Without that involvement Smart Start has attained interagency collaboration, but not true community collaboration.

Business involvement

In discussing the importance of business involvement, board members emphasized that Smart Start needed not just financial support from the private sector but substantive business perspectives. Financial support is desirable, of course, and several participants stressed that local fundraising would become increasingly crucial to the ability of local partnerships to maintain autonomy.

Beyond that, however, local boards described how the perspectives and expertise of the business community helped them make better decisions:

> Those people may not be experts in early childhood, but they know fiscal management and that is crucial for us too. Frankly having committee members like that balances out the bleeding heart liberal tendencies of social services professionals- myself included- who want to solve every problem in sight regardless of the cost. They help us to make realistic tradeoffs.

> The business community is used to thinking of projects in terms of their return on investment. We need more of that fiscal input in our decision making.

Two major obstacles were cited over and over again as impeding participation from the business community. The first was the logistics of attending the many lengthy board and committee meetings needed to sustain the broad and participatory decision process. While agency heads may have significant flexibility in their schedules, particularly to attend meetings on a topic which is central to their agency mission, business people find it difficult to carve out the time which meaningful involvement in Smart Start demands. Several focus group participants from the business community commented on this difficulty:

> As someone from the private sector I feel frozen out of the process a lot. I cannot leave my job to attend 4 day conferences or all day meetings that don't move us forward. Smart Start was supposed to be about reinventing government and giving the private sector a meaningful role. The ideal was that people who were not social services professionals could provide real input but because of time constraints and the way the process was structured that didn't really happen as much as it could have. To

get business involvement meetings need to be far shorter and have some structure to them.

I think that logistically those marathon meetings are hard. I wasn't able to come to any of them because I knew they were going to be marathons. I am a business person not an agency head and it is very difficult to tear away an entire day to do anything.

Lengthy meetings raised not only logistical but philosophical issues. Business people may be accustomed to a much more structured decision process and may see what one described as "messy democracy" as inefficient and frustrating. As one board chair assessed the problem,

In terms of getting business people in the room with agency people to get down to work, it is like oil and water. They may agree on objectives but their view of process is totally different.

Ironically, the same REGO ideal which brings non-agency participants into what is ordinarily the exclusive domain of social services professionals also dictates an open and participatory decision process which can frustrate the very participants it aims to attract.

Recommendations from local participants on fostering business involvement

- Shorten and tighten board meetings
- Ask the business community for their ideas, not just their money.
- "Sell" Smart Start to local businesses in terms of its long-term economic advantages for the community.
- Offer business people "focused" and "concrete" opportunities for participation, particularly in areas where their skills are relevant such as the finance committee.

Parent involvement

Since the active involvement of "consumers" in decisions about service provision is particularly crucial to the REGO ideal of participatory decision-making, state mandates about local board composition include low-income parents. Board members agreed that the insight of consumers is crucial to making good decisions, but they reported that getting and keeping parents involved has been a struggle. The research conducted for this study demonstrated the difficulties. Although a total of ten parents were invited to the six local board focus groups, only three parents attended, and those parents generally participated minimally in the group discussion. Unfortunately, then, the perspectives reported here on parent involvement come from other board members, not the parents themselves.

Interviewees described both material and psychological constraints on parent involvement. One summed up the material constraints by saying:

> So many of the parents who we would want and who the state says must participate with us are from lower income brackets and they are engaged in a process of survival. A four hour meeting does not fit.

Lack of transportation and childcare were mentioned in every county as obstacles for some parents. Interviewees also mentioned other practical matters: it may not be possible for low income parents to pay their expenses up front and then be reimbursed or to attend meetings during the business day which agency members prefer.

The material barriers are serious, but interviewees felt that the psychological and social ones were even more difficult to surmount. Participants often used the word "intimidation" to characterize the difficulty of not just getting parents to meetings but ensuring that they were "full participants."

The parents are clearly intimidated, especially those we most want to serve. They are not experienced in the workings of public forums and communicating their ideas in front of a group, especially a group of movers and shakers.

