DOCUMENT RESUME

ED 433 607 EA 030 023

AUTHOR Khademian, Anne Meredith
TITLE Recent Changes in Public-Sector Governance.
INSTITUTION Education Commission of the States, Denver, CO.
PUB DATE 1999-01-00
NOTE 72p.; For related documents, see EA 030 024-027.
AVAILABLE FROM ECS Distribution Center, 707 17th Street, Suite 2700, Denver, CO 80202-3427 (Stock No. SI-99-5; $8.50 prepaid, plus postage and handling). Tel: 303-299-3692; Web site: <http://www.ecs.org>.
PUB TYPE Reports - Descriptive (141)
EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS *Educational Administration; Elementary Secondary Education; *Governance; Government School Relationship; Public Administration; *Public Sector; School Administration; School Policy
IDENTIFIERS National Commission on Governing Americas Schools

ABSTRACT

This report looks at recent changes in governance across the public sector to provide context and examples for the National Commission on Governing America's Schools' efforts. The report is presented in six sections. Following a brief introduction in section 1, section 2 provides an overview of the forces that have changed public-sector governance over the past two decades. It looks at challenges of governance, troubled management systems, increased diversity, shrinking resources, new ideas and new technologies, and rethinking governance. Section 3 examines some of the common themes of the new governance, such as devolution, partnerships, mission-driven governance, the presence of complexity and uncertainty, continuous learning, and leadership. The fourth section then presents six partnership models of the new governance: (1) governance at the grass roots; (2) building performance into internal governance; (3) aging and complex program and administrative structures that have prompted participants in the governing process to find alternatives; (4) from arbitration to collaboration; (5) cooperative federalism at the grass roots; and (6) external support for public innovation experiments. The next section details some of the challenges of the new governance, such as accountability and replication. The document closes with an overview of new governance options, including suggestions for improving the existing system. (RJM)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 433 607

EA

RECENT CHANGES IN PUBLIC-SECTOR GOVERNANCE

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

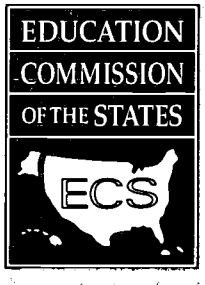
☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

S.F. Walker

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

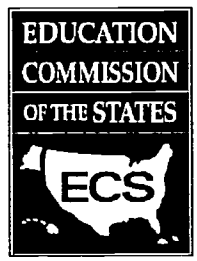


EA 030023

BEST COPY AVAILABLE

ERIC

RECENT CHANGES IN PUBLIC-SECTOR GOVERNANCE



Education Commission of the States
707 17th Street, Suite 2700
Denver, CO 80202-3427
303-299-3600
FAX: 303-296-8332
e-mail: ecs@ecs.org
www.ecs.org

January 1999

Copies of this book are available for $8.50 plus postage and handling from the ECS Distribution Center, 707 17th Street, Suite 2700, Denver, Colorado 80202-3427, 303-299-3692. Ask for No. SI-99-5. ECS accepts prepaid orders, MasterCard, American Express and Visa. All sales are final.

ECS is pleased to have other organizations or individuals share its materials with their constituents. To request permission to excerpt part of this publication either in print or electronically, please write or fax Josie Canales, Education Commission of the States, 707 17th St., Suite 2700, Denver, CO 80202-3427; fax: 303-296-8332.

© Copyright 1999 by the Education Commission of the States (ECS). All rights reserved.

The Education Commission of the States is a nonprofit, nationwide interstate compact formed in 1965 to help governors, state legislators, state education officials and others develop policies to improve the quality of education. The ECS office is located in Denver, Colorado.

It is ECS policy to take affirmative action to prevent discrimination in its policies, programs and employment practices.

* * *

Please add postage and handling if your order totals: Up to $10.00, **$3.00**; $10.01-$25.00, **$4.25**; $25.01-$50.00, **$5.75**; $50.01-$75.00, **$8.50**; $75.01-$100.00, **$10.00**; over $100.01-**$12.00**.

Generous discounts are available for bulk orders of single publications. They are: 10-24 copies, **10%** discount; 25-49 copies, **20%**; 50-74 copies, **30%**; 75-99 copies, **40%**; 100+ copies, **50%.**

TABLE OF CONTENTS

Acknowledgments v

Executive Summary and Overview vii

Introduction 1

Forces of Change 2

- The Challenges of Governance 2
  - Program Overlap and Policy Complexity 2
  - Troubled Management Systems 2
  - Competition for Political Control 4
  - Growing Role for Interest Groups 4
  - Increased Diversity 4
  - Shrinking Resources 5
  - Growing Demands for Government Services 5
  - Expectations for Better Performance and Accountability 5
  - Internationalization of the Economy 6
- New Ideas and New Technologies 6
  - Rethinking Governance 6
  - New Technology 7
- Conclusion 7

Common Themes of the New Governance 8

- Devolution 8
- Partnerships 9
- Mission-Driven Governance 9
- Performance-Based Accountability 9
- Primacy of the Decisionmaking Process 10
- Complexity and Uncertainty Dominate 10
- Cultural Change: Information Sharing, Participation, Commitment and Trust 10
- Continuous Learning 11
- Start Small, Test and Evaluate 11
- Markets as an Option 11
- Leadership 12
- Information Technology 12

Six Partnership Models of the New Governance 13

- Model 1: Governance at the Grass Roots 14
  - Example 1: East St. Louis Action Research Project 14
  - Example 2: Problem-Solving Partnerships in Policing: Chicago Alternative Policing Strategy 15
- Model 2: Building "Performance" into Internal Governance 18
  - Example 1: The National Performance Review: Performance-Based Organizations 18
  - Example 2: NPR Customer-Service Initiative 20

Example 3: Performance-Based Budgeting Efforts 22
Example 4: Governance Reforms Focused on the Performance of Particular Systems: New York Civil Service 23
Example 5: Information Technology Improvements and Performance 24
Example 6: Procurement Changes 25
Model 3: From Arbitration to Collaboration: Public-Sector Unions and Public Management 27
Example 1: Union-Management Partnerships in the Federal Government 27
Example 2: Union-Management Partnerships at the State and Local Levels 28
Example 3: Public-Sector Partnerships in Higher Education 30
Model 4: Cross-Sector Partnerships To Address Public Problems 32
Example 1: The Police-Mental Health Partnership: The CD-CP Program in New Haven 32
Example 2: Florida's Healthy Kids Corporation 33
Example 3: Collaborative Efforts To Protect the Environment and Public Health 35
Model 5: Cooperative Federalism at the Grass Roots 36
Example 1: The Corporation for National Service and AmeriCorps 36
Example 2: Empowerment Zones 39
Model 6: External Support for Public Innovation Experiments 42
Example 1: New York's Center for Technology in Government 42
Example 2: Institute for Public Safety Partnerships 43

Challenges of the New Governance 45
Accountability 45
Replication 48
The Rule of Law 48
Customer Service 49
Resources and Political Support 49

The New Governance and Frameworks for Education Options 51
Improve the Existing System 52
Decentralized Site-Based Management 54
Charter School Districts 55
Education Development Board 57
Conclusion 58

ACKNOWLEDGMENTS

This paper was written by Anne Meredith Khademian, an independent author and researcher based in Michigan. From 1996-98, she was a visiting associate professor in Political Science and Public Policy at the University of Michigan. Before that, Khademian was an associate professor at the University of Wisconsin-Madison and a research fellow at the Brookings Institution.

Special thanks go to members of the *Governing America's Schools* project's Research Steering Committee (particularly, Susan Mohrman of the University of Southern California) and Research Advisory Board; and to many ECS staff members, in particular, Todd Ziebarth, Sherry Freeland Walker, Anna West and Josie Canales.

The paper was prepared as background information for the National Commission on Governing America's Schools, with financial support from the Joyce Foundation.

EXECUTIVE SUMMARY AND OVERVIEW

The question before the National Commission on Governing America's Schools is: "How can states and communities organize themselves to educate their young people more effectively?" This report looks at recent changes in governance across the public sector to provide context and examples for the commission's efforts. Governance in this report is defined as the structures, processes and ideas that influence who participates in decisionmaking in the public sector and how.

The report is presented in six sections. Following a brief introduction, the second section provides an overview of the forces that have prompted changes in public-sector governance over the past two decades. Aging and complex program and administrative structures have prompted participants in the governing process to find alternatives, as have dramatic changes in political, social and economic settings. In addition, new technologies, expanding markets and new ideas about managing organizations suggest alternative ways of governing, as do new ideas about the relationships between government and the private sector, and among the public, elected officials and government employees. An overview of these forces is presented in Table 1 below.

TABLE 1

Forces of Change in Public-Sector Governance

Challenges of Governance

- *Program Overlap and Policy Complexity*
- *Troubled Management Systems*
- *Political Competition for Control of Government Programs*
- *Growing Strength of Interest Groups and the Competition for Government Resources*
- *Increased Diversity of the Public*
- *Shrinking Resources for Government Programs*
- *Growing Demands for Government Services*
- *Expectations for Better Performance and Accountability*
- *Internationalization of the Economy and the Consequences for States and Communities*

New Ideas and New Technologies

- *Rethinking Governance: The Role of Communities, Alternatives to Litigation, Economic Theory and Private-Sector Management Concepts*
- *New Technology: The Internet and Computers*

In response to these forces, participants in public-sector decisionmaking are experimenting with new forms of governance. The actual changes in public-sector governance are as diverse as the tens of thousands of governments (federal, state, local and special district) within America and the people who partner with, lead and participate within them. Yet the ideas for change and the ways they are practiced

BEST COPY AVAILABLE

are variations on prominent themes that together suggest new patterns of governance. These themes, and the contrast of each with traditional governance, are presented in Table 2 below and are developed in the third section, "Common Themes of the New Governance."

TABLE 2

Traditional Governance	*New Governance*
• Hierarchy	• *Devolution*
• Specialization of organizations and policy areas	• *Partnerships and boundary spanning*
• Vague organizational missions	• *Mission-driven governance*
• Accountability based upon inputs and adherence to procedures	• *Performance-based accountability*
• Primacy of action	• *Primacy of the decisionmaking process*
• Problems can be simplified/rationalized	• *Complexity and uncertainty are dominant*
• Systems and frameworks are key to performance	• *Culture Change: Information sharing, participatory decisionmaking and efforts to build commitment and trust are key to performance*
• Training for new recruits	• *Continuous learning*
• Programs implemented on large scale	• *Start small, test and evaluate*
• Limited use of market forces	• *Markets as option*
• Limited use of information technology	• *Information technology for improving performance and enhancing accountability*
• Leadership with authority and the answers	• *Leadership that listens and shares the authority of decisionmaking*

Examples of the New Governance and Summaries of the Results

The fourth section, "Six Partnership Models of the New Governance," identifies six different models representing these themes of governance that have developed over the past 10 years. Each model is identified by **partnerships** in the governing process and the **problems** they are addressing. While each model captures many of the themes of the new governance presented in Table 2, **special features** of each model are also identified. Summaries of these results are presented here.

Model 1. Governance at the Grass Roots: Efforts to address severe social problems and public discontent with public services at the local level.

Examples of governance at the grass-roots level include the East St. Louis Action Research Project (ESLARP) and the Chicago Alternative Policing Strategy (CAPS). The following results were found:

- The physical transformation of city neighborhoods, including the clearance of trash-filled lots in residential areas, renovation of homes and the building of new homes, gardens, playgrounds and ball-fields

BEST COPY AVAILABLE

- New economic opportunity such as a thriving farmer's market in the center of East St. Louis
- The growing capacity of community residents to organize and participate
- A growing political consciousness among residents
- The use of technology, education and technical support to share information and build community capacity for action
- Dramatic declines in crime.

Model 2. Building Performance into Internal Governance: Efforts to change the way government organizations are organized and managed to enhance performance and efficiency.

Examples of efforts to build performance into internal governance include establishing Performance-Based Organizations, the National Partnership for Reinventing Government customer-service initiative, performance based-budgeting, the use of information technology, and reforms of civil service and personnel systems. Results include the following:

- Some evidence of cost savings and improved performance
- Increases in "customer" satisfaction for agencies
- Recognition by participants of the difficulty in identifying meaningful performance indicators that capture the agency work and are not too dependent on factors outside of the agency's control
- Agency commitments to opportunities for employees to learn additional skills and acquire knowledge to help improve service
- Experiments with harnessing competitive or market forces to improve upon performance
- Efforts to connect performance to strategic planning and budgeting.

Model 3. From Arbitration to Collaboration: Efforts between public unions and management to improve working relations and agency performance.

Examples of collaboration between public unions and management include partnerships in the federal government, partnerships at the state and local levels of government, and partnerships in public higher education. The following results were found:

- Striking improvements in performance and customer service
- Declines in injuries, overtime and sick leave
- Cost savings through union-negotiated procurement contracts
- A strong commitment to the training and development of employees
- The reduction and even elimination of union-management disputes in some agencies
- Establishment of working management and union teams across the organization
- Difficulty for some participants in adapting to the rapid pace of change and lack of trust between some union members and management preventing full collaboration.

Model 4. Cross-Sector Partnerships To Address Public Problems: Collaborations across the federal, state and local public sectors, the private sector and different areas of public policy.

Examples of cross-sector partnerships include the Police-Mental health partnership in New Haven, Connecticut; Florida's Healthy Kids Corporation; and collaborative efforts to regulate the environment. The following results were found:

- Changes in the way professionals understand their jobs and the contributions they can make to public problems as police officers, mental health clinicians, teachers and school administrators, and environmental regulators
- New protocols in public agencies reflecting the additional expertise and understanding of a problem that comes through partnership efforts
- Improved efforts to address the needs of children exposed to violence
- Health insurance for 48,000 previously uninsured children in Florida and declines in emergency room visits
- Successful efforts to deal with costly and critical environmental and resource challenges.

Model 5. Cooperative Federalism at the Grass Roots: Federal initiatives implemented at the grass-roots level.

Examples of federalism at the grass roots include AmeriCorps, directed by the Corporation for National Service, and Empowerment Zones. The following results were found:

- Improvements in the physical environments targeted by federally funded, locally based programs; improvements in the lives of children and in building more diverse communities able to work across racial, political and historical boundaries
- Successful efforts to build community capacity for education reform and business redevelopment
- Successful planning and program implementation when participation in the process is broadly based and leadership at the local and federal levels are committed to the effort
- Difficulty of planning and program implementation when federal money is scarce or viewed as temporary
- The ongoing challenge of identifying indicators of program outputs at the local level
- The need to upgrade the management systems of agencies participating at the grass-roots level for program capacity and accountability purposes.

Model 6: External Support for Public Innovation Experiments: Efforts to facilitate innovation and learning in government.

Examples of external support for public innovation include New York's Center for Technology in Government and the Institute for Public Safety Partnerships. Results include the following:

- Development and application of innovations from service deliveries on the Web to improved decisionmaking processes for psychiatric assessments in emergency rooms
- Improvements in the coordination between state and local government agencies to coordinate and share information
- In-kind corporate contributions to innovative pilot programs of $2.4 million
- The importance of onsite, face-to-face training to develop the community expertise necessary to conduct community policing
- Limited success in using a Web site for coordinating training efforts and enhancing communication between members of a community training corps, most of who preferred face-to-face contacts.

Governing Challenges and the Four Education Frameworks

The governing challenges posed by these changes in a democracy are discussed in "Challenges of the New Governance" and are presented in question form in Table 3 below.

TABLE 3

Questions for the New Governance
Accountability
• *Does the government have the capacity to manage its partnerships?*
• *Who should participate in the governing process?*
• *What is a good indicator of performance?*
• *How do we hold empowered employees accountable?*
• *Should public managers and employees be entrepreneurs?*
• *Can advocates, adversaries and government agencies work as partners?*
Replication
• *Can local solutions be replicated?*
The Rule of Law
• Do legal frameworks allow for consensus-based governance?
Customer Service
• *Do "customers" have an obligation to participate as citizens?*
Resources and Political Support
• *What resources are required for the new governance?*
• *How long can reform be sustained in a political context?*

The final section draws analogies between the examples of new governance and four public education frameworks. The following observations are made in the context of the four frameworks:

Improve the Existing System

The new governance themes of continuous learning, performance-based accountability, new leadership and customer initiatives suggest possible ways in which schools might be improved within the existing system. The examples, however, suggest that an approach that does not dramatically change the relationship between schools and the central office is the least likely option to improve education performance. The new governance demands broadly devolved authority, training to build upon that extended authority, ongoing processes of discussion and evaluation, and the gradual building of trust and commitment among all participants.