The parents were clearly intimidated. We were trying to bring in low income families and who would be more frightened by authority? We put them in a room with the head of DSS and told them their opinion counts. Yeah sure. They are just afraid that if they say the wrong thing their check will get cut. Often they are so worried about the decisions they are making in their own lives that they feel no grounds for making decisions for others.

Recommendations from local participants for getting and keeping parent participation

• Pay for transportation and childcare and negotiate with employers for release time so that parents can attend meetings.

• Meet at the convenience of parents, not agency personnel. This will often mean more night meetings.

• Ease the time pressures limiting parent participation by providing more focused opportunities such as "asking parents to chair subcommittees with specific missions in order to give them a more manageable role."

• Stress parent involvement not just on the board level but at the level of individual Smart Start funded programs. Many boards try to foster the inclusion of parent perspectives at the program level by making it one of the criteria by which they evaluate proposals.

• Invest time in identifying parents who have been active in other programs and have demonstrated "the time, the desire, and the ability to be active participants."

• Make sure parents are included in all training and team-building activities so that they feel integrated into the group. Offer special training opportunities to parents on skills like running a meeting and evaluating proposals.

• Create an organized "constituency" of other parents from whom parent board members can get feedback.

• Have a critical mass of parents on the board.

B. Trade-offs in the Decision-Making Process

Even when boards succeed in getting a broad and diverse mix of people around the table, they face an ongoing challenge of maintaining open access to decision-making. In every interview participants discussed the tension between keeping decision-making participatory and keeping it efficient. Boards soon realized that the full board, often thirty people or more, was simply an unmanageable forum in which to process the wide array of issues faced by each local partnership. As one board member put it,

> The breadth of the board is an advantage because you've got such diverse input, but sometimes you need a smaller group to get things done, make decisions, and execute them. The partnership simply has too many things on our plate for every member to have a say in every decision.

Interviewees identified three sets of trade-offs they have made in their decision processes:

Participation and delegation

In response to the need to keep up with the many decisions which must be made, every county has developed its own strategy for delegation and division of labor in the committee system. The two most common solutions, often used in tandem, are an "executive" committee (also

sometimes called a "planning" "steering" "advisory" or "finance" committee) which structures the agenda for board meetings and a system of issue-area committees (health, childcare, family support, etc) which screen proposals in specific areas. Most counties found that developing a clearly defined workflow through committees brought necessary structure to board meetings and made them more manageable in terms of length. As one board chair described the delegation process,

> We've struggled with designing a good committee system. The full board votes up or down although there is always the option to discuss and question. Things are a lot smoother and faster this way. You just can't process everything in board meetings. You lose interest and involvement. Board meetings need votes and action, not so much processing and re-processing of information. Our goal is to have one hour board meetings.

Many board members, however, expressed some ambivalence about the committee system, recognizing that the efficiency benefits of delegation were purchased at the cost of diminished openness and access in decision-making. Although interviewees emphasized that the role of the committees was simply to "review and recommend" and that everything was "still open to discussion" by the full board, it is clear that the norm is for committees to take the lead and the board to follow:

> Our steering committee, the people who really do all the work and the planning, recommends proposals to the full board and then they vote. They really just recommend but of course the recommendation is highly, highly regarded by the board. The board expects us to have what we want and what's right before it comes to them and then they vote.

All recommendations to the board, even from other committees, come to the board through the executive committee. The board is used to receiving and reacting rather than initiating. Local boards were extremely sensitive to the perception that they simply "rubberstamp" committee decisions, as evidenced by the fact that an interviewee used the specific word "rubberstamping" in over 2/3 of the focus groups and interviews. Particularly given that the people most likely to be able to devote themselves to time-and-labor-intensive committee work are agency personnel, having a board reduced to rubberstamping committee recommendations would undermine the impact of the supposedly broad input of the diverse board membership. Thus for most counties, delegation is never absolute. They are willing to pay a certain price in "re-processing" and "second guessing" of committee recommendations and lengthy board meetings in order to keep the process open.