Decentralized Site-Based Management

Decentralized management suggests new roles for schools and central offices (district boards or state agencies). District boards would give up some control over curriculum, personnel and other centrally determined regulations but take on the role of providing support services, information, training and advice for site-managed schools. District boards, or a state board or department of education, also would need to assume responsibility for identifying, assisting and possibly sanctioning poorly performing schools. Such a role implies additional assistance for site-managed schools to identify and implement meaningful performance standards. The examples in the partnership section suggest devolution of authority requires attention to the capacity of local organizations, such as schools, to manage programs, develop performance indicators and demonstrate accountability to a central office.

BEST COPY AVAILABLE

Charter School Districts

As many examples in "Six Partnership Models of the New Governance" illustrate, a primary challenge for the charter school district option is to develop meaningful measures of performance that capture the mission of individual schools, as well as performance standards representing public demands for accountability. Such an effort is proving to be difficult for organizations practicing the new governance. The exercise alone, however, can be an essential part of the governing process, allowing everyone involved to air differences, establish priorities and find consensus on some issues. A state board or department of education could play a primary role in helping schools establish measures particular to a school's mission, as well as standards across all charter and other public schools.

Another primary challenge of the charter school district option is finding ways to make parental choice an effective source of accountability. Choice without adequate information and the capacity to assess the information is not an effective check on school performance. As many partnership examples illustrate, an organization such as a state board or department of education can provide information that is comparable across schools and forums for discussion and other forms of support.

Education Development Board

An education development board could allow a variety of education options to flourish that might not otherwise receive sufficient support. As the previous examples illustrate, success of this option might rest with the capacity of the board and state government to address two concerns. First, education diversity will require the board to serve a wide range of innovative efforts as well as more traditional options. One option would be to create an education development board as a public entity, but require the board to raise some of its own income from the various education partners that purchase consultation, expertise, information packages and other board services. Such an approach might ensure the board's attention to a wide range of education needs, while a combination of state, local and even federal funding could subsidize the services to schools less able to make the purchase.

Second, finding ways to ensure performance across a wide range of education options, as in the case of charter schools, will require significant attention by an education development board and other state-based educational organizations.

INTRODUCTION

Across America, governance of the public sector is changing. Decisions for disposing of toxic wastes, developing clean air regulations and finding solutions for children in violent homes are being made in deliberative, more inclusive processes rather than solely by experts.[1] Police officers and welfare "project representatives" in the states are exercising greater decisionmaking authority.[2] Even the concentrated power long exercised through the federal government's spending authority is being devolved to state and local governments — along with significant program development and fiscal responsibility.[3] Participants in public policy sectors from health to higher education to tax collection focus on defining missions and identifying clear indicators of performance to hold government agencies and their private and nonprofit sector partners accountable.[4] And public-sector unions and management are opting for collaboration over arbitration to improve upon the public services they provide citizens as "customers."[5]

This report examines recent changes in the structures, processes and ideas that influence who participates in decisionmaking in the public sector and in what manner. Several forces over the past two decades have pushed, pulled and prompted governance changes. These forces are discussed in the second section, "Partners of Change." In response to these forces, participants in public-sector decisionmaking are experimenting with a new form of governance defined by several themes.

Section 4, "Six Partnership Models of the New Governance," identifies six different models representing these themes of governance over the past 10 years. Each model is identified by **partnerships** in the governing process and the **problems** they address. While each model captures many of the new governance themes, they also include **special features**. Each model is illustrated with examples. The governing challenges posed by these changes in a democracy are discussed in "Challenges of the New Governance." The final section draws analogies between the examples of new governance and the four public education frameworks.

---

[1] Rabe, Barry (1994). *Beyond NIMBY: Hazardous Waste Siting in Canada and the United States*. Washington, DC: The Brookings Institution.
Weber, Edward (1998). *Pluralism by the Rules: Conflict and Cooperation in Environmental Regulation*. Washington, DC: Georgetown University Press.
Rockhill, Anna (1997). "Oregon's Family Decisionmaking Study" in *1997 National Roundtable Series on Family Group Decisionmaking, Summary of Proceedings*.

[2] Wycoff, Mary Ann, and Skogan, Wesley (1995). "Community Policing in Madison: An Analysis of Implementation and Impact." In D. Rosenbloom (Ed.), *The Challenge of Community Policing: Testing the Promises*, pp. 75-91. Thousand Oaks: Sage Publications.
Archibald, Sarah (1998, Spring/Summer). "New Hope for Wisconsin Works." *The La Follette Policy Report*, vol. 9, no. 1, pp. 1-3, 12-15. The Robert M. La Follette Institute of Public Affairs, Madison, Wisconsin.

[3] General Accounting Office (GAO) (1998, January). *Welfare Reform: States' Efforts To Expand Child Care Programs* (GAO/HEHA-98-27).

[4] GAO (1998, February). *Managing for Results: Observations on Agencies' Strategic Plans* (GAO/T-GDD98-66).

[5] Kearney, Richard (1996). "Managing Relations with Organized Employees." In J. Perry (Ed.), *Handbook of Public Administration, 2nd ed.*, pp. 460-74. San Francisco: Jossey-Bass, Inc. Publishers.

FORCES OF CHANGE

Decisionmaking that turns resources into public value is the day-to-day challenge of governance in a democracy. Over the past two decades, several forces have converged to make the challenge unusually difficult. In addition to challenges posed by aging and complex program and administrative structures, dramatic changes in political, social and economic settings are prompting changes in governance. New technologies, expanding markets and new ideas about managing organizations suggest alternative ways of governing, as do new ideas about the relationships between government and the private sector, and among the public, elected officials and government employees.

The Challenges of Governance

Program Overlap and Policy Complexity

For decades, government agencies have been established to address specialized public problems and interests. Federal, state and local agencies regulate particular industries, serve the needs of particular constituencies or distribute specialized benefits such as social security, food stamps and financing for first-time homebuyers. But with the growth of government programs, the specialized boundaries of any one agency routinely are breached by other agencies' program responsibilities. For example, in 1994 the U.S. General Accounting Office reported the federal government allocated $25 billion to 154 programs or funding streams to create employment opportunities, train or retrain workers, or help people find employment. Implementation involved 14 federal departments and independent agencies with parallel administrative structures and staff.[6] Coordination or cooperation in these efforts can be hampered by the drive of individual agencies to demonstrate their competence and by the distinctive approach of each program, often housed in a larger department whose broader mission also influences program implementation.

The challenge of overlap and complexity is not limited to the federal government. As both city and county governments have grown in the past two decades, duplicate agencies have had to navigate jurisdictional boundaries to maintain county and city parks and waterways, deliver public health services, build roads and protect the environment.[7] Boundaries also are breached by federal programs that mandate the cooperation of state and local governments. These mandates frequently are unfunded or underfunded, place tight procedural requirements upon states and local governments, give little attention to the staff and resource demands for local governments to meet deadlines and timetables, and lack coordination at the federal level.[8] The result has been limited opportunities for the states to experiment with policy that meets the concerns and needs of residents.

Troubled Management Systems

Over the past two decades, the systems designed primarily to protect government agencies from "political" influence, fraud and abuse sometimes have become impediments to effective management by limiting flexibility. Most prominent are centralized personnel systems at all levels of government that

---

[6] GAO (1994, July). *Multiple Employment Training Programs: Overlap Among Programs Raises Questions About Efficiency* (Letter Report, July 11, 1994, GAO/HEHS-94-193).

[7] Excellence Dane Task Force (1995, August). *Recommendations to the Dane County Executive Promoting Continuous Improvement and Excellence in Dane County Government.* Dane County, Madison, Wisconsin.

[8] The Advisory Commission for Intergovernmental Relations noted, for example, that eight federal agencies are involved in the enforcement of the Americans with Disabilities Act. In such circumstances, it is difficult for state and local agencies to receive a binding decision on matters of compliance or even guidance for moving forward. Advisory Commission on Intergovernmental Relations (ACIR) (1996, January). The Role of Federal Mandates in Intergovernmental Relations: A Preliminary ACIR Report. Washington, DC: ACIR.

regulate the recruitment, promotion, job assignment and performance evaluation of government employees.[9] For managers within individual agencies, central personnel systems can limit their flexibility to recruit, hire, promote and reward the best employees, particularly those with highly technical skills or more attractive opportunities in the private sector. Rather than a "neutral" system of employment, managers often must deal with systems that can discourage the best and brightest government employees, protect those who give a minimal effort, and promote the outstanding and poor performers on an equal basis.[10]

Personnel systems also have grown more complex with the growth of public-sector unions and the diverse laws that cover employee rights to representation and collective bargaining. In 1995, nearly 38% (7 million employees) of all federal, state and local government employees belonged to a union. By contrast, 10.4% (9.4 million employees) of people employed by the private sector were union members.[11] The laws and practices that govern more than one-third of the entire government workforce, however, vary across government sectors.

Federal (and private-sector) workers have the right to representation and collective bargaining under federal law, but state laws govern state and local government employees' rights. Further, the right to strike, the issues unions and management are able to negotiate, and the penalties governments employ to enforce the various provisions vary among jurisdictions. Over the years, collective bargaining between public unions and management has become increasingly adversarial and the administration of collective bargaining agreements (grievance procedures) increasingly legalistic, slow and complex.[12]

Procurement systems across the public sector are similarly stressed. Public procurement officers must get the most for public dollars (economy), but they must do so by giving potential bidders equal opportunities to participate (equality) and prevent fraud and abuse (integrity). These concerns are manifest in centralized systems weighted by confusing and sometimes conflicting procurement policies and often limited by poor information for making critical and costly decisions.[13] Yet, for the past few decades, governments have purchased increasingly complex and costly[14] goods and services.

Governments also have become intricately involved with organizations in the private and civic sectors to encourage and craft products and services to meet government needs, rather than simply purchase what is available from competing suppliers. In short, today's procurement efforts require long-range relationships between vendors and the government, an ability to change with unexpected program revisions and costs, a heightened need for quality information flows and a means to share the risks of developing new products and systems between the buyer and seller. But procurement systems have provided precisely the opposite.[15]

---

[9] A 1993 study of state and local public service found 7,300 categories in the classification system for the State of New York. Ingraham, Patricia (1996). "Evolving Public Service Systems." In J. Perry (Ed.), *Handbook on Public Administration, 2nd ed.*, pp. 375-91. San Francisco: Jossey-Bass, Inc. Publishers.

[10] Ingraham, Patricia, and Kettl, Donald, (Eds.) (1992). *Agenda for Excellence: Public Service in America*. Chatham, NJ: Chatham House Publishers.

[11] U.S. Department of Labor (1996). "Chapter 3: Some Basic Data Trends and Attitudes in Public-Sector Service and Employment." In *Working Together for Public Service*. Retrieved November 30, 1998, from the World Wide Web: http://www.dol.gov/dol/_sec/public/media/reports/workingtogether/chap3.

[12] McCabe, Douglas (1991). "The Federal Sector Mediation and Dispute Resolution Process: The FMCS Mediation Experience in the Public Sector." In M. Mills (Ed.), *Alternative Dispute Resolution in the Public Sector*, pp. 81-103. Chicago: Nelson-Hall Publishers.

[13] MacManus, Susan (1992). *Doing Business with Government: Federal, State, Local and Foreign Purchasing Practices for Every Business and Public Institution*. New York, NY: Paragon House.

[14] In 1993, purchases of goods and services by federal, state, local and special district governments accounted for 20% of the gross national product. See MacManus, Susan (1996). "Designing and Managing the Procurement Process," p. 590.

[15] Kelman, Steven (1990). *Procurement and Public Management: The Fear of Discretion and the Quality of Government Performance*. Washington, DC: The American Enterprise Institute Press.

Competition for Political Control

The political context of the public sector also has changed over the past 20 years. At the federal level, a more activist Congress[16] and split political party control of the executive branch and the Congress has resulted in competition to control the execution of federal laws. While Congress writes increasingly explicit legislation detailing the ways in which agencies are to administer programs, and plays a much more rigorous role in the day-to-day oversight of government agencies, presidents have tried to centralize executive branch decisionmaking.[17] Presidential appointees, too, often establish new administrative offices to oversee new programs or bypass existing organizational officers considered obstinate or not completely enthusiastic about a presidential agenda for the agency. The result has been the "thickening" of administrative functions in federal agencies, the distancing of employees from top leaders and a government organization perhaps less flexible and less effective in achieving its goals.[18]

At the state and local levels of government, similar patterns are taking hold. Legislative professionalism and the growth of personal and committee staffs have heightened the institutional capacity of legislatures to oversee, investigate and prescribe the implementation of government programs. Split party control over the executive and legislative branches of government can induce similar competition for control over the administrative efforts of government. For government agencies on the receiving end of these efforts, growing numbers of staff and agency resources must be devoted to managing external relations with elected officials to establish some stability in program management.[19]

Growing Role for Interest Groups

Much of the increased legislative interest in the governance of public programs stems from the prominent role interest groups now play in politics. The number of organized groups placing demands upon elected officials in all government jurisdictions has grown tremendously over the past two decades.[20] Much of the growth represents a more open political system in which employment-based interests, consumer and environmental groups and a variety of advocate groups participate with more traditional participants, such as business, in the political process. Nevertheless, the success of groups in securing programs for their constituents, some argue, has led to a growing paralysis in decisionmaking, limiting the ability of governments to make hard choices about resource allocation.[21]

Increased Diversity

Another component of the governing challenge is public diversity. The composition of communities across America has changed in the past two decades. Today, racial, religious, economic, gender, life-style and cultural differences define the politics of urban planning, education, employment, health care and efforts to ensure fair lending in communities. Political and administrative decisionmaking premised upon past demands and preferences can be radically out of line with the values of, and expectations for, government performance held by more diverse communities. Preferences for or against the right to own a

---

[16] Aberbach, Joel (1990). *Keeping a Watchful Eye: The Politics of Congressional Oversight.* Washington, DC: The Brookings Institution.
Derthick, Martha (1990). *Agency Under Stress: The Social Security System in American Government.* Washington, DC: The Brookings Institution.
[17] Moe, Terry (1985). "The Politicized Presidency." In, J. Chubb and P. Peterson (Eds.), *The New Direction in American Politics.* Washington, DC: The Brookings Institution.
[18] Light, Paul (1995). *Thickening Government: Federal Hierarchy and the Diffusion of Accountability.* Washington, DC: The Brookings Institution.
[19] Khademian, Anne (1996). "Developing Effective Relations with Legislatures." In, J. Perry (Ed.), *Handbook of Public Administration, 2nd ed.*, pp. 171-95. San Francisco: Jossey-Bass, Inc. Publishers.
[20] Berry, Jeffrey (1989). *The Interest Group Society, 2nd ed.* Boston: Scott Foresman and Company.
Cigler, Allen, and Loomis, Burdett (1991). *Interest Group Politics, 3rd ed.* Washington, DC: Congressional Quarterly Press.
[21] Rauch, Jonathan (1994, June 6). "The Hyperpluralism Trap." *The New Republic.*

gun, school choice, affirmative action, abortion, property taxes or the use of speech codes, for example, cut across racial, religious and cultural "categories" often used for exercising political judgment.

Shrinking Resources

Governance also is complicated by increased costs for government programs and tighter fiscal resources. Public fixation with (and in the case of the states, constitutional limits on) budget deficits and high taxes limit what governments can do to "fix" problems through additional programs or spending. In addition, methods used by state and local governments to raise money are particularly vulnerable to changes in the local and regional economy. States and localities rely primarily upon combinations of income, sales and property taxes, user fees and payments from other governments for their revenues. The transition from a manufacturing to a service economy, however, has meant lower sales tax receipts for some states (usually assessed against goods rather than services) and often fewer property and income tax receipts due to lower wages and reduced capital investment.[22] For some localities, changing economics and even whole-scale disinvestment has significantly diminished (and in some cases obliterated) their capacity to raise revenue.

Federal grants-in-aid also have declined dramatically. In the late 1970s, federal aid accounted for 25-30% of state and local government budgets. By 1990, the average was 20%. For individual cities, the decline was more dramatic. Louisville, Oakland and Oklahoma City, for example, received approximately 40% of their operating budgets from federal aid in 1977. By 1992, the percentages dropped to 8%, 6% and 3%, respectively.[23] These governments must find alternative sources of revenue for programs once supported by grants or make hard choices about the programs.

Growing Demands for Government Services

While revenues tighten, the demand for government services, particularly at the state and local levels, continues to grow. Nationwide, local government employment, on average, was up 11% in 1998 from 1990. Between 1990 and 1996, more than one-seventh of all new jobs in the nonfarm economy came from state and local government hires.[24] The increases are attributed primarily to growth in education and corrections, but the trend toward devolving greater responsibility to states and localities for the design, implementation and financing of traditionally federal programs is also adding to the demand for more employees.

Expectations for Better Performance and Accountability

While governments grapple with the fiscal crunch and simultaneously growing workforces, public demands for better performance and enhanced accountability for the use of public money and power are growing. Police departments, public universities, transportation departments, revenue collection agencies and entire local governments are among the targets of public dissatisfaction and expectations for better service for changing communities. Much of the focus is on the complexity of systems which distance government employees from the public and limit their flexibility in addressing individual needs.[25]

Internationalization of the Economy

A global economy that does not defer to the policy initiatives of individual countries, regions or localities is further prompting changes in governance. Today, government decisionmaking not only involves

---

[22] Department of Labor (1996). "Chapter Three." In *Working Together for Public Service.*

[23] Lowi, Theodore, and Ginsberg, Benjamin (1998). *American Government: Freedom and Power.* pp. 80-81. New York: W. W. Norton.

[24] Walters, John (1998, February). "Did Somebody Say Downsizing?" *Governing: The Magazine of States and Localities.* Retrieved January 10, 1999, from the World Wide Web: http://www.governing.com/.

[25] Gore, Al (1993). *From Red Tape to Results: Creating a Government That Works Better and Costs Less.* Report of the National Performance Review. Washington, DC: Government Printing Office.

multiple organizations and government sectors in America, but also decisionmakers in other countries. Regulations following the North American Free Trade Agreement for trucking safety and pesticides or environmental regulations for acid rain require broad-based decisionmaking processes. In addition, public sectors across the country increasingly depend upon the confidence of international investors for private-sector development and revenues through taxation. This new dimension is prompting efforts to enhance efficiency and effectiveness in their operations.

Internationalization of the economy also means more volatile and free-flowing capital in and out of states and localities. Layoffs and plant closings reduce income, sales and property tax revenues, but also increase the demands for a wide range of services and decrease demand for others. The rapid expansion of an economy or growth of a particular industry in a community can also stress social services from law enforcement to schools, housing and transportation services as residents cope with new patterns of work and new residents struggle to adjust to a new community.[26]

New Ideas and New Technologies

Rethinking Governance

The past 20 years also have culminated in efforts to rethink the ways in which government programs are delivered, and what roles the public, private sector, nonprofit sector and a wide range of governments might play in developing a public agenda and solutions for ongoing public problems. The concept of "social capital"[27] recognizes the need to build a stronger sense of community-based rights and various forms of social organization into an American political system built upon rugged individualism and individual rights. Other efforts focus on finding alternative, more collaborative and broadly based means to develop public policy, including alternatives to litigation for public policy disputes. As several examples in this report will show, the high cost of litigation is pushing participants in many policy sectors to find alternative means of governance.

Another prominent set of ideas now widely held in the public sector rests in economic theory. Economists studying the governing process, particularly the management of government organizations, have argued that exposure to market-like conditions will enhance government performance. Over the past 20 years, economists have assumed increasingly prominent (and often controversial) roles in the development and implementation of public policy.[28] In other countries, such as New Zealand and Great Britain, reformers point explicitly to a coherent intellectual package of economic theory which has served to guide a comprehensive reform of government management practices.[29]

Finally, management innovations in the private sector pervade efforts to reform the governance of government organizations. From Total Quality Management, quality circles and quality work life, to "systems thinking" and reengineering, elected officials, public managers and legislators are incorporating the language and systems of the private sector to try to improve government performance. While numerous presidents, governors and mayors have worked to use business-like ideas and to harness private market forces in the work of government over the years,[30] several factors distinguish this particular wave of ideas.

---

[26] Stull, Donald, et al. (1990). *Changing Relations: Newcomers and Established Residents in Garden City, Kansas*. Report to the Ford Foundation.
[27] Putnam, Roger (1995). "Bowling Alone: America's Declining Social Capital." *Journal of Democracy*.
[28] Khademian, Anne (1992). *The SEC and Capital Market Regulation*. Pittsburgh, PA: The University of Pittsburgh Press.
[29] Boston, Jonathan, et al. (1996). *Public Management: The New Zealand Model*. New York, NY: Oxford University Press.
[30] For an overview of the federal reports see, Moe, Ronald (1992, March). *Reorganizing the Executive Branch in the Twentieth Century: Landmark Commissions*. Report 92-293 GOV. Congressional Research Service.

First, the capacity to govern increasingly is viewed as limited, if not in crisis. Second, public managers at all levels of government are taking greater initiative to experiment in the delivery of public services and play a more activist role in developing and improving upon the public policies for which they are responsible.[31] Third, the federal government, in particular, has devoted sustained resources and visibility to government reform premised upon many private-sector ideas through the National Performance Review, now called the National Partnership for Reinventing Government.

New Technology

The transmission of new ideas and new practices is also facilitated by technology such as computers and the Internet. Public-interest groups and individual citizens, city managers, environmental regulators, public health officials and city planners share their questions and experience through electronic bulletin boards, Web sites and through electronic mail. This same technology is changing the dynamics among individuals within public-sector organizations. When members of an organization send e-mail, they often expect an instant response. This may diminish the respondent's opportunity to think through a reply, but may streamline and speed processes that have been slow in the past. The hierarchy of communication flow is flattened through group e-mail lists that send messages to members of an organization simultaneously.

Similarly, evaluations, budget information or talking points for a meeting are more readily shared through technology among members of an organization or even across organizations and provide greater means to participate in the governing process. The ease with which information is shared across boundaries is diluting the control specialized departments and professions have held over information. Interdisciplinary programs are spreading in public universities, police officers work toward a professionalism based on partnerships with the community and a sharing of "police" data, and the roles allotted to management and union members are blending under arrangements that build cooperation and increases information sharing.

In addition to spreading ideas and changing practices, new technology is suggesting and facilitating new ways to deliver services to the public. From general information Web sites and phone lines, to interactive processes that allow citizens to renew drivers licenses, apply for building permits and file their taxes, one step in technological improvement often suggests additional ways in which information can be shared, decisionmaking improved and citizens better served.

Conclusion

The context for public-sector governance has changed over the past two decades. Participants in the public sector are trying to address the challenges of governance and capitalize upon new opportunities in myriad ways. Various partnerships define these efforts at the local, state and federal levels. Despite the variety of partnerships and the diversity of problems they are designed to address, common themes suggest new forms of governance. These themes are developed and illustrated in the next two sections.

[31] Behn, Robert (1998, May/June). "What Right do Public Managers Have To Lead?" *Public Administration Review*, vol. 58, no. 3, pp. 209-224.

COMMON THEMES OF THE NEW GOVERNANCE

As the examples in the next section will illustrate, changes in public-sector governance are as diverse as the tens of thousands of governments (federal, state, local and special district) within America and the people who partner with, lead and participate within them. Yet the ideas for change and their numerous manifestations are variations on prominent themes that together suggest new patterns of governance. These themes, and the contrast with traditional governance, are presented in Table 1 and discussed in this section.

TABLE 1

Traditional Governance	*New Governance*
• Hierarchy	• *Devolution*
• Specialization of organizations and policy areas	• *Partnerships and boundary spanning*
• Vague organizational missions	• *Mission-driven governance*
• Accountability based upon inputs and adherence to procedures	• *Performance-based accountability*
• Primacy of action	• *Primacy of the decisionmaking process*
• Problems can be simplified/rationalized	• *Complexity and uncertainty are dominant*
• Systems and frameworks are key to performance	• *Culture change: Information sharing, participatory decisionmaking and efforts to build commitment and trust are key to performance*
• Training for new recruits	• *Continuous learning*
• Programs implemented on large scale	• *Start small, test and evaluate*
• Limited use of market forces	• *Markets as an option*
• Limited use of information technology	• *Information technology for improving performance and enhancing accountability*
• Leadership with authority and the answers	• *Leadership that listens and shares the authority of decisionmaking*

Devolution

Devolution, or decentralization, has two dimensions. The first is sharing authority within organizations from the tops of hierarchies to the front line. In an attempt to improve performance and reduce costs, organizations in the public sector are experimenting with greater discretion and responsibility for employees throughout an organization, with accountability focused on the results they produce. Greater employee participation involves creating committees or teams that provide forums for decisionmaking, sharing information such as budget data, and building mutual trust between management and employees.

The second dimension is the devolution of power from the federal to state and local governments, and from governments to the private and civic sectors of communities. Responsibility for developing (and financing) welfare programs, environmental regulation, children's health and a variety of other policy

areas increasingly is shared among the federal government, states and localities. Similarly, local governments, in particular, are opening their decisionmaking processes to broader public participation and sharing the responsibility of finding answers and implementing solutions with civic organizations, neighborhood groups and businesses.

Partnerships

The new governance capitalizes upon overlap between organizations and governments in virtually every policy area. Rather than fight for turf, leaders look to other public, private and civic organizations that might help them achieve their mission and serve their clients. It might mean teaming up to offer additional services to clients, sharing information databases or deciding that a nonprofit or private organization can provide particular services more effectively and efficiently. The following section of this report presents partnerships between the police and mental health clinicians, between a university and neighborhood organizations in East St. Louis, and among the federal and state governments and locally based civic organizations, among many others. The examples also illustrate that partnerships are taking hold within organizations between employees and management.

Mission-Driven Governance

Central to the new governance is the need to develop a clear mission. Organizations, governments and entire policy sectors are asking, "What do we do?" "What should we be doing?" "Who do we serve?" "What value do we contribute?" The questions are often difficult to answer and may never have been answered beyond the importance of serving the "public interest."[32] Public-sector organizations do many things, serve many interests and have as many potential agendas for what they *could* be doing as they have stakeholders.

The importance of explicitly stating what an organization or a policy sector is and does, however, is essential to the changes in public-sector governance. Employees can exercise greater authority when they are held accountable by a clearly defined mission. Partnerships within and across organizations become more obvious when work is guided by common missions. Clarity of mission is at the heart of strategic planning where organizations determine goals for achieving their mission, map out plans for achieving their goals and measure their performance efforts. And efforts to define organizational missions are essential to public-sector efforts to base budget decisions upon performance.

Performance-Based Accountability

If it is not clear what makes an organization successful, it is hard to be "good" at it. With a clear bottom line, such as monetary profit, private organizations have explicit feedback on how well they do what they do. Clear bottom lines also hold organizations accountable to stakeholders. Without clear bottom lines, however, public organizations have focused on inputs, or how much was spent on a particular problem, and how well rules and procedures were followed to demonstrate accountability to vague mandates and blurred goals. Performance-based accountability requires public-sector participants to grapple with what they do (their mission) and how it might be measured or assessed, and to identify outputs and outcomes (such as safer communities) that indicate how well public goals are being met. A focus on performance requires attention to client feedback and different evaluation efforts. In some instances, performance is folded into the budget process, allowing politicians to target programs based upon bottom-line indicators.

---

[32] Moore, Mark (1995). *Creating Public Value: Strategic Management in Government.* Cambridge, MA: Harvard University Press.

Primacy of the Decisionmaking Process

In the new governance, *how* decisions are made is as important as the decision itself. Traditionally, value has been placed on the actions taken after a decision is made to build new roads, upgrade technology or refurbish a city. Yet, as the demand for public participation in identifying and finding solutions for public problems grows, the process for reaching a decision takes on greater significance. Decisions based upon the expertise of an agency, for example, increasingly are met with opposition and frustration and result in a return to the drawing table and an opening of the process.

The emphasis on process and inclusion is important within and outside organizations. The value employees give to a mission statement and strategic plan as a guide for their efforts will depend, in part, upon the participatory process for mission development and strategic planning. Similarly, the value participants in a negotiated rule-making place upon the consensus-based rule and their commitment to its application will depend, in part, upon the quality of participation in the process. As the examples of new partnerships illustrate, the primacy of process also can mean taking more time and resources to reach consensus, and investing in the training and education of all participants to make the process of decisionmaking meaningful.

Complexity and Uncertainty Dominate

Increasingly public problems are viewed as intricate and complex. Boundaries between police services, for example, and a city's building maintenance department are less relevant when broken windows and graffiti are identified as conditions that signal disorder and might invite crime. Maintaining conditions that do not invite crime requires continuous collaboration among neighborhoods, police and other city departments. Similarly, redevelopment efforts of many inner cities are not limited to the creation of economic opportunities for businesses and residents, but require ongoing collaborative efforts across the education, religious, enforcement and planning sectors, among others, and efforts to see the deeper connections between each. In this context, the decisionmaking process becomes a means to reflect and improve upon efforts to address complex problems with uncertain outcomes. Problems are rarely "solved" as they are identified, but evolve as community or organizational leaders try improve their understanding of the problem and their ability to address it. Indeed, the *capacity* for broad-based discussion and decisionmaking in a problem area might be the greatest asset to result from the effort.

Cultural Change: Information Sharing, Participation, Commitment and Trust

More than 100 years ago, the young science of administration identified organizational structure and process as key to improved performance. Government organizations became more hierarchical and specialized, merit systems for government employment were adopted, and written rules and procedures along with narrow spans of management control were put in place to guide and check employee actions.[33] Managers since then have recognized the importance of the human condition in organizations, but the opportunities for employee input and active decisionmaking, and the opportunities to grow in knowledge and skill, have rarely breached the boundaries of established job descriptions and offices.[34]

This is slowly changing in the public sector. A devastating strike by public employees or looming budget cuts can prompt employees and managers to look for mechanisms other than collective bargaining and grievance procedures to communicate and invest in their organization. Similarly, an inability to move

---

[33] Knott, Jack, and Miller, Gary (1987). *Reforming Bureaucracy. The Politics of Institutional Choice.* Englewood Cliffs, NJ: Prentice Hall, Inc.

[34] Hummel, Ralph (1994). *The Bureaucratic Experience: A Critique of Life in the Modern Organization.* New York, NY: St. Martin's Press.

beyond court trials involving business, regulators and environmental groups can prompt a regulatory agency to seek alternative ways to operate outside of formal frameworks to improve upon the quality of the environment.

Any alternative, however, can be fraught with uncertainty. Years of animosity, mistrust and adversarial relations often must be overcome before participants will see alternative decisionmaking processes as legitimate and fair. To build that trust, information must be widely shared; individuals must remain committed to the process, show good-faith efforts and follow through; and decisionmaking must be mutual. But the process also depends upon the gradual development of alternative processes that capture the changes and provide a link to the future. The new governance, in short, is a culture change built upon mutual responsibility for outcomes in an organization or across partnering organizations.

Continuous Learning

Traditionally, training resources have been reserved for new recruits to an organization, and training budgets often have been the first to be cut in tight financial times. In the new governance, opportunities to learn are considered an essential part of continuous improvement. Union members and management with an adversarial past rely upon training in interest-based negotiations to begin moving toward shared governance. Front-line employees with increased responsibilities and greater decisionmaking authority must learn about management. Employees must learn to use technology upgrades to better serve customers. And residents of a neighborhood as well as police officers need training to develop community policing. Shared governance is meaningless, in other words, unless all participants have the skills, knowledge and resources necessary to participate effectively.