The attitude of most of the boards seems to be to recognize that there is a trade-off between delegation and participation and that there are costs and benefits in either direction. The balance between democracy and efficiency must be constantly monitored and the trade-offs renegotiated. Two issues in this balancing act were mentioned as being of specific concern. The first was that agency personnel are likeliest to have the time, the expertise, and the incentives to serve on committees, thus increasing the possibility for conflicts of interest. An executive director put it most frankly:

> The executive committee consists of all the heavy hitters.
>
> We have the officers and the program chairs most of whom are naturally agency heads. We don't have anyone on my committee who doesn't have their hands in my pockets.

A related concern was that board members naturally gravitate to the issue-specific committees which are most relevant to their professional base of knowledge. Once there, they may form a voting bloc

which tends to ignore or vote down the very non-traditional ideas which Smart Start is intended to encourage. Several board chairs expressed this concern:

> The ____ committee has a lot of agency people and some turf issues have arisen. I have a fear that proposals get shot down in committee for political reasons and not on their merits and the full board never gets to hear about them. We need a mechanism to let good ideas through without totally circumventing the committees and making them feel second guessed or that they are wasting their time. We need a safeguard so that personalities and politics don't get in the way of the vision, but we can't have committee decisions being constantly overridden. For them to be effective they must have clear lines of authority.

For all of the boards the issue of how to reap the efficiency gains of substantive division and delegation of labor without reducing the full board to a rubberstamping role remains a pressing concern.

Consensus and efficiency

The ideal of consensus-based decision-making, which was heavily emphasized in the board training during the planning year, has also come to be seen as having costs in terms of efficiency. While all of the boards recognized the consensus process as a desirable ideal and use it in certain situations, only one makes every decision at every level by consensus. In discussing this practice a member of another board exclaimed "I think it is wonderful! I just can't picture it working." In the abstract, everyone agreed that consensus decisions are more desirable because they reflect the input of every stakeholder and are less likely to be "railroaded through" than decisions arrived at by majority votes. One major advantage noted by interviewees is that decisions arrived at through consensus are supported by more substantial commitment:

> My perception is that the fact that we used consensus to come to our decisions at every level kept people involved. People had to give some kind of agreement to what we were doing, there was buy-in there. I think if we had voted on things and say it was something I hadn't voted for that we were spending our energy on now I might not be so committed. Because we have had collaboration and everyone has had to give their consent, since they participated in the decision they participate in carrying it out.

In the concrete, however, even the most ardent defenders and practitioners of consensus recognized that it has costs:

> Because we work through consensus our meetings are incredibly long. Sometimes consensus is not always reached on the first try. It takes a couple of meetings and discussions to emerge. Sometimes you have to revisit the same issues which is rather tedious. Sometimes I just want to get to the point and go on.

Although the group that works entirely through consensus contended that "the upfront time investment protects you in the long-run" by producing better decisions with more solid support, other counties have decided that reaching full consensus is not always worth the time it takes, particularly given concerns about burning out members with overloads of committee work and overlong meetings. Interviewees also noted that in addition to sheer inefficiency, another cost of consensus is a subtle bias towards those who can afford to invest the most time in the process:

> It is almost like the person who stays the longest and goes to the most meetings gets their way. There is a sense that if you keep bringing it up and bringing it up you will ultimately prevail.

For groups concerned with making it easier for parents and business people to participate in focused ways, working through consensus tends to increase rather than alleviate the time costs of participation. This is a trade-off which boards are taking very seriously, often deciding to use consensus only in particular situations.

Vision and administration

The third and final trade-off in the decision-making process which board members discussed in the focus groups was between vision and administration. Several boards described feeling torn between the "big picture" issues of identifying and addressing the needs of young children and their families and the more "nitty gritty" details of implementing and overseeing specific programs to meet those needs:

> In the beginning we talked a lot about vision. Now we are getting more into money. We try to get away from that in meetings and remind ourselves of the big picture but we are still in the process of figuring out how we want the organization to run.

> We have probably not spent enough time on administration or on analysis of results...we had hoped we were largely done with the planning process and could move on to issues of structure- how do we do business. But we never get to structure. We are constantly planning.