Start Small, Test and Evaluate

Communities and states with different histories, demographics, resource levels, political participation and networks of neighborhood and civic organizations have their own unique problems and require similarly unique solutions. The new governance requires organizations, networks of organizations and communities to understand their particular public problems and develop plans for dealing with them. Broad-based participation in the process and the need to build consensus around a particular approach also require new projects to start small and be tested and evaluated before applying the approach on a wider scale. Informal dinner meetings between management and labor can segue to shared organizational governance. And a research institute that fosters technological innovation provides a place to test-drive ideas before they are applied on a broad scale in the public sector. Lessons from those efforts can then be applied elsewhere or at least inform governing efforts elsewhere

Markets as an Option

The new public-sector governance tries to harness market energies in a variety of ways. First, organizational flattening and employee empowerment have led to simplified procurement systems across governments that reduce costs dramatically. Credit card purchases for goods and services under a particular dollar amount and the use of employee travel vouchers allow lower-level employees to make choices from among competitive suppliers. Second, public-sector organizations are encouraged to experiment with delivery systems and to create or foster competitive opportunities that might lead to better performance. The FAA logistics center discussed later in this paper soon will begin allocating its entire budget to regional centers so the center must "earn" the regional business in competition with other suppliers.

Finally, the new governance does not mandate reliance on the private sector. What it does mandate is the need to find the best way to do what needs to be done. In some cases, this might mean limiting or cutting off relationships with the private sector that are costly or lacking in accountability. In other cases, it might encourage a partnership approach where the government could work closely with a potential partner in developing a strategy and approach to a public problem, exchanging information and distributing the financial risk of the partnership evenly.

Leadership

Much of the new governance is built upon a new definition of strong leadership. This leader is viewed among reformers as key to facilitating many of the governing changes in two basic dimensions. First, leaders must recognize and work with the constraints and possibilities of a "shared-power world."[35] Particularly for public managers, strong leadership requires an alignment of "substantively valuable" efforts that are legitimate and politically sustainable and operationally and administratively feasible,[36] the first two of which require explicit attention to what the public and their elected officials value. This new leader is not strictly an "administrator" of laws, but a facilitator of various deliberative processes to develop programs the public values.

Second, organizations unable to learn, change and innovate are increasingly unable to serve the public in this shared-power world. A key leadership responsibility is creating the opportunity within organizations to be innovative, flexible and able to learn. Here, the themes of devolution, partnerships and performance are prominent. Leaders are to create organizational cultures that promote involvement, ownership and empowerment among staff,[37] fully use staff teams as key to innovative efforts and liberate staff energies while focusing them on mission and the importance of what they accomplish. Leaders, in other words, are not viewed as individual problem solvers, but as facilitators of organizational solutions for which an entire organization is responsible.

Information Technology

Finally, the new governance capitalizes upon information technology that is helping to improve performance, providing partners in the governance effort with information they need to participate and improving accountability to the public. Government's capacity to buy and use new technology has been limited by old procurement systems and high costs. But new procurement procedures as well as outside support for government technology innovation (discussed in the next section) together are making technology a more common part of the governing process. Virtually every federal agency has a World Wide Web site with information ranging from office hours and phone numbers, to the posting of new initiatives, requests for proposals, documents, reports and decisions. And as the examples in the next section illustrate, agencies are finding a variety of ways to share information with a wide range of partners in governance.

---

[35] Bryson, John, and Barbara Crosby. 1992. *Leadership for the Common Good: Tackling Public Problems in a Shared-Power World*. San Francisco, CA: Jossey Bass, Inc. Publishers.

[36] Moore, Mark (1995). *Creating Public Value*, p. 71.

[37] Carnevale, David. 1995. *Trustworthy Government: Leadership and Managerial Strategies for Building Trust and High Performance*, p. 60. San Francisco, CA: Jossey Bass, Inc. Publishers.

SIX PARTNERSHIP MODELS OF THE NEW GOVERNANCE

Public problems today increasingly are viewed as multidimensional, requiring partnerships across organizations, communities and governments to pool resources, expertise and experience. The six models presented in this section (see Table 2) capture many of the partnerships forming under the new governance. Each model represents many of the new governance themes, such as strong leadership committed to collaboration and shared authority, a commitment to training and development, the articulation of a mission and efforts to identify performance indicators, and the use of information technology for making the partnerships work. Each mode, however, differs in the kinds of partnerships that form, the problems being addressed and the emphasis given to particular themes.

TABLE 2

Six Partnership Models of the New Governance
Model 1: *Governance at the Grass Roots*
Model 2: *Building "Performance" into Internal Governance*
Model 3: *From Arbitration to Collaboration: Public-Sector Unions and Public Management*
Model 4: *Cross-Sector Partnerships To Address Public Problems*
Model 5: *Cooperative Federalism at the Grass Roots*
Model 6: *External Support for Public Innovation Experiments*

Just as the partnership combinations are vast, so too are the ways in which participants and outside observers identify and assess partnership results. As the examples demonstrate, some results focus on cost savings, outputs and service improvements, while others focus on improved working conditions, changed understanding of professionalism, greater participant empowerment or a changed organizational culture. While results are important for the governance of public-sector activities, their emphasis and assessment are enormous challenges (see next section).

Many programs adopting new means of governance are in the early stages so results cannot yet be assessed. Other programs initiate changes in governance with one goal in mind, but find some of the most significant results are unanticipated, such as enhanced community pride or improved information flows. In the following examples, the diversity of reported results abounds, but each type of result (planned or unexpected) provides insight into the changing patterns of governance and the possible implications for other public-sector efforts.

Changes in governance are taking place in single organizations, within governments and across evolving networks of government, nonprofit and private-sector organizations involved in public decisionmaking.

BEST COPY AVAILABLE

Model 1: Governance at the Grass Roots

Partnerships: Neighborhood residents and community-based organizations partner with a public agency, such as a police department, government planning office or college or university. Philanthropic organizations or foundations might provide financial support for the effort.

Problems: ***The partnership forms to address severe social challenges such as the need to build or rebuild a community's capacity to provide a healthy and safe environment, to create jobs, improve education or provide basic services.***

Special Features:

- *The partnership's agenda is driven from within a community — residents, community-based organizations and local government agencies.*
- *Much of the governance effort is focused on building the capacity of local organizations to participate in the governing process and to maintain a broad base of support.*
- *Mutual learning between residents and participating professionals is essential.*
- *The depth and nature of problems are recognized as ongoing, requiring continuous efforts to deal with them as a community.*

Example 1: East St. Louis Action Research Project [ESLARP]

ESLARP is a decade-long partnership between the residents of East St. Louis, Illinois, and faculty and students at the University of Illinois, Urbana-Champaign, to stabilize a city devastated by economic, technological and demographic change. East St. Louis suffers from more than 20 years of deindustrialization, disinvestment, job loss, flight of more than one-third of the city's population to surrounding suburbs, and increased poverty and crime for the remaining residents. The city tax base declined from $562 million in 1960 to $162 million in 1992, prompting the city government to reduce and even eliminate municipal services such as trash collection.[38]

Faculty and students from the university's architecture school and the Departments of Urban and Regional Planning and Landscape Architecture work with neighborhood organizations to build the community's capacity to devise workable solutions for local problems. From 200-400 university students receive six credit hours per semester working with residents, for example, to build houses, mobilize other residents, gather and analyze data for development plans, and clear trash from vacant and abandoned lots. Residents develop and prioritize all project initiatives, and a Faculty Advisory Committee matches university expertise and resources with the initiatives. University contributions have grown from $100,000 in 1988 to $850,000 today. In addition, the individual neighborhood organizations have raised more than a million dollars for neighborhood development projects.[39]

Grass-roots governance in East St. Louis is built upon a commitment to a three-pronged strategy:

1. Participatory Action Research: Residents, faculty and students participate as co-investigators at each step of the process from issue identification, to planning, implementation and program evaluation. Locally based computers, access to databases and onsite technical support facilitate the effort.

[38] Reardon, Kenneth (1997). "State and Local Revitalization Efforts in East St. Louis, Illinois." *The Annals of the American Academy*, pp. 235-47.

[39] Reardon, Kenneth (1998, Summer). "Enhancing the Capacity of Community-Based Organizations in East St. Louis." *Journal of Planning, Education and Research*, vol. 17, no. 4, pp. 323-33.

BEST COPY AVAILABLE

Residents, however, have the final say in what projects are undertaken and how and on whether the relationship with the university will continue.

2. Direct Action Organizing: This effort encourages East St. Louis residents to pressure the city government to support the improvement efforts by building resident participation across the different neighborhoods and demonstrating (often in dramatic ways) residents' commitment to community improvement. The efforts have pressured the city government to eliminate barriers to several projects and have attracted outside funding.
3. Education for Critical Consciousness: A neighborhood college offers free courses to give community leaders the knowledge and skills they need to better lead local development efforts. To date, more than 300 resident leaders have participated.

Results

Kenneth Reardon, professor of urban and regional planning at the University of Illinois, has worked with ESLARP for more than 10 years and evaluated its contributions to residents, the university, the students and the disciplines of planning and architecture. He identifies the following results: [40]

- Establishment of Community Development Corporations (originally neighborhood organizations), neighborhood coalitions, a technical support office and public-access computer labs.
- Development of comprehensive stabilization plans for residential areas across the city.
- Creation and/or renovation of hundreds of low-income homes, a farmers' market, gardens and playgrounds.
- Clearance of more than 50 trash-filled lots and the identification of parcels in 12 residential neighborhoods with municipal sanitation or illegal dumping problems.
- Establishment of the Neighborhood College and a Summer School Program in Planning and Design for high school students.
- Web site receiving 40,000 hits per year.
- The growing political power of the neighborhood residents in working to strengthen their city government — community representatives of ESLARP are within one seat of a controlling majority on the city council, and residents have worked to restore functions such as the citywide planning agency.
- Establishment of an interdisciplinary approach to community planning and design within the university system and in practice.
- The growing institutionalization of a new role for university resources premised upon participatory action research and genuine two-way learning between researchers and residents.

Example 2: Problem-Solving Partnerships in Policing: Chicago Alternative Policing Strategy

Surveys of police departments across the country report the embrace of "community policing" over the past 10 years. This concept is based on an assumption that many crimes reflect ongoing problems in the social fabric of a community and are not necessarily resolved by the arrest of particular individuals.[41] There is, instead, a role for the police in working with the community to solve problems before they result in criminal acts. Depending upon the rigor with which it is pursued and the resources available, community policing can be a radical change in community safety governance.

Many of the changes occur in police department management. Yet, leading advocates for community policing argue the primary change must be in the development of partnerships with the public.

---

[40] Reardon, Kenneth (1995, Spring). *Metropolitan Universities*, pp. 47-49.
Reardon (1998). "Enhancing the Capacity of Community-Based Organizations in East St. Louis, Illinois." Phone interview with the author (October 30, 1998).

[41] Moore, M., and Trojanowicz, R. (1988). "Corporate Strategies for Policing." *Perspectives on Policing*, 6, p. 7. (NCJ 114215) Washington DC: National Institute of Justice.

Researchers have found that community residents are best able to identify the problems plaguing communities, facilitate solutions and, through their organized efforts, build social networks that prevent future crime.[42] This premise is a departure for police governance, which for several decades has been built upon mobilizing patrol cars.[43] The transition is captured in the following guidelines, compiled from several observers of the community policing effort:[44]

1. The police must establish regular opportunities to consult with community members to find out what local security needs exist and how the police can help meet them.
2. Police resources must be decentralized to the precinct and subdivisional level so resources can be tailored to individual neighborhood needs and concerns.
3. Community security needs must be addressed by the active involvement of residents and community organizations, businesses, other government agencies and the police.
4. The focus should be on problem solving to prevent crime by addressing the conditions that can create crime.
5. Continuous learning should be built into the process, with experimental efforts and the lessons of those efforts applied on a broader basis.

An example of a well-developed problem-solving partnership between community residents and a police department is the Chicago Alternative Policing Strategy program (CAPS), initiated in 1993. Two crucial factors have facilitated this community-police partnership. First, there is a 20-year history of community efforts to build a democratic version of community policing in Chicago. The Chicago Alliance for Neighborhood Safety (CANS), a biracial coalition of community organizations, has long worked to train and provide technical assistance to community groups for effective community policing. CANS has worked under contract with the police department for five years to conduct training and education initiatives for community policing throughout Chicago neighborhoods, and is a leader in a broader statewide effort to train and prepare communities and police departments for problem-solving partnerships (see IPSP in Model 6). In addition, established neighborhood organizations throughout Chicago (such as block clubs and community councils) provide an infrastructure for organizing, training and working with police in a partnership.

Second, over the past decade, Chicago police administrations and mayors have supported the effort to reorient policing from "incident-driven" responses to one focused on prevention and neighborhood-oriented solutions. A two-year effort involving more than 60 community organizations (including CANS) and a Community Policing Task Force provided education forums and workshops on community policing, the role of the police and residents, and the ways in which the two could organize as partners prior to the 1993 initiation of CAPS.[45]

According to a 1998 Chicago Police Department report, *CAPS at Five: The Progress of Community Policing in Chicago*, four elements define CAPS' work.[46] One, CAPS builds from the individual officer based in the community. Officers are given stable beat assignments that allow them to get to know community members, the problems they face and the resources available to address them. To better serve

---

[42] Trojanowicz, Robert, and Bucqueroux, B. (1990). *Community Policing: A Contemporary Perspective*. Cincinnati, OH: Anderson Publishing.

[43] Martin, Maurice (1995). *Urban Policing in Canada: Anatomy of an Aging Craft*, p. 7. Montreal: McGill-Queen's University Press.

[44] Bayley, David (1994). "International Differences in Community Policing." In D. Rosenbaum (Ed.), *The Challenge of Community Policing: Testing the Promises*, p. 279. Thousand Oaks: Sage Publications.
Martin, Maurice (1995). *Urban Policing in Canada*, p. 87.

[45] Freidman, Warren (1994). "The Community Role in Community Policing." In D. Rosenbaum (Ed.), *The Challenge of Community Policing: Testing the Promises*, pp. 263-69. Thousand Oaks: Sage Publications.

[46] Chicago Police Department (1998). *CAPS at Five: The Progress of Community Policing in Chicago*. Retrieved January 11, 1999, from the World Wide Web: http://www.ci.chi.il.us/CommunityPolicing/Statistics/Reports/Reports.html

the community, the department now emphasizes the need for a more educated and diverse force. Beginning in 1997, applicants must have at least two years of college and pass a police entrance exam with skills focused upon community policing.

Two, CAPS is an intricate community partnership. Monthly beat community meetings for residents, community groups and block clubs provide a means to discuss problems and plan for the future. Court advocacy groups consist of community activists who track court cases, attend court sessions and provide support for cases (such as photos of dilapidated buildings or the testimony of residents or witnesses). Their work helps target, for example, negligent landlords whose buildings do not meet code and therefore provide a haven for drug dealing and crime. Block clubs, neighborhood watch programs and other organizations work in partnership with the police department. Bilingual officers enhance communication between the department and residents for whom English is a second language.

Three, part of the crime-prevention strategy is to address problems that might invite crime. Abandoned cars and buildings, dumped garbage, graffiti or broken windows can signal disorder. The Chicago Department of Police works with other agencies in charge of streets and sanitation and buildings to tackle small problems before they turn into bigger crime patterns.[47]

Four, residents and police within a single beat develop beat plans to be proactive in their problem solving. Within each beat plan, problems are analyzed and prioritized, and strategies and problem-solving missions are developed. The identification, analysis and problem-solving efforts are greatly enhanced by new technology called the Information Collection for Automated Mapping. Officers can generate their own maps of individual areas with the overlay of selected databases. For example, a map identifying the locations of a particular type of crime, during a particular timeframe, might overlay locations of abandoned buildings or liquor establishments. These tailored maps are shared with residents, and the department plans to make the system available to the public in the future.[48]

Results

CAPS at Five identified the following results:

- Public awareness of the program has increased from 30% in 1994 to 70% in 1998. Attendance at beat meetings and participation in court advocacy also have increased each year of the program.
- After a steady increase in crime throughout the 1980s, crime has decreased significantly. Between 1992 (the year before CAPS) and 1997, violent crime declined by 19%, murders by one-fifth, burglaries by 17% and car theft by 25%. The number of arrests made (260,000) has remained constant.
- There are now 21,000 fewer firearms in the city than in 1992.
- Abandoned neighborhood lots and buildings have been turned into playgrounds and ballfields. A Family Learning Center (complete with computers and Internet access) has been established in a public housing complex. Landlords have been forced to clean up their buildings and evict drug dealers or sell the building. Pay phones have been altered for outgoing calls only (eliminating an "order phone" for drug operations), and neighborhood-watch organizations have targeted problem areas and eliminated crime areas.
- The 1998 class of new officers is the most diverse, best educated and most experienced in the department's history.

[47] *CAPS at Five* (1998), p. 7.

[48] Rich, Thomas (1995, July). "The Use of Computerized Mapping in Crime Control and Prevention Programs." National Institute of Justice, Research in Action. Retrieved January 11, 1999, from the World Wide Web: http://www.nlectc.org/txtfiles/riamap.html.

Model 2: Building "Performance" into Internal Governance

Partnerships: *Leaders and other members of management work with union and nonunion members of a government agency to improve performance. Members of the public and interest-based organizations become critical "customers" in the effort. Outside political leadership can provide support for the reform effort.*

Problems: *Public agencies face budget pressures and public expectations for better performance, but struggle to address increasingly multidimensional public problems with complex rules and systems governing their efforts.*

Special Features:

- *Broad-based support among managers, union and nonunion employees is essential, as well as some external political support. This first may require dramatic improvement in the relationships between union members and management (see model 3).*
- *An effort to update and streamline processes and systems, such as information, procurement and personnel systems, as well as improved communications in the form of "plain language" policies and easy access to information across jurisdictions.*
- *The empowerment of agency employees and the use of teams as key to more streamlined services, as well as continuous quality improvement efforts.*
- *The use of competitive (market-based) incentives within the agency and among its partners.*

Example 1: Performance-Based Organizations: The National Performance Review

The National Performance Review (NPR) (now called the National Partnership for Reinventing Government) was established in 1993 by executive order and is led by Vice President Al Gore. The NPR initiative began with a sweeping review of federal government operations across the executive branch and extensive recommendations to streamline and update government programs, as well as dramatically change the culture of the federal bureaucracy and the way in which government programs are managed. Recommendations were published in an NPR report, *Creating a Government That Works Better and Costs Less* (1993) which has served as an agency-by-agency blueprint for change, a guide to progress and a catalyst for additional and more ambitious reform initiatives. Two of those initiatives are the 1996 NPR proposal to establish performance-based organizations (PBOs) and an earlier customer-service initiative established in 1993 (see example 2). Both capture many of the dimensions advocated by the ongoing NPR efforts and represent the broader effort to change the governance of existing systems through performance-based initiatives.

BEST COPY AVAILABLE

The NPR proposal for performance-based organizations is based upon several components:[49]

1. The PBO initiative attempts to separate policy functions in the executive branch from operating or service functions. The PBO would be a discrete, service-oriented agency within a larger executive department, which would retain policymaking authority.
2. A PBO would commit to clear objectives, measurable goals, standards of customer service and improved performance.
3. The goal of a PBO is to improve service to the public through greater flexibility and opportunities for innovation and reduce the cost of government programs.
4. Many of the policies, regulations and laws that limit the work of federal managers in these agencies would be eliminated.
5. The PBO would be run by a competitively selected chief operating officer (COO) who signs a contract linking pay and job security to annual performance targets negotiated between him o her and executive departments within which the PBO is located.
6. Transition to a PBO requires congressional approval.

The Higher Education Amendments of 1998 created the first congressionally approved PBO. The U.S. Department of Education student financial aid office is charged with modernizing the delivery of student financial aid. As specified by NPR guidelines, the COO will report directly to the secretary of education responsible for student-aid policy and will be held accountable for annual performance goals. If results are strong, the COO will be eligible for an annual bonus of up to 50% of his or her salary. Salaries and bonuses for other top executives (based upon performance) also will be available but limited to 125% of the senior executive service pay rate. The COO also must have a strong background in information technology and management. The new agency will have flexibility in its procurement efforts (working toward performance-based contracting) and its personnel management (recruiting, hiring and promoting).[50] Other agencies have been identified as candidates for PBO, but Congress has not yet acted on the proposals.

Results

It is too early to assess results of this one PBO initiative. The effort is modeled, however, after the British "Next Steps Initiative" which was begun in 1992 and has been evaluated. While the context of both reform initiatives varies, some results might inform the American PBO approach.

- First, supporters of the Next Steps Initiative and PBOs in the United States point to savings from personnel reductions and operating costs in Britain.[51] Substantial cost reductions have been reported in some individual agencies.[52] In her assessment of the Next Step Initiative, however, Professor Alasdair Roberts of Queen's University found the actual costs reveal small year-to-year increases in cost over a four-year period.[53]
- Second, agencies participating in the Next Step Initiative report performance improvements. In 1995-1996, for example, the federal government's General Accounting Office (GAO) found that 79% reported achievement of their established goals.[54]

---

[49] National Performance Review (NPR) (1997). *Performance-Based Organizations: A Conversion Guide*. Washington, DC: NPR.
[50] Friel, Brian (1998, July 14). "Daily Briefing: Congress Creates First Performance-Based Organization." Govexe.com. Retrieved January 11, 1999, from the World Wide Web: http://www.govexec.com/dailyfed/.
[51] Osborne, David (1997). "Reform and Invest: Reinvention's Next Steps," In W. Marshall (Ed.), *Building the Bridge: Ten Big Ideas to Transform America*, pp. 93-109. Lanham, MD: Rowman and Littlefield.
[52] GAO (1997, July). *Performance-Based Organizations: Lessons From the British Next Steps Initiative*. Testimony, July 8, 1997, GAO/T-GGD-97-151.
[53] Roberts, Alasdair (1997). "Performance-Based Organizations: Assessing the Gore Plan." *Public Administration Review*, vol. 57, no. 6, pp. 465-78.
[54] GAO (1997, July). *Performance-Based Organizations.*

- Third, however, Next Steps participants also reported that goal setting and efforts to measure goals do not always capture agency work well, meaning the relevance of performance measures for improving performance and the ways in which the measures might be used to criticize or alter a program can be problematic.[55]
- Finally, GAO found Next Step agencies and their parent departments can experience confusion over the assignment of responsibilities between service and policy functions and, hence, assignment for performance responsibility. In addition, the service agency can readily influence policy through decisions to improve operations. There remains the eternally difficult challenge of deciding what is political and what is operational.

Example 2: NPR Customer-Service Initiative

In September 1993, President Bill Clinton issued Executive Order 12862, requiring federal agencies to identify and survey their customers "to determine the kind and quality of services they want and their level of satisfaction with existing services." Agencies were to "post service standards and measure results against them" and "benchmark customer-service standards against the best in business."[56] The initiative not only forces agencies to think about the quality of service they provide their customers, but also prompts continuous improvement in service delivery because of the requirement to listen to customers' needs and respond to their levels of satisfaction with the service. Like the PBO initiative, the customer-service initiative is based upon a British model known as the "Citizen's Charter."

While the level and commitment to improve customer service varies greatly, virtually every federal agency covered in the executive order has developed some customer-service standards. Efforts by the Environmental Protection Agency (EPA), for example, are rigorous. Broad-based surveys of the public and EPA partners in environmental regulation identified concerns for EPA's timeliness in a variety of categories and the need for greater and earlier access to EPA decisionmaking processes. In response, EPA has developed several area-specific opportunities for open participation, such as the Permits Improvement Team and the Pesticide Program Dialogue Committee.[57]

In addition to stating specific ways in which the agency is committed to enhancing customer service, EPA launched the Common Sense Initiative in 1994. A wide range of government representatives (federal, state and local), national and community-based environmental and environmental justice groups, labor organizations and industry have come together to make consensus recommendations to the EPA on changes in environmental regulations, statutes and programs. These recommendations are intended to result in "cleaner, cheaper and smarter" outcomes for industries as a whole. The initiative is intended to better integrate pollution control efforts across different kinds of pollution in different mediums (air, land, water) — a crucial concern among EPA partners who see integration as both a cost-saving measure and a more effective way to control pollution.[58] It also signals a change from adversarial relations to one of cooperation toward environmental improvement.

Similar efforts to improve customer service are found at the Animal and Plant Health Inspection Service (APHIS) within the Department of Agriculture. APHIS manages over 35 programs and has a diverse clientele base. Beginning in 1993, the agency began to identify, reach and consult with stakeholder organizations through written correspondence and announcements and the agency's sponsorship of and participation in public forums and events. APHIS incorporated its customer-service initiatives into its

---

[55] GAO (1997, July). *Performance-Based Organizations.*

[56] Osborne, David, and Plastrik, Peter (1997, October 12). "Satisfaction Guaranteed?" *Washington Post*, p. W05. Retrieved January 11, 1999, from the World Wide Web: http://www.alliance.napawash.org/ALLIANCE/Picases.nsf.

[57] Environmental Protection Agency Home Page (1998). Customer-Service Initiative. Retrieved on January 10, 1999, from the World Wide Web: http://www.epa.gov/oppe/custrep/toc.html.

[58] Weber, Edward (1998). *Pluralism by the Rules*, Chapter 7.

strategic planning process in 1993 (see below), combining the process of identifying customer needs and concerns with planning for ways to achieve its goals.

For example, in its effort to ensure the humane care and treatment of animals covered under the Animal Welfare Act, the agency measures the satisfaction of the regulated firms with whom APHIS works in this endeavor and the compliance rate of regulated facilities (88% and 58%, respectively for FY 1997). Like many other agencies in the initiative, APHIS struggles to find measures of customer service that go beyond satisfaction surveys and procedures such as the interception of pests or the inspection of passengers. Such "outcome" measures are difficult to identify largely because of the numerous external factors that interact with the agency's work.[59]

Other agencies, such as the Bureau of Consular Affairs (BCA) in the U.S. State Department and the Federal Aviation Administration's (FAA) logistics center in Oklahoma City, stand out in their commitment. BCA has made pledges to its customers (primarily U.S. citizens requesting passport services and assistance when abroad) such as receipt of a passport within 25 working days of the application, greater ease in passport application, and promises of professional, courteous and timely responses to requests for information or service. The FAA's logistics center, which serves more than 48,000 air traffic facilities around the world by ordering, storing and shipping materials and supplies, has set ambitious customer goals: a customer-satisfaction rating of 90% in the areas the agency can measure, a 30% over the next three years in the average unit cost for materials the center provides, and 100% on-time delivery and zero defective shipments by the end of 1999.[60]

Results

- In the EPA, APHIS and the BCA, as well as other participating agencies, results are measured by satisfaction surveys of agency customers (which hovers above 97% for the BCA in most categories), turnaround on requests and inquiries, and agency capacity to provide timely and accurate information.
- The customer-service process has prompted participating agencies to commit to continuous training and learning opportunities for employees.
- In the EPA, results of the Common Sense Initiative will be measured by improvements in controlling pollution, as well as the cost of developing and implementing regulations. For example, the EPA reported to NPR that the voluntary goals agreed to by the metal finishing industry — to cut chemical releases by 75% and hazardous waste by 4% — are being pursued by 3,000 small businesses and 8,000 operations in large-scale manufacturing plants. In return, companies will be able to increase recycling and avoid more expensive treatment and disposal costs under traditional regulatory requirements. The Common Sense Initiative covers 40 similar projects aimed at better controlling pollution and reducing cost of the effort.[61] Identifying outcome measures for these initiatives (cost reduction and improvements in pollution control), however, will require several years of data collection to provide year-to- year comparisons.
- In the FAA logistics center, the emphasis on customer service has altered the way the budget will be allocated. In 2000, the center's annual appropriation will be given to the FAA field offices so line managers can determine how much money they will spend on logistics. The center then will have to compete to earn their business.

---

[59] APHIS Planning, Evaluation and Monitoring Office, Policy and Program Development, e-mail correspondence with the author, November 3, 1998.

[60] Friel, Brian (1998, May 27). "Daily Briefing: FAA Logistics Center Cooks Up Reinvention Recipes." Govexec.com. Retrieved January 11, 1999, from the World Wide Web: http://www.govexec.com/dailyfed.

[61] National Partnership for Reinventing Government (NPR) (1998, March 3). *Reinventing Government to Get Results Americans Care About: Accomplishments, Customer Stories and Commitments*. Retrieved January 10, 1999, from the World Wide Web: http://www.npr.gov/library/announc/customer.html

Example 3: Performance-Based Budgeting Efforts

In the states and the federal government, governmentwide efforts are in place to develop management and budgeting systems based upon performance. For example, Professors Julia Melkers and Katherine Willoughby of Georgia State University found that 47 state governments operate under performance-based budgeting legislation or nonlegislative initiatives. Expectations vary, but the basic premise is a requirement for agencies to be clear about their goals and to identify performance measures that can be used to evaluate their success in achieving those goals. In some states, the process is integrated with other management initiatives such as strategic planning and customer-service initiatives. And, in some, such as Texas and Florida, agencies and their employees can be financially rewarded for reaching or surpassing stated targets and punished (through budget cuts or even program elimination) when targets are not reached.[62]

The federal government mandated a performance-based budget process in 1993 — the Government Performance and Results Act (GPRA) — with dimensions similar to many of the states. In many agencies, such as APHIS, the mandated GPRA process of strategic planning and performance planning works in tandem with the identification and implementation of customer-service initiatives. Agencies were required to submit the first mandated strategic plans to Congress and the Office of Management and Budget in September 1997. Performance plans were submitted in spring 1998 that specify performance targets for 1999 and the ways in which day-to-day agency efforts will achieve long-term strategic goals. Annual updates will be reported.[63]

The process is intended to be iterative, in which the work of each previous stage facilitates the work of agencies, their stakeholders and elected officials in future steps to identify and eventually use performance data for managing programs and making budget allocations. As in the states, the federal government legislation is aimed at improving the information available to managers and elected officials to evaluate programs and coordinate the allocation of resources with performance.

Results

GPRA results are reported by the GAO and consist of a series of guidelines and concerns for problems encountered along the way. Melkers, Willoughby and the GAO offer similar assessments of state-based performance budgeting efforts:[64]

- The opportunity for federal agencies to discuss draft strategic plans with members and staff of Congress and with GAO staff enhanced quality of the plans by building consensus on missions and helping to focus on ways to get there. The GAO made similar conclusions in its assessment of statewide performance-based budgeting efforts.[65]
- At the state level, Melkers and Willoughby report participants in performance budgeting processes note improvement in program management primarily due to more focused missions and information about achieving those missions.[66]
- A general weakness in federal agency strategic plans is the failure to connect strategic goals with agency resources and external factors that might influence agency efforts. For example, the threat of the Year 2000 computer bug was not factored into some strategic plans analyzed by the GAO. The GAO also has found that efforts to generate reliable data for measuring cost and results have been

[62] Melkers, Julia, and Willoughby, Katherine (1997, January/February). "The State of the States: Performance-Based Budgeting Requirements in 47 out of 50 States." *Public Administration Review*, vol. 58, no. 1, pp. 66-73.
[63] GAO (1998, February). *Managing for Results: Experiences of Selected Credit Programs*, p. 1. (GAO/GGD-98-41).
[64] GAO (1998, February). *Managing for Results: Observations on Agencies' Strategic Plans*. (Statement, GAO/T-GGD-98-66).
[65] GAO (1994, December). *Managing for Results: State Experiences Provide Insights for Federal Management Reforms* (Letter Report, GAO/GGD-95-22).
[66] Melkers, Julia, and Willoughby, Katherine (1998). "The State of the States."

disappointing across the board. A major roadblock is the collection of agency-relevant data by outside organizations.