> The board structure worked for the strategic and visionary functions better than the ongoing management. On the other hand, planning has to continue, so we need to add on or adapt the structure, not replace it altogether. We are now scrambling to

restructure so we can simultaneously plan, implement, and monitor. Responsibility for each of those functions is not clear.

Clearly, some boards were worried that they are spending too much time on administration, others were worried that they are not spending enough, and no board was entirely convinced that they have the mix right. Boards were particularly concerned that the same structure and decision-making processes which served them well in the creative planning process may not function as well for day-to-day implementation.

Recommendations from local participants about balance in the decision-making process

• Recognize that no decision-making process is both perfectly participatory and perfectly efficient. Stop feeling guilty about making trade-offs and get on with the more productive task of seeking the right balance of process criteria for specific situations.

• Talk frankly about which choices are important enough to justify the time investment of consensus-based decision-making and which choices can be treated as more tactical and routine.

• Make the most of limited volunteer time by keeping broad strategic choices as participatory as possible while standardizing administrative functions and delegating them to specialized committees or staff.

• Be explicit about the scope of authority delegated to specific committees and staff and make sure that everyone understands how the various units fit together into a decision chain. A well-designed committee system should take some of the administrative burden off the full board without becoming so autonomous as to "pull surprises" on the board or make decisions which are perceived not to fit in with the overall strategic guidelines established by the board.

C. Managing Potential Conflicts of Interest

The REGO ideal of bringing the perspectives of many stakeholders to bear on a problem carries with it the risk of conflict of interest. People are defined as stakeholders precisely because they have some expertise or interest which is relevant to an issue. Bringing them all to the table increases the knowledge brought to bear on a problem, but there is a resultant decrease in the sort of disinterested neutral problem solving which is one of the supposed virtues of impersonal bureaucracy. Local boards were frank about the potential for conflict of interest, but they emphasized that it is a "built-in problem" which is a "direct result of who we are mandated to have on the board." Some resentment was expressed that the state had created a "Catch-22" in which the state encourages, indeed mandates, participation from interested parties and then warns them to limit their influence:

> Raleigh is giving us conflicting messages. The planning people and the program people do seem to say consistently we want this to be a creative collaborative process. But the people that wrote the conflict of interest statement were lawyers. The basic message of that policy is to do this from a legalistic perspective. It is confusing to be told on one hand be creative and collaborative and be different and on the other hand be told cover your ____, it is business as usual.

Participants pointed out that there is a particularly glaring tension between the conflict of interest policy and the ideal of collaboration, noting that

> A lot of times this policy puts us in a position that if a proposal is truly collaborative there is no one at the table who can vote because everybody is collaborating. The risk

of that is that if you really collaborate, the ones who end up making the decisions are the ones who have the least real knowledge and understanding about that decision.

The goal, which everyone recognized as valid, is for participants to bring their expertise to the table but not their influence. In addition to a formal policy requiring members to abstain from voting on projects in which their agencies have a direct interest, most boards have informal guidelines to help them maintain that delicate balance:

> Interested parties can participate in the discussion but we ask that they limit themselves to helping us understand the issues involved rather than influencing the vote. That can be a hard line to draw however.

> People with a possible conflict obviously can't vote at any level. However, their input in the development of a plan is critical. They are the experts and we would be foolish not to use all available tools. We ask them not to do the actual presentation of the proposal but to be there to answer questions.

The bottom line, most board members felt, is that that while "the conflict of interest policy might look good on paper, it only gets you so far." Given that the potential for conflict of interest is built into the mandated board structure and that there is really no way to remove it without removing the valuable expertise and insight of interested participants, local boards have resolved to accept and be open about the potential and then go about the business of collaborating to devise innovative solutions for the needs of preschool children.

Recommendations from local participants for managing potential conflicts of interest

• Rely on "professionalism" and "peer pressure" to keep undue influence in check: "There is no greater accountability than working on an ongoing basis with people you respect and trust."

• Stay focused on desired outcomes and the shared priorities articulated in the long term plan, since "it is usually the inputs that people fight over."

• Emphasize collaboration as a win/win solution to potential competition over funding.

• Seek board chairs, officers, and committee chairs who are "neutral in terms of the service delivery system" in order to keep their leadership from being "tainted with the suspicion that they are feathering their own nest."

D. The Role of the Executive Director

The executive directors of the local Smart Start partnerships play a key role in enabling volunteer board members to maintain a participatory and broad-based decision-making process. To the extent that the executive director is able to oversee organizational and administrative issues and maintain an integrated view of the many facets of the Smart Start process, board members are better able to focus on key strategic choices. The focus groups and interviews included a great deal of conversation about how best to define the role of the executive director to support the mission of the partnerships. Many interviewees felt that executive directors were forced to wear "too many hats" for any one person. Specifically, there was a concern that heavy administrative demands from Raleigh prevent executive directors from playing as active a role in the strategic functions of the partnerships as many participants would like them to be able to do.

Role definition was a particularly tricky issue during the transition period immediately after local boards hired their executive directors. Without exception, local boards reported difficulties because they were well along in their planning before they were authorized to hire executive directors. Participants felt that this time lag handicapped the executive directors in developing a grounded sense of the vision of the board and all of the thinking that went into the planning process:

> It was unfair to her and to us not to get her on board in the very beginning. She had missed out on the planning process and didn't know what issues we had worked through. There is too much that went on to sit down and tell someone. Most of it is in our heads.

Specifically, some boards regretted that their executive directors had not been part of the training and team building which they felt was so crucial to their functioning as a group. Participants also reported that because the board had grown accustomed to functioning in a certain way before staff was hired, it was "sometimes difficult to give up ownership of tasks and issues:"

> There was some creative tension as the board let go of some functions they had been accustomed to performing. The executive director had not shared the start up experience and there were some transition issues that had to be worked out before the hand-off was comfortable.

It took time to work through these creative tensions, but the boards now seem comfortable with the role the executive director plays, which is ideally seen as combining *administration* (enhancing the decision-making of the board by alleviating the "drudgery" of reporting requirements and managing the relationship with the State) and *leadership* (initiating new ideas in support of the partnership's broad goals). Most of the boards felt that administration and leadership cannot properly be separated and that the executive director needed to be able to maintain an overview of both the strategic and

the organizational functions. "Agenda-setter" and "facilitator" were two words commonly used to describe the role of the executive director, balancing administration and leadership:

> The executive director is very active in bringing ideas and proposals to the board, shaping the agenda and what we are looking at, but the board discusses and votes. There is no feeling of the process being driven by her; there have been no control issues. We appreciate her ability to structure things and have given her a lot of autonomy to do that.

> She facilitates things. It has been so efficient to have her at the top looking down at all the facets of what we are doing. When something comes from Raleigh or from a peer demonstration project she filters all that and gets the right pieces together. She weaves things together. She carries all the information from Raleigh back. The sheer weight of organization. The fax machine rolls constantly.

There will always be some built-in tension between the role of executing the wishes of the board and providing leadership and input in the planning process. One executive director joked that "E.D." really stands for "Enlightened Despot." If anything, however, most boards seemed to wish that the executive director were less constrained by administrative tasks and freer to play a more active leadership role in decision-making:

> She has lots of experience and I want her to bring ideas and alternatives to the board. Ideally she should be as much an idea person as an administrator but the administrative roles have consumed more of her time.

> I think she is torn as anyone would be between the very heavy responsibilities that DHR puts on her for contract administration versus what the board wants her to be involved with which

is working with the committees and being out there in the community. Just the DHR part is more than a full time job. And what we ideally would like her to do with the board is another full time job. That is why she works 24 hours a day. I would hate to have to make some of the decisions she has to in terms of priorities.

Local boards insisted that an executive director who is both leader and administrator serves as a crucial resource in maintaining an effective decision process. They worried that the role is becoming skewed too heavily in the administrative direction, to the overall detriment of the organization's functioning.

Recommendations from local participants about the role of the executive director

• Executive directors should be hired as early as possible in the planning process in order to reduce transition difficulties and smooth their integration into the developing organization.