- Another general weakness in the federal agency plans was the lack of planning for coordination between and among programs.
- Finally, the connection of performance measures to "outcomes" when responsibility for the results are shared by complex systems is a challenge for many federal programs that rely upon the states, the private sector or other federal agencies to reach program goals. The GAO reports several agencies have found ways to deal with the complexity, but the challenge is an important one for any public program.[67]

Example 4: Governance Reforms Focused on the Performance of Particular Systems: New York Department of Civil Service

Many efforts to improve the quality of government performance are more focused, either within a particular agency or on a particular function of government. One such reform effort, while not small in scale, has been the transformation of the New York Department of Civil Service. In an article in *Governing*, Reporter Jonathan Walters identifies the accomplishments of George C. Sinnott, appointed to head the department in 1995.[68] According to Walters, Sinnott has tackled the reform process with an extensive knowledge of the civil service system based upon government service experience, an exhaustive collection of data and thorough reading on the system's history — more than 27 reports suggesting reform of the system. He also has worked collaboratively with public-sector unions to pass legislation that allows for the transfer of employees rather than layoffs in times of downsizing.

Results

- Elimination of temporary employee backlogs
- An update of all tests and scoring systems and development of a new generalist exam for management positions
- Development of a new, aggressive recruitment plan in areas of strategic personnel needs
- More hiring flexibility for managers with broader lists of candidates available
- Comprehensive online job application and listing service
- More broadly defined job classifications, allowing managers and employees alike more flexibility in work assignments
- Better outreach and service to local governments.

[67] GAO (1998, December). *Managing for Results: Measuring Program Results.* (GAO/GGD-99-16).

[68] Walters, Jonathan (1998, December). "Untangling Albany." *Governing: The Magazine of States and Localities.* Retrieved January 10, 1999, from the World Wide Web: http://www.governing.com.

Example 5: Information Technology Improvements and Performance

Electronic Benefit Transfers and FNS: Many changes in internal governance are based upon the use of technology that agencies employ to reduce error, streamline decisionmaking processes and reach a broader audience. For example, the Food and Nutrition Services of the Department of Agriculture recently reported that its Electronic Benefits Transfer program for the distribution of food stamps is up and running in 16 states. Overall, 40% of food stamp recipients now receive their benefits electronically, with the goal to continue to increase that amount and begin to provide other forms of government assistance electronically.[69]

Results

- The Food and Nutrition Services effort has saved the states $12 million since 1994.
- The electronic benefits system provides the states a means to aggressively monitor transactions for fraud.

FEMA and Teleregistration: The Federal Emergency Management Administration (FEMA) reports the growing use of computerized phone registration for disaster assistance applications. The near-paperless system has reduced the time and cost of filing an application:[70]

Results

- Disaster assistance applications for processing are delivered one to two days faster, and an application taken by teleregistration costs only $13.79, in contrast to the $59 required to take an application at the traditional Disaster Application Centers.

New Orleans Police Department and Comstat: Some information technologies also alter management of entire government programs. Comstat (for computerized statistics) is used by the New Orleans Police Department to track crime and department responses. The technology has altered the way the department deals with crime from a reactive mode to more creative efforts to fight and prevent crime. Weekly meetings between top management and district officers provides a forum for analyzing individual district performances and prompts a problem-solving approach to improve district performance. Once officers view their work on the beat as solving a problem, they take more time to gather information and look to a wide range of resources throughout the department. The system also provides the means for top managers to devolve authority to the district and precinct levels given the performance-based data. The results, however, get mixed reviews:[71]

Results

- Violent crimes decreased by 22% in 1997 from 1996, arrests were up 25%, and the clearance rate on homicides improved.
- Public opinion ranked performance much improved.
- Yet, the more aggressive approach to policing and the drive to improve statistical performance raised concerns about civil rights violations. Citizen complaints were down in 1996, but increased again in 1998.

---

[69] NPR (1998, March 3). *Reinventing Government To Get Results Americans Care About: Accomplishments, Customer Stories and Commitments.* Retrieved January 10, 1999, from the World Wide Web: http://www.npr.gov/library/announc/customer.html.
[70] NPR (1995, September 7). *1995 Annual Report: Common Sense Government.* Appendix A: Status of Major Recommendations by Agency. Retrieved December 12, 1998, from the World Wide Web: http://www.npr.gov/library/nprrpt/annrpt/comsen95/239a.html.
[71] Gurwitt, Rob (1998, January). "The Comeback of the Cops." *Governing: The Magazine of States and Localities.* Retrieved November 30, 1998, from the World Wide Web: http://www.governing.com.

Web Sites and Kiosks: Public-sector Web sites and kiosks now offer the public a wide array of information, opportunities to communicate directly with government agencies and interactive opportunities to file for a license or go to court without an attorney. In a recent analysis of the quality and content of state-based Web sites by Linda DeConti, webmaster for the Connecticut Office of Policy and Management, found the most common feature was an e-mail feedback system. Members of the public can send questions, comments or concerns. Opportunities for economic development, tourism and information about state-based institutions such as universities and libraries were also commonly featured. At one level, establishing a Web site is a technical exercise requiring a telecommunications infrastructure (Internet access for agencies and employees) and training government employees to design, build and support Web pages. But the effort is framed by a more political exercise of determining who will be served by the Web pages and how, how the information posted and received will be incorporated within the governing process, and how issues of privacy and freedom of information will be addressed.[72]

Leading government reform advocates David Osborne and Peter Plastrik present a good example of these considerations. Connecticut's "Deadbeat Parents" Web page (sponsored by the state attorney general and the Department of Social Services) posts the names and photos of parents who owe child support and asks people visiting the site to send information about the location of parents.[73] The Web site promotes an explicit partnership with the public to enforce child support payments and improve the collection rate, but the sharing of information about the individual parents raises concerns about privacy and perhaps harassment.

Results

- Osborne and Plastrik report a few individual parents turn themselves in out of embarrassment, but information comes in each week via e-mail about the location of others.
- In conjunction with several other efforts to improve child support collections, the Web site has improved the collection rate by 16%.

Example 6: Procurement Changes

Decentralization and Streamlining: Some of the biggest administrative savings in the federal government have come from changes in the procurement process that decentralize and streamline purchasing, enhance the competitive choices for government buyers and allow government buyers to consider factors other than price in selecting a contractor.

Results

- The Federal Acquisition Streamlining Act of 1994 allows authorized agency program officers to use a governmentwide VISA card to purchase items under $2,500 directly from the open market.[74] The government pays no interest or annual fees for the cards.
- In addition, many government specifications for products (particularly from the Pentagon) have been eliminated, allowing existing commercial products and parts to be purchased. The military purchase of commercial color-fast socks with elastic saved the Pentagon 50 cents a pair from the socks made to Pentagon specifications. And the Pentagon saved $2.7 billion on its C-17 cargo plane contract and $2.9 million on smart munitions by allowing purchases of standard commercial parts.[75]

---

[72] DeConti, Linda (1998). "Planning and Creating a Government Web Site: Learning from the Experience of U.S. States." Institute for Development Policy and Management, University of Manchester. Retrieved January 11, 1999, from the World Wide Web: http://www.man.ac.uk/idpm/isps_wp2.htm.

[73] Osborne, David, and Plastrik, Peter (1997, August 10). "WWW.gov." *Washington Post Magazine*. Retrieved January 11, 1999, from the World Wide Web: http://www.alliance.napawash.org/ALLIANCE/Picases.nsf/.

[74] http://cbdnet.access.gpo.gov.

[75] Gore, Al (1996). "Procurement Reform." In *The Best-Kept Secrets in Government: A Report to President Bill Clinton*. Retrieved January 10, 1999, from the World Wide Web: http://www.npr.gov/library/nprrpt/annrpt/vp-rpt96/.

Negotiated Procedures: In addition, legislated changes now allow negotiated procedures for some purchases, rather than sealed bidding. Public managers can review proposals as they come in and engage vendors in discussion. Vendors might be given the opportunity to revise the price, schedule or technical requirements before the contract is awarded. The contract is awarded on the basis of price, as well as other factors advantageous to the government.[76]

Procurement Partnerships: Building upon negotiated procedures, procurement personnel at all levels of government are experimenting with procurement partnerships, and procurement is becoming more performance-based. The California Franchise Tax Board, for example, has adopted the California Performance-based Procurement approach. The premise is to form a "strategic partnership with qualified vendors for the purpose of long-term, mutually beneficial business relations based on trust, honest and open communication, and teamwork."[77] The partnership begins before a contract is signed. Following a public statement of the problem to be addressed, a competitive review of interested vendors is conducted, and several "business partners" are selected to work with the agency to investigate the problem and come up with the best possible set of proposals — one from each vendor. The process is performance-based in that a contract is not awarded, and payments are not provided, until the proposal is implemented and providing enough benefits to cover cost, shifting some of the risk of failure to the vendor.

Changes in the federal procurement laws create similar opportunities when agencies are purchasing expensive information technology. As described by an NPR report, "agencies will invest in information technology only when there is a clear payback, and they won't be locked into cumbersome contracts that can't keep up with rapidly changing technology. The idea is to buy a little, test a little, fix a little and do it quick."[78]

---

[76] U.S. Department of Commerce, *Commerce Business Daily Net* (1998). Retrieved April 1998, from the World Wide Web: http://cbdnet.access.gpo.gov.

[77] National Academy of Public Administration. Alliance for Redesigning Government (1995). "Case: Information Technology Procurement: Moving from Contracts to Partnerships." Retrieved January 11, 1999, from the World Wide Web: http://www.alliance.napawash.org/ALLIANCE/Picases.nsf/.

[78] Gore, Al (1996). "Procurement Reform." In *The Best Kept Secrets in Government: A Report to President Bill Clinton.* Retrieved January 10, 1999, from the World Wide Web: http://www.npr.gov/library/nprrpt/annrpt/vp-rpt96.

Model 3: From Arbitration to Collaboration: Public-Sector Unions and Public Management

Partnerships: *Public-sector unions partner with public managers to improve organizational performance. Facilitators or mediators in the public and private sectors can play a role in initial efforts.*

Problems: *As in the case of Model 2, a primary problem is limited budgets and growing public demands for better government performance. In addition, union members face the threat of losing jobs and resources due to contracted work with the private sector and the possibility of agency downsizing. Adversarial collective bargaining processes and expensive grievance procedures are also an inducement to collaborate.*

Special Features:

- *An emphasis on building trust between all participants facing mutual problems and opportunities*
- *A real extension of decisionmaking authority from management to union employees, and a sharing of information such as budget and cost data as part of the partnership*
- *Establishment of alternative ways to communicate outside of formal collective bargaining situations, such as regular weekly or monthly sessions between management and employees, open-door policies, and the use of teams combining union members and management to accomplish the agency's work.*

Example 1: Union-Management Partnerships in the Federal Government

The U.S. Mint in Denver and the AFGE: A partnership between the American Federation of Government Employees (AFGE) at the U.S. Mint in Denver, Colorado, and management has laid the foundation for performance change.[79]

Results

- The upgrade of an aging computer system
- Record production of 10.3 billions coins in 1995
- A profit of $456 million in 1997 (turned over to the Treasury)
- A strong commitment to the training and development of employees to enable their participation in continuous efforts to improve; a tripling of the agency's training budget over the past few years to $1.5 million; and a promise to pay up to $3,000 a year in tuition costs for any employee committed to career development that also facilitates the Mint's work
- The virtual elimination of union-management disputes in Denver, decreasing litigation costs by $10 million
- PBO requested by employees and management to lock in improvements at the Mint.

[79] Yoder, Eric (1998, September). "Mint Condition." Govexec.com. Retrieved January 11, 1999, from the World Wide Web: http://www.govexec.com/features/0998/0998s5.htm.
National Performance Review (NPR) (1996, February 14). "Vice President Al Gore Presents the National Partnership Awards." Retrieved, January 11, 1999, from the World Wide Web: http://www.npr.gov/cgi-bin/print_hit_bold.pl/library/speeches/2706.html.

BEST COPY AVAILABLE

The IRS and the NTEU: Perhaps most notable for its duration and accomplishments, the Internal Revenue Service (IRS) and the National Treasury Employees Union (NTEU) began working in partnership in the early 1980s following contract negotiations that sent more than 100 issues to an impasse.[80]

Results

- By the early 1990s, the two parties had developed a partnership through incremental efforts to share in decisionmaking from problems in the workplace to redesign of IRS operational systems. In May 1994, they signed a second Total Quality Organization agreement bringing the NTEU into management planning and policy meetings throughout the IRS.
- Culturally, the IRS is becoming a different place to work. The IRS reports work is customer driven (both internal customers and external). Greater reliance is placed upon individuals and teams in the agency's work. A recent internal survey found a high correlation between job satisfaction and the effective use of an employee's knowledge, skills and abilities. The union has data demonstrating the highest-performing employees and teams also rate job satisfaction the highest. And more than 50% of the recommendations made by quality teams established in 1987 have been implemented.

The National Partnership Council: In 1992, the GAO produced an extensive study of federal labor-management relations,[81] as did the National Academy of Public Administration in 1993. The NPR followed up both reports with its own survey of private-sector managers in partnership with unions and produced recommendations for improving labor-management relations in the federal government. Executive Order 12871 established the National Partnership Council to facilitate the development of partnership councils throughout the federal government. The council collects and disseminates information on results of various partnership efforts across government and the private sector, creates opportunities to exchange ideas and expertise across both sectors, and provides staff and support for partnership efforts across the government.

Currently, more than 650 partnership councils are based in executive branch agencies with a bargaining unit, including field offices, departments and divisions within agencies. The purpose of these partnerships, according to the NPR, should be to provide a forum for the discussion and resolution of problems dealing with conditions of employment that significantly affect the organization's operation. From this initial forum, agencies and unions are stepping beyond their interaction over employment conditions to focus on quality improvements made through greater power-sharing arrangements and the more decentralized use of quality teams focused on improved service.

Other participants in the federal partnership efforts include the Federal Labor Relations Authority and the Federal Mediation and Conciliation Service, the latter of which sponsors conferences to bring unions and management together in quality partnerships and has developed a guide for the transition to partnership governance in the federal government.

Example 2: Union-Management Partnerships at the State and Local Levels

In a recent report entitled *Working Together for Public Service*, a Department of Labor task force highlights dramatic change in state and local government governance due to the evolution of union and management partnerships. They report not only improved relations and reductions in grievance proceedings, but also improvements in workplace safety, the quality of work life, the cost of government,

---

[80] Kearney, Richard (1996). "Managing Relations with Organized Employees." In J. Perry (Ed.), *Handbook of Public Administration, 2nd ed.*, p. 466. San Francisco: Jossey-Bass, Inc. Publishers.
National Academy of Public Administration (NAPA) (1993, April). *Leading People in Change: Empowerment, Commitment, Accountability*, p. 40. Washington, DC: NAPA.

[81] GAO (1992, October). *Quality Management: Survey of Federal Organizations*. (GAO/GGD-93-9BR).

service to the public and the incorporation of information technology to serve growing populations with shrinking public budgets. The partnership examples demonstrate the importance of union-management commitment, a mechanism or process for including unions in agency decisionmaking and the priority placed upon training opportunities to use the partnership as a means to better performance and often reduced costs.

Connecticut and the Union members of the DMR: In Connecticut, for example, labor-management committees in the Department of Mental Retardation focused on ways to reduce the high rate of injuries employees received when moving patients. Through data analysis of injuries and time loss in different department sites, and employees' own knowledge of working conditions, prevention-oriented solutions were developed and put into place. For example, nonskid surfaces were placed on tile floors, $19 back support belts were purchased, and a training program for the transportation of patients was developed and conducted by the employees.[82]

Results

- A 40% reduction in injuries
- A 25% reduction in hours lost due to injury
- A $5 million reduction in an annual $25 million workers' compensation expenditure.
- Better continuity in patient care.

City of Miami AFSCME Summit: A report of the 7th Annual Labor-Management Conference compiled by the Federal Mediation and Conciliation Service presents similar examples, such as the City of Miami American Federation of State, County and Municipal Employees (AFSCME) Summit — a regular meeting between the city manager and his top staff with the AFSCME executive board. The summit is used for problem solving and strategic planning. It also has created a variety of power-sharing arrangements between various unions and city management, such as that with the Miami International Association of Firefighters (IAF) which now has direct purchasing power.[83]

Results

- Four advanced life-support paramedic units were put in service for below $100,000, down from the $750,000 to $1,000,000 for each unit through conventional purchasing processes.
- Service levels were reported to have increased.
- The IAF reported decreases in grievances and arbitration because of the union's role in decisionmaking, which eliminated many after-the-fact concerns. In one year, the cost for lawyers and arbitrators in the department dropped from $65,000 to $10,000.
- On the down side, participants reported the rapid pace of change under the summit system is difficult for many employees and that a lack of trust between some union members and city management prevents full collaboration and puts union leaders in difficult positions as representative of the members.

Massachusetts Highways and Three Unions: In Massachusetts, the Department of Labor reports that an initiative to expand contract work for highway maintenance to private firms brought SEIU Local 285, AFSCME Local 1009 and the National Association of Government Employees (NAGE, SEIU Local 5000) together to bid for the work. The unions won three of seven contracts, under which state highway

[82] Department of Labor (1996). "Fewer Injuries, Millions of Dollars Saved." In *Working Together.*

[83] Federal Mediation and Conciliation Service (1995). "The Miami Story: The Pros and Cons of the Cooperative Process." In *The Seventh Annual Labor Management Conference Report.* Posted on the NAPA, Alliance for Redesigning Government Web Site. Retrieved January 11, 1999, from the World Wide Web: http://www.alliance.napawash.org/ALLIANCE.

management and union representatives met weekly to discuss operational issues. The meetings also created a forum for developing cooperation on a wide range of issues. [84]

Results

- Working together, union employees and management saved $7.8 million in operating costs.
- Workers' compensation claims were reduced.
- Sick time and overtime were reduced through the development of more flexible schedules.
- According to union representatives and state highway managers, the effort developed an enthusiastic commitment to serving the people of Massachusetts. Once reluctant, managers now accept front-line workers as an essential part of improving the department's work.
- Regular full-staff meetings and the sharing of budget information and other data have gone a long way to build trust and productivity of the partnership.

Example 3: Public-Sector Partnerships in Higher Education

As described by the Federal Mediation and Conciliation Service (FMCS), "The goals of labor-management committees can range from a sincere desire to improve communications and resolve mutual problems to an extensive program aimed at quality of working life, job enrichment and productivity improvement."[85] For many faculty union and management relationships in higher education, a step toward improved communications is an enormous one in itself.

One university administrator argued that "higher education is in the same position today as the auto industry was in the 1970s."[86] Just as competition from Japanese automakers forced management and unions in the American auto industry to rethink the kinds of cars they made and the way they made them, institutions of higher education are being forced to rethink the way in which higher education is organized and delivered under increasingly tight financial circumstances. Several forces are pushing faculty unions and management to approach governance of university campuses differently. The president of a large Midwestern public university identified the following as critical for governance of his institution:

1. Public universities today face a high demand for accountability for performance. Legislatures across the country want greater accountability from universities for retention and graduation rates, faculty productivity in teaching, research and outreach, and management effectiveness, and they are demanding that universities demonstrate their performance with measurable standards.
2. University management is being streamlined, eliminating the number of people available to address faculty concerns and needs.
3. The information revolution (particularly e-mail) speeds the rate of communication between faculty and management.
4. The allocation of resources within universities will change dramatically given the trend toward interdisciplinary programs that blend the teaching and research of different departments. Faculty teams will teach more courses, rather than individual faculty members teaching within discreet domains of their respective departments.[87]

As in the public sector more generally, adversarial relationships between faculty unions and campus management are giving way to partnerships. The process is slow, in large part because faculty

[84] Department of Labor (1996). "Snapshot: MassHighway." In *Working Together*.

[85] Federal Mediation and Conciliation Service (1995). "FMCS Guide to Labor-Management Committees." In *The Seventh Annual Labor Management Conference Report*. Posted on the NAPA, Alliance for Redesigning Government Web Site. Retrieved January 11, 1999, from the World Wide Web: http://www.alliance.napawash.org/ALLIANCE.

[86] Vice President for External Affairs of a public university in Michigan. Telephone interview with the author, November 19, 1998.

[87] President of a public university in the Midwest. Telephone interview with the author, December 21, 1998.

traditionally have had great autonomy in their research and teaching, and even in the governance of individual departments and colleges within universities. But the pressures for cutting costs and greater accountability force the partnership. It requires adjustments on both sides. Some institutions have made progress primarily in their approach to collective bargaining. For others, progress and results are the gradual improvements in communication that many hope will lead to more rigorous partnerships in planning and working toward very different institutional futures.

Results

- Since 1993, the University of Montana has adopted interest-based negotiation techniques that eliminates the hierarchy of bargaining teams (no chief spokesperson), draws upon the use of union-management teams to focus on key issues, provides an exit for either side and sets timetables for work to be done.[88]
- Several university administrators describe informal techniques to build the trust that is essential before collective bargaining can be a less adversarial process and unions and management can move forward as partners with mutual responsibility for the performance of their institution. University presidents, in particular, rely upon informal settings such as "Dinner Conversations" or monthly meetings of a "President's Leadership Council" which bring together members of faculty unions, nonunion faculty members and members of the administration to address concerns, share information and plan for the future. These settings can allow many things to be resolved informally (such as perennial parking problems) so they do not bog down contract negotiations. These settings also provide a more timely venue for dealing with day-to-day issues that might otherwise fester until contracts come up for renegotiation three years down the road.
- Trust in these relationships is also built by sharing information widely among faculty and administration, making commitments and following through on them, and bringing faculty into decisionmaking about the institution's financial management.

[88] DOL (1996). "Turning an Adversarial Bargaining Relationship into a Productive Partnership." In *Working Together for Public Service.*

Model 4: Cross-Sector Partnerships To Address Public Problems

Partnerships: *Government agencies, often from different policy areas, partner with community organizations and residents, businesses and foundations or federal agencies providing grant support. Elected officials at the state and local levels can be important for providing political support.*

Problems: *Persistent public problems with multiple dimensions, minimal government resources and the perception that cooperation across different sectors and agencies is required to address the problems.*

Special Features:

- *Traditional barriers between policy sectors, professionals, groups or the private and public sector are breached in this collaborative effort. The transition involves a redefinition or expansion of professional roles or the transformation from adversarial relations to one of cooperation and trust.*
- *Clarity of the partnership mission and the product or service it will provide is essential for maintaining focus among a diverse set of participants.*
- *Intensive planning efforts are required prior to and throughout the collaborative process to maintain the partnership's capacity to address the problem.*

Example 1: The Police-Mental Health Partnership: The CD-CP Program in New Haven, Connecticut

The Child Development-Community Policing Program (CD-CP) is a decade-long partnership between the police department and mental health professionals of New Haven, Connecticut, both committed to a more community-based approach to their work. They collaborate to deal more effectively with children who are victims of violence and the perpetrators of violence by sharing experience and knowledge between police officers and clinicians.

In an overview and evaluation of the collaboration, Professor Steven Marans of Yale University, his colleagues and representatives of the New Haven Police Service identified the basic components:[89]

1. Child development fellowship: A police supervisor is placed in a participating mental health agency for several hours a week for several months. Supervisors are exposed to the various means of clinical intervention and settings for treatment and care.
2. Police fellowship for clinical faculty: Clinicians are placed with police colleagues to experience police officers' day-to-day activities and the realities of police encounters with children and families. In both fellowships, professionals have the opportunity to exchange ideas and build relationships that facilitate collaboration in the future.
3. 10-week seminar: Police supervisors attend a seminar focused on child development, human functioning and strategies officers can think about, apply and use to educate their own officers about positive interventions with families and children.
4. 24-hour-a-day consultation service: Police can consult with a clinician carrying a beeper at any time. The consultation might lead to a clinical or hospital referral, or the clinician might see the child immediately at the station or in the child's home.

[89] Marans, Steven, et al. (1995). *The Police-Mental Health Partnership: A Community-Based Response to Urban Violence*. New Haven, CT: Yale University Press.

BEST COPY AVAILABLE

5. Weekly program conference of officers and clinicians: This provides a forum for discussing particularly difficult issues encountered by the police. Cases are presented and discussed from a variety of perspectives, all aimed at trying to better understand the experience and meaning of violent events to children, and the best means professionals might use to intervene positively.

Results

Evaluation by Marans and his co-authors identified the following results: [90]

- The police department has changed several tactics of deployment and interaction with the community. For example, assignments are more stable, allowing officers to develop and maintain relationships with community members. Protocols set a standard of involvement with children and families at violent crime scenes. Officers receive training in child development and human functioning as it relates to policing. And there is greater contact among officers, school personnel, clergy, and social services and community leaders.
- Individual police officers report a new sense of professionalism in their work. The training they receive, as well as the shared responsibility with mental health professionals for helping children in violent situations, has given officers greater confidence in their ability to respond to violence. Their improved ability to intervene, officers also report, has helped them to build relationships among community members that facilitate crime prevention efforts as well.
- Among mental health professionals, the partnership has resulted in changed clinical practices. Most prominent has been the increased use of house calls, rather than clinical visits, initiated by officers through the 24-hour consultation. Clinicians are able to begin working with children and families in closer proximity to the violent situation and can learn more about the contexts and circumstances behind the violence from an onsite visit. A better understanding of a specific child's experience helps to tailor initial treatment and follow-up care.
- In addition, clinicians now view police as valuable resource in treating children. Police often conduct follow-up visits with children and families. Contact with the work of police officers has made the clinicians more aware of the complexities among the nature of violence, the child's developmental stage, the context of the violent incident, and the capacity of family and community institutions to provide support to the child.

Example 2: Florida's Healthy Kids Corporation

"The Florida Healthy Kids Corporation (HKC) uses school districts to create large health insurance risk pools for the purpose of bringing affordable, accessible, quality private-sector health care to populations of uninsured children," Marans found.[91] It works with parents, schools, the medical community, the insurance industry, foundations, and federal and state health agencies to tackle the rise in uninsured children and families in the state and its connection to declining rates of child health and learning preparedness. National School Lunch Program criteria are used to develop premiums for the school-based insurance based upon income.

HKC coordinates among the partners who contract with the project. Schools, for example, apply for pilot projects on a district basis. They work with the corporation to survey the needs of district families, identify uninsured children, educate and inform families of the program and its dimensions, and facilitate the enrollment process. The school is, in short, a critical liaison between the community and the HKC and a crucial link in the administration of a successful program. In addition to the schools' efforts, a third-party administrator contracts with HKC to administer the enrollment process, determine eligibility of

[90] Marans, Steven, et al. (1995). *The Police-Mental Health Partnership*. Chapter 7.

[91] Florida Healthy Kids Corporation WWW Page (1998). "History of the Florida Healthy Kids Corporation." Retrieved December 25, 1998, from the World Wide Web: http://www.healthykids.org.

applicants and eligibility for subsidies, collect premiums from families, and ensure families are not jointly participating in the Florida Medicaid program. Insurance companies and health maintenance organizations provide the physician network. Ongoing evaluation of the program's effectiveness is conducted by the Institute for Child Health Policy, and Innovations in Health Care Quality looks at quality of service audits, compliance with program standards for health care, and treatment practices and referral patterns.

The program is financed in a similar multi-partner fashion. HKC is responsible for subsidized premiums for child health insurance and administrative costs of the program. Premiums paid by participating parents constituted 33% of the financing in 1997. Local funding (schools, hospitals, community groups) contributed 17% of the funding in the same year. Local governments participating in the program (through school districts) must contribute 5% to pilot programs, with the contribution rate increasing each year. The State of Florida contributes the bulk of funding (50% in 1997) from general revenue shares.[92] HKC aggregates these different payment sources and pays premiums to commercial health-care plans.[93] A demonstration grant from the federal government's Medicaid program provided resources for structuring and administering the program during its start-up phase in 1990, and a contribution from the Robert Wood Johnson Foundation provided seed money for initial development of the insurance product.

The HKC is expanding its coverage from school-age children 6 years old and up to preschool-aged children enrolled in child care and preschool programs that might provide similar grouping mechanisms. In 1996, it was awarded Johnson Foundation funds to establish a national office to provide technical support and direction to help seven other states develop a similar program.[94]

Results

- About 48,000 of Florida's approximately 750,000 children received health insurance through Healthy Kids Corporation in 1998, up from 25,000 the year before.[95]
- Emergency room services used by children have declined. In Volusia County, emergency room visits dropped by 70% following the enrollment of 5,000 previously uninsured children.[96]
- Children with more severe health problems tend to stay enrolled in the program longer, while the average enrollment period for other children is approximately 12 months. Children graduate from school and lose eligibility, families acquire different health insurance or move, and, in a small percentage of cases, families do not want to pay the premium or do not use the services.[97]
- The Institute for Child Health Policy reports that across participating counties, children in the Healthy Kids Program are receiving the amount of health care expected based on their health-care needs 1997.[98]
- High rates of satisfaction are reported among participating families (over 90%) with the benefits package, the quality of care and service, and the look and feel of offices providing the services.

---

[92] Healthy Kids Corporation (1998). *Annual Report.* Retrieved December 25, 1998, from the World Wide Web: http://www.healthykids.org/Reports/98ar.

[93] Healthy Kids Corporation (1998). "History of Florida Healthy Kids Corporation."

[94] Healthy Kids Corporation (1996, October 1). "Florida Healthy Kids Corporation Awarded Grant from the Robert Wood Johnson Foundation to assist with the Foundation's Efforts in Replicating the Florida Healthy Kids Program Nationally." Press Release. Retrieved December 25, 1998, from the World Wide Web: http://www.healthykids.org.

[95] Healthy Kids Corporation (1998). *Annual Report*, p. 12.

[96] The Innovations in American Government Home Page (1996). Innovations in American Government Program: 1996 Winner. Retrieved December 25, 1995, from the World Wide Web: http://ksgwww.harvard.edu/innovat/.

[97] Institute for Child Health Policy (1997, April 11*). An Analysis of the Number of Months Children are Enrolled in the Florida Healthy Kids Program.* Prepared for the Healthy Kids Corporation. Retrieved January 10, 1999, from the World Wide Web: http://www.ichp.edu.

[98] Institute for Child Health Policy (1997, April 11). *The Actual Versus Expected Health Care Use Among Healthy Kids Enrollees: Updated Analysis for 1994/1995 and 1995/1996 Health Care Use*. Prepared for the Healthy Kids Corporation. Retrieved December 1998, from the World Wide Web: http://www.ichp.edu.

Example 3: Collaborative efforts To Protect the Environment and Public Health

In the planning, articulation and implementation of environmental policy, consensus-building efforts are becoming an alternative to command-and-control models of regulation. The collaborative forms are diverse.

Regulatory Negotiations and the EPA: Negotiated rule makings, or reg-negs, are becoming a more common means of developing regulatory policy and enforcement mechanisms. Negotiated rule makings follow the guidelines of the Administrative Procedure Act for public notice and comment on proposed regulations, but allow the agency and representatives of stakeholder groups to negotiate directly with one another between the initial notice and the eventual comments. The format is similar to the EPA's Common Sense Initiative (see Model 2) that builds partnerships among traditional adversaries to try to develop policy that makes the environment cleaner, while at the same time reducing the onus industries face in compliance.

In an analysis of consensus-building, Professor Edward Weber of Washington State notes the format is intended to enhance the quality and flow of information among participants and to create a sense of "ownership" among environmental groups, industry, the EPA and state and local governments. The purpose is to improve the likelihood of compliance and reduce the likelihood of court challenges. In particularly controversial initiatives, such as the development and distribution of reformulated gasoline in highly polluted areas, a reg-neg can result in the speedy development of a regulation perceived as rigorous in its environmental results, minimal in its cost to industry and more enforceable than previous rule-making efforts.[99]

MWD Integrated Resource Planning: The Metropolitan Water District (MWD) of Southern California has used similar consensus-building efforts to develop an integrated resource plan for the region. MWD is the world's largest water-management district. When the supply of imported water was to be cut in half in 1992, cooperation between the suppliers and water users in the region was essential to decide issues of conservation, waste-water management and resource mixes across the region. MWD used a consensus-building process to develop a plan for the future.