• Since volunteer board members simply don't have time to maintain a clear overview of the whole range of planning, implementation, and evaluation issues, it is crucial that the executive director not be so consumed with administrative details as to lose sight of the big picture.

• More administrative support should be provided for executive directors in order to free up more of their time to function as leaders. The recent reallocation of contracting responsibilities to the local level will make this even more critical.

E. Burn-Out: Sources and Solutions

Many of the organizational issues discussed in previous sections are challenges which boards face in attaining the REGO ideal of non-bureaucratic and participatory decision-making. Burn-out is the most serious threat to sustaining that kind of decision process. Attaining the creative, client-centered results of the REGO process simply requires more time and energy from more people,

mostly on a volunteer basis, than decision-making within traditional public bureaucracies. Smart Start participants stated strongly that the investment is worth it, that the process of gathering such diverse input and working towards consensus leads to substantially better decisions, but many admitted that they are beginning to pay a price on the individual level. There is a risk that this individual burn-out could lead to a cumulative loss of momentum for local partnerships.

The sources of burn-out are easily identifiable. The most deadly one is what one participant described as the "hidden cost of collaboration," the hundreds and thousands of hours spent in meetings on a volunteer basis, above and beyond a member's job description. Participants pointed out that although board members who work at public agencies or non-profits may be able to get time away from their jobs to work on Smart Start business, their regular workload is still waiting on their desks when they return. Thus it tends to be individuals rather than the agencies which employ them who absorb the costs of participating in Smart Start. For members who work in the private sector, continuing to carve out large blocks of time to participate in Smart Start is even more difficult.

Participants were divided as to whether this cost of collaboration is a start-up expense or whether it will need to be sustained at this pitch indefinitely. While some argued that ultimately collaborative decision-making should bring efficiency gains, others contended that truly collaborative decision-making would always be more time intensive. Regardless, no board believed that their collaboration has yet moved to a stage where "there is a product and staff functions can carry on the work." Indeed, one of the major goals is for the process not to become routinized, indicating the need for intensive face-to-face involvement for the foreseeable future:

> I started out thinking I'm just going to kick in for the next couple of years and really go at it and then they'll be some light at the end of the tunnel. But I keep going and

going and going and there doesn't seem to be any light. You have to keep doing it. If you stop doing it and you get out of touch, the collaboration doesn't work.

Participants also identified the transition from the excitement and creativity of the planning stage to the day-to-day drudgery of implementation as a source of burn-out. It was easier to sustain momentum during the planning phase when anything seemed possible. Now participants face the less glamorous task of making their visions concrete:

> It is a common phenomenon in organizations: it is exciting to get something off the ground but when things get routine there is a let down. When we finally got staff everyone was just so relieved to have someone to do the work that they kind of stepped back.

There was concern that some of the team-building effects of the first year were beginning to disintegrate as the organization fragmented into committees to manage the vast task of implementation. Without being reminded of that common vision, board members may lose sight of why they are doing all this work and become more easily frustrated. In some counties people also commented that there had been some "attrition" in participation due to the fact that

> as things shake out and it is clear what the plan is and where the money is going certain people move into a less active role. In general, people with no funded project being implemented get less active. They don't have the same level of direct connection once planning is over that other board members maintain through being involved in implementation.

Finally, interviewees cited disillusionment with the process, specifically frustration with the reduction of local autonomy, as a major source of burn-out. In the beginning, volunteers were willing to make extraordinary contributions because they saw Smart Start as a unique opportunity to

participate in the solution to problems in their own communities. Now, however, many see the horizons closing in at the local level due to politicization and regulation at the state level. Unsure how much their local input is really valued, they are less willing to invest in the time-intensive local collaborative process:

> The role of the State is changing. They are taking over much more central authority and providing much more dictation. You can't get people to volunteer to run a state agency. As the partnership becomes more and more like another state bureaucracy, volunteer participation will continue to drop.

Frustration with state management practices has a similar effect:

> Now when we hear there is a deadline coming up we don't jump like we used to. The State has changed their mind so many times that we no longer feel they are real deadlines and are no longer willing to make sacrifices and do whatever it takes to meet them. The level of commitment to the process had dropped, not to the goals. We want to work smarter, not harder.

Taken together, the cost of collaboration to individual volunteers, the "let-down" effect of getting into the details of implementation, and disillusionment with the way the process is being run at the state level constitute serious challenges to the sustainability of a participatory, non-bureaucratic, volunteer-based decision process. In the opinion of some local board members, these threats to the integrity of the decision process threaten the outcome goals of Smart Start themselves.

Recommendations from local participants for combatting burn-out

• Structure decision-making to give real responsibility to committees. Meaningful delegation prevents the board from having to "rehash" every issue in detail at the board level and allows people to participate in a "structured and focused way."

• Streamline the committee system to eliminate "overlaps in membership and mandates" and define a coherent chain of communication.

• Broaden the base of participation. Several counties mentioned mixing board members with other community members with an interest in a specific project area to perform tasks like reviewing proposals. In most counties there has been a trend towards going beyond the agency heads who are mandated board members to seek participation in committee work and other specific tasks from multiple levels of the same organization.

• When discussion gets bogged down in implementation details, revisit the mission statement and long term priorities to remind the group of the overriding purpose that makes all of their effort worthwhile.

IV. Conclusion

After more than two years of intense involvement and a year of full scale implementation, local participants in Smart Start remain deeply committed both to the program's outcome goal of improving school readiness and to the REGO process goals of non-bureaucratic decision-making and broad-based participation as the best means to achieve the desired end. At this stage in the implementation process, board members are beginning to see tangible results from the programs they have funded, and they report that those changes in their community are the main things that sustain their commitment. Volunteer participants and paid staff of the partnership continue to invest enormous amounts of time in the process because they see Smart Start as a unique opportunity to make a difference in their community. Unlike "business as usual," they believe that Smart Start affords a broad and diverse cross-section of their community input into identifying locally pressing issues for preschool children and their families and devising the most locally relevant solutions. In

the opinion of most, traditional bureaucratic systems were falling short of meeting the complex and interrelated needs of Smart Start's target population. Thus the process goals of bottom-up, non-bureaucratic, participatory decision-making are an integral part of finding a solution. Any threat to the integrity of these process goals is a threat to the outcomes themselves.

This report has focused on the extent to which these process goals have withstood the rigors of implementation in an increasingly politicized environment. As partnerships have moved from the wide-open creativity of the planning phase to the details of implementation, REGO process ideals have come into increasing tension with both standard government procedures and with the realities of running a functioning organization. At the state level, board members perceive a retraction of local autonomy and increased pressure for standardization and regulation of local partnerships. At the local level, board members have worked to sustain broad participation and to balance their desire for an open decision process with the efficiency demands of their evolving organization. Board members have found it increasingly imperative to reflect on challenges to their decision-making process and to identify solutions. This report attempts to capture that reflection systematically and to serve as a resource for Smart Start participants at all levels in their commitment to non-bureaucratic, participatory decision-making for the ultimate benefit of North Carolina's children, families, and communities.

Appendix: Interview Protocol

As we told you in your invitation letter, the purpose of this part of the evaluation is to learn how the work of the local partnerships has changed as they moved from planning to implementation. We plan to use this information in two ways.

First, we will provide feedback to all twelve of the initial Smart Start counties who are participating in these focus groups. We hope that this feedback will give each partnership an opportunity to reflect on its decision making process and think about what issues need to be addressed as they move forward.

Second, we will use this information to make recommendations to the next wave of Smart Start counties as they make the transition to implementation. Hearing about how your counties made the transition, what issues came up, and how you dealt with them should help the next group of counties to address these issues proactively.

In addition to today's group we will be meeting with representative subsets of the boards in five other counties and with the executive directors and board chairs from all twelve of the initial sites.

We decided to use focus groups because we felt getting you together as a group would enable you to engage these issues actively, bounce ideas off each other and develop a fuller and franker picture of the implementation process than would come out of any other method. Since we have a lot of ground to cover in a short period I don't plan to go around the room and have each of you address each question. Instead, I would encourage you to jump in whenever you would like to.

Before we begin, does anyone have any questions about the process?

Let's begin with the most general question and then we'll get more specific as we go along. How has the work of the local partnership boards changed from the planning year to the implementation year? (since you finished the first long term plan)

- has the time commitment required from board members changed?
- have patterns of participation changed? (who is participating more/less?)
- have things become more routine?
- is it easier or harder to achieve consensus?

I'm specifically interested in knowing whether you spend more or less time than you used to on administration or on talking about vision and strategy.

- have you spent much time talking about the long term vision once the long term plan was written and approved?
- how much time has been spent changing the way things work in early childhood services in your county versus getting day to day work done?
- how has your board dealt with the question of how individual programs or activities fit into the overall vision?

From speaking to people involved in local partnerships I get the sense that some people feel the level of commitment to Smart Start dropped after the planning year, either because of burn out or because once an executive director was hired and funding decisions had been made board members were less sure what their role was.

- do you see this happening?
- why?
- is it inevitable? is it a problem?
- how has your board dealt with it?

From your perspective how does having an executive director change the work of the board?

- what role does the executive director play in decision making?
- what is the balance of leadership and administration?
- what is the balance between the roles of executive director and board chair? what kinds of decisions and tasks does each handle?

One of the goals of Smart Start is to combine the expertise of family and children's services professionals with the input of other community members. How well has this balance worked on your board?

- who participates the most?
- who takes leadership roles?
- who is most involved in committees?
- is there a tendency to defer to "experts"?
- is it easier for members who represent a particular agency or group to get their point of view across?
- what steps can a partnership take to encourage broad and diverse participation?

One of the issues arising from the participation of agency professionals on the partnership boards is the potential for conflict of interest- people being involved in decisions that could benefit their own program or agency. Does this happen often?

- how are these issues handled by your board when they arise?
- can you give a specific example of how this has come up and been dealt with by your board?
- what kind of guidance have you received from the state about how to handle conflict of interest issues? has it been useful?
- is there a tendency for programs with a strong advocate on the board to receive a lot of funds?

My next question is about the committee system. Tell me about how the committee system in this county emerged and what needs it was meant to serve.(Many of the partnerships have found that the full board is not a very efficient forum for decision making and so have delegated some tasks to committees. Describe how this worked in this county.)

- what specific committees do you have and what are their roles?
- how are committee members chosen?
- how do you balance the broad representativeness and participation of the full board with the need to divide up the work and get things done in smaller groups?
- where does most substantive discussion take place?
- how actively does the full board debate committee recommendations?
- which committees have the most influence? is there an executive committee and if so what role do they play?
- is the leadership structure of the influential committees representative of the full board? what kinds of people are leaders on those committees?
- what role do executive directors play in the committee system?

"Collaboration" is a big buzzword in Smart Start. What does it mean in your county?

- what are some tangible examples?
- Two possible approaches to collaboration are one the one hand coordinating existing services or on the other starting from scratch with the needs of children and designing new systems. Which framework has your board tended to use?
- how have timelines or mandates from the State affected the emphasis on services versus systems?

How has the relationship of the local partnerships to the State changed this year?

- has the level and type of involvement with the State changed?
- who at the state level affects the work of the local partnerships?
- what expectations has the State communicated this year and how have they been communicated?
- what guidance and support did you receive?
- what constraints and limitations did you face?

Smart Start is intended to be a bottom-up model of government in which local communities are given the resources and the flexibility to address the issues they think are most critical in the way they think is most appropriate.

- in what ways is this promise being fulfilled?
- in what ways is it being short changed?
- how has the State dealt with the issue of accountability?
- what is the State learning from the counties about better human services?

How do you monitor the programs and proposals which you fund?

- what information do you require?
- how is this information analyzed?
- how well does it feed back into decision making?
- does this information help you assess how well individual pieces contribute to the overall vision?
- have you faced the situation yet of using this information to make choices and tradeoffs in terms of continuing to fund particular projects?

Finally, what advice would you give to Smart Start counties who are making the transition from planning to implementation?

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