Professor Lance DeHaven-Smith of Florida State University and John Wodraska of the MWD report the process brought together 65-75 stakeholders from across the region. A steering committee (with representatives from all interests in MWD) developed topics, discussion questions and background papers. Three separate assemblies were held with participants divided into discussion groups assisted by a facilitator. Finally, open forums were conducted around the region to solicit public input through similar small-group discussion processes. The assemblies eventually reached agreement on a wide range of issues, including a commitment to the role of MWD as a water manager and not just supplier.[100]

Toxic Waste and the NIMBY Problem: Professor Barry Rabe of the University of Michigan analyzed similar deliberative processes to identify and develop sites for disposal and management of toxic waste by the Canadian government. When the government identified sites through analytic techniques and announced the locations to targeted communities, they faced the "NIMBY" problem: Not in My Backyard! Yet the toxic waste continued (and continues) to be a problem and without well-developed disposal area, toxic waste must remain on the production site — often in less-than-ideal circumstances for protecting the public.

---

[99] Weber, Edward. (1998). *Pluralism by the Rules*. Washington, DC: Georgetown University Press.

[100] DeHaven-Smith, Lance, and Wodraska, John (1996, July/August). "Consensus-Building for Integrated Resources Planning." *Public Administration Review*, vol. 56, no. 4, pp. 367-71.

Instead, the government began working with individual communities by creating forums to talk about the national problem of toxic waste and the need to dispose of it properly and, by discussing the different options available for achieving effective site selection. Communities began coming up with their own proposals to accept toxic waste sites, often after long deliberative and planning processes with government workers providing support and expertise. In some instances, competitions between communities have ensued for the right to manage the toxic-waste facilities.[101]

Results

- Participation must be broadly representative of those with a stake in the problem and its solution.
- Participants must have a meaningful voice in the process. In some cases, such as the community competitions for waste locations, this included the opportunity to exit the process.
- There must be in place governing parameters or institutions that are viewed as fair to all participants, such as the assembly system or the guidelines for participation in a reg-neg. The process might also specify participants' commitments to the outcomes.
- Solutions must come from deliberative processes, rather than be imposed upon participants.
- High levels of uncertainty must be overcome among adversaries in the habit of keeping information from one another and, in turn, trust must be built. The collaborative process is highly dependent upon the free flow of accurate information to find meaningful solutions to the problems and without trust, this is unlikely.
- Leadership with credibility among all participants, committed to a deliberative process that finds new answers, can be a critical dimension.

Model 5: Cooperative Federalism at the Grass Roots

Partnerships: ***Federal agencies lead the initiative, partnering with state and local government agencies as well as community organizations and local businesses.***

Problems: ***The need to support programs and organizations at the grass roots that are perceived as better equipped than a federal agency acting directly to foster a national goal such as rebuilding communities.***

Special Features:

- *Broad policy guidelines are set at the federal level, and funding is provided primarily through federal grants. Detailed plans and programs for addressing community problems are developed within the communities among community participants, although accountability ultimately rests with the funding federal agency.*
- *This effort attempts to identify meaningful indicators of local performance for purposes of accountability to the federal government.*
- *The federal agency and partnering organizations are engaged in efforts to continuously improve upon management, reporting and performance, often under tremendous political scrutiny of the program.*

[101] Rabe, Barry (1994). *Beyond NIMBY*. Washington, DC: The Brookings Institution.

Example 1: The Corporation for National Service and AmeriCorps

The National and Community Service Trust Act of 1993 established the Corporation for National Service (CNS) to administer Learn and Serve America, the Points of Light Foundation, the National Senior Volunteer Corps program and AmeriCorps. In addition to its substantive goals (see below), Professors Leslie Lenkowsky of Indiana University-Purdue University and James Perry of Indiana University report CNS is designed to demonstrate changes in the way federal programs are governed and the potential for program performance.[102] These features also distinguish the program, at least in theory, from national grant-financed initiatives aimed at the grass roots during the Great Society programs of the 1960s.

1. CNS is intended to leverage government resources to achieve national priorities by contracting with a wide range of nonprofit organizations that actually operate the various programs at the grass-roots level (the one exception is the National Civilian Community Corps which is managed directly by CNS). In addition to tapping the expertise and community-based experience of these organizations as a prime resource, CNS support is to provide a catalyst for private-sector contributions to the various programs and an increase in volunteerism in the civic center.
2. About 50% of CNS employees operate under a more flexible in-house personnel system including fixed-term contracts. The other 50%, including employees from the ACTION/VISTA program who were merged into CNS, operate under federal civil-service rules.
3. CNS partners with the states in administering the program. Two-thirds of annual appropriations for the AmeriCorps program, for example, are funded through state commissions.
4. Funding is based in part upon a competitive process. While one-third of AmeriCorps funding is determined by formula (population) grants administered by the states, another one-third is based upon competitive nominations by state commissions for CNS grant awards. The final one-third is determined through grant competition at the CNS level. In 1995, state commissions received $67 million for 262 projects using formula grants, another $64 million to finance 103 projects with competitive grants, and $58 million to support 57 projects using national direct grants.[103]
5. Finally, contractors with CNS must demonstrate the results of their efforts for accountability purposes.[104]

CNS draws upon these features to try to achieve broad goals mandated by the National Community Service and Trust Act. These range from meeting the needs of communities and building individual commitment to communities through volunteerism, to the use of CNS as a management demonstration project for changing patterns of organizational governance. AmeriCorps is the key program in the efforts. CNS provides support for AmeriCorps "volunteers" in the form of a stipend, health care and education benefit awards upon completion of two years of service. CNS also provides support for the participating civic organizations. Assessments of AmeriCorps in working to strengthen communities and to demonstrate the power of alternative governing techniques are mixed.

Results

A study of five Michigan AmeriCorps programs conducted by Professor James Perry and Ann Marie Thompson of Indiana University analyzed community building in three ways: (1) the personal development of corps members as members of the community, (2) the capacity of community organizations and the partnerships that develop across the nonprofit, business and government sectors and

---

[102] Lenkowsky, Leslie, and Perry, James (1998). "Reinventing Government: The Case of National Service." Paper presented at the Symposium on Nonprofits and Government, Institute for the Study of Government and the Nonprofit Sector, Indianapolis, Indiana, May 28-30.

[103] GAO (1997, February). *National Service Programs: Role of State Commissions in Implementing the AmeriCorps Program.* (Letter Report, GAO/HEHS-97-49).

[104] Lenkowsky, Leslie, and Perry, James (1998). "Reinventing Government: The Case of National Service."

(3) direct community and economic development efforts.[105] Results of the Michigan study and other analyses are presented below using these three categories.

Individual-Level Findings

- In the Michigan study, minimal changes were found in a quantified assessment of AmeriCorps members' public-service motivation, personal motivation, acceptance of diversity and self-esteem (and other psychological states) administered before and after their service. Similar results were found in cross-state comparisons of a similar quantitative assessment and across the five individual programs. A qualitative assessment, however, elicited more positive responses about individual awareness of the needs of participants' communities and their responsibilities to make a contribution.
- A GAO report found relatively high median attrition rates across AmeriCorps programs in seven states (39%), both among highly qualified corps members able to take advantage of private-sector job opportunities and poorly qualified Corps members who did not have the skills to participate effectively.[106]
- The percentage of corps members using the education award benefit following their service fluctuates widely across different programs. The GAO found education award use varying from 17-78% in 24 AmeriCorps projects.[107] It is still early to assess this broadly, as members have seven years from program completion to access the benefit.

Organizational-Level Findings

- Within the five Michigan programs studied by Perry and Thompson, AmeriCorps helped participating organizations expand programs with additional funding, staff (in the form of AmeriCorps members) and increased volunteerism. Similar results were reported in a more broadly based study of 60 AmeriCorps programs.[108]
- An important contribution of AmeriCorps members has been their efforts to organize, recruit and train unpaid volunteers. Many civic organizations rely heavily upon the energy and commitment of volunteers. But an increase in volunteers without a means to organize, train and focus their energy can be chaotic for the organization and demoralizing for the volunteers if their work is not making clear contributions.[109] This contribution is an important one that some have argued should be emphasized as a means to build volunteerism within communities for the long term.
- In the Michigan study, little evidence was found, however, to show improved management capacity of participating organizations to plan, evaluate or raise money. Training programs through CNS, however, are aimed at building some of this capacity in the longer term.
- Also in the Michigan study, little evidence was found showing a strengthened capacity of organizations to work in partnership. Organizations developed joint grant proposals and shared individual expertise, but collaboration on joint problem solving and blending of operational efforts was minimal. As such, links were both temporary and weak — primarily because the AmeriCorps funding was viewed as relevant to meet the financial needs of an organization for the duration of a grant.

---

[105] Perry, James, and Thompson, Ann Marie (1997, August 26). *Building Communities Through Americorps: Final Report.* Report submitted to the Michigan Community Service Commission.

[106] GAO (1997, February). *National Service Programs: Role of State Service Commissions in Implementing Programs.* (Letter Report, GAO/HEHS-97-49).

[107] GAO (1997, February). *National Service Programs: Role of State Service Commissions in Implementing Programs.*

[108] Aguirre International (1997). *AmeriCorps State/National Programs Impact Evaluation: First-Year Report.* Report Submitted to the Corporation for National Service, Washington, DC.

[109] Waldman, Steven (1997, April 28). "The Case for Paid 'Volunteering': A New Role for Charity Needs a Dramatic New Role for Government." *U.S. News and World Report Online.* Retrieved January 23, 1999, from the World Wide Web: http://www3.usnews.com/usnews/issue/970428/28comm.htm.

Community-Level Findings:

- Perry and his colleagues cited a study that used focus groups and a survey of AmeriCorps members to identify positive multicultural experiences that "bring together people from different backgrounds" for more than 90% of respondents across demographic categories.[110]
- In the Michigan study, the physical environments of the five communities were improved through various service projects.
- Another positive finding in the Michigan study was that Corps members as role models had a positive impact on elementary school children participating in a tutoring program, although there was no noticeable affect on the education scores of elementary school students.
- While volunteerism increased during the course of the Michigan projects, it was primarily project focused, rather than community based. The presence of an AmeriCorps-funded program did little to increase community awareness of their efforts or increase philanthropic giving in the five cities.

Assessments of the Corporation for National Service efforts to demonstrate alternative forms of governance are similarly mixed.

- A National Academy of Public Administration study found CNS' internal personnel system remained underdeveloped and the agency was unable to attract necessary talent from other government agencies because of the lack of security for a fixed-term contract.[111]
- The funding mechanisms for AmeriCorps programs, in particular, are highly problematic. First, large states slant the grant process by funding their weakest programs through formula grants and offering their strongest programs for the competitive selection process. Further, CNS efforts to bolster private-sector contributions to civic programs through matching funds have been difficult to measure because CNS has not established a system to identify these contributions.[112] Finally, related to the private-sector contribution problem, the federal cost to support an AmeriCorps "volunteer" for two years (including health care, for example, and a stipend) is controversial given the lack of data on the private-sector contributions that might support part of the cost. In 1995, the GAO reported federal resources averaged $26,654 per AmeriCorps participant.[113]

Example 2: Empowerment Zones

Congress established the Empowerment Zone/Enterprise Communities (EZ/EC) program in 1993 to stimulate partnerships across the public, private and nonprofit sectors to rebuild urban and rural communities. The secretaries of Housing and Urban Development (HUD) and Agriculture were authorized to select urban and rural communities for EZ or EC status which were (1) jointly nominated by state and local governments, (2) met specific qualifications for geographic size and poverty rates and (3) prepared strategic plans for how they would implement programs to revitalize urban and rural communities. More than 500 nominations were submitted.

In 1994, six urban empowerment zones were selected and allocated $100 million each over a 10-year period: Atlanta, Baltimore, Chicago, Detroit, New York and Philadelphia-Camden. Three rural EZs were selected, each receiving $40 million over 10 years. Important tax credits (for wages of employees living

[110] Van Til, J., and Gallup, G. Jr. (1997). "Americorps: Twenty Questions and Their Answers from a National Study." Paper presented at the Cantigny Conference Series, Wheaton, Illinois, sponsored by the Robert R. McCormick Tribune Foundation. Cited in Perry, James, et al. (1997). "Inside a Swiss Army Knife: An Assessment of Americorps." Paper presented at the 26th Annual Conference of the Association for Research on Nonprofit Organizations and Voluntary Action, Indianapolis, Indiana, December 4-6.

[111] National Academy of Public Administration (NAPA) (1998). *Corporation for National Service: Strengthening Organizational Effectiveness and Service Delivery*. Washington, DC: NAPA.

[112] Perry, James, et al. (1997). "Inside a Swiss Army Knife: An Assessment of Americorps."

[113] GAO (1995, October). *National Service Programs: AmeriCorps*USA — Early Program Resource and Benefit Information.* (Testimony, GAO/T-HEHS-96-14).

in the zone) and deductions (for depreciation) also were granted to businesses located in the nine EZs for the 10-year period. Some 65 urban and 30 rural ECs were established, receiving $3 million for use over a 10-year period.[114]

The GAO reports the program is a combination of partnerships across the federal, state and local levels of government, and the civic and private sectors of the EZ/EC communities. Primary funding comes from the Social Security Block Grants program which makes grants directly to the states. The states in turn are responsible for the funds. Consequently, a designated EZ must sign agreements with HUD (the policy arm of the program), Health and Human Services (HHS) for use of the block grant funds and the state in which the EZ is located to administer the money. In the spirit of partnership, the block grant funds give states broad fiscal and administrative discretion, and HHS further encourages the states to be flexible in the administration of money to an EZ. The commitment of federal funds, in turn, is intended to spark business contributions to the economic and social development of the zone communities.[115] In Detroit, for example, local banks and businesses have pledged $2 billion to EZ commitments. Plans for business expansions, new facilities and specialized training centers are also in the works. The development of broad-based collaboration, more generally, is a central goal of the EZ program to build the capacity for addressing community problems.[116]

Solutions for community problems are to be community based, not imposed by Washington. Empowerment Zone communities were required to submit a strategic plan for implementing community-driven solutions. The planning process itself, both prior to designation as an EZ and after, can be an important means to begin building the capacity to generate solutions to community problems over the course of 10 years. In Detroit, decades of mistrust among the city government, businesses, neighborhood-based organizations, and other regional communities and governments have been a major hurdle of the planning process. Neighborhood organizations reported having to "push their way to the table," for example.[117] But their persistence has paid off and has contributed to broadly based partnerships focused on very specific projects in the EZ plan, as well as other citywide initiatives such as education improvement.

Detroit was one of a select few cities to win a $20 million grant from the Annenberg Foundation to improve school performance. The foundation grant will be matched with $20 million from state and federal education funds and $20 million from private and corporate sources. Detroit's success in securing the grant has been attributed to its extensive capacity to plan as a city for the project across broad coalitions of business, resident, government and civic organizations.[118]

Each of the six Empowerment Zones is held accountable for federal funding through their performance for outcomes. HUD, the designating agency for urban EZs, identified four broad program goals to be targeted in the strategic plans. Benchmarks also must be set for each goal to track progress of the EZ and inform similar efforts to create economic opportunity, community development, broad community partnerships and a strategic vision for the community.[119]

---

[114] GAO (1997, October). *Community Development: The Federal Empowerment Zone and Enterprise Community Program.* (Testimony, GAO/T-RCED-98-27).
[115] GAO (1997, October). *Community Development.*
[116] National Academy of Public Administration (NAPA) (1997). Alliance for Redesigning Government Web Site. "Detroit: Struggling Against History." Retrieved January 10, 1999, from the World Wide Web: http://www.alliance.napawash.org/ALLIANCE/Picases.nsf/.
[117] NAPA (1997). "Detroit: Struggling Against History."
[118] Sweeny, Tracie (1996, October 28). "The Annenberg Challenge to the Nation: Detroit School Initiative Receives $20 Million from Annenberg Foundation." The Brown University News Bureau. Retrieved November 30, 1998, from the World Wide Web: http://cgi-user.brown.edu/Administration/News_Bureau.
[119] GAO (1997, October). *Community Development.*

Each EZ also must establish a governing structure for the expenditure of funds and coordination of program efforts. Four of the six enterprise zone cities administer the program through nonprofit corporations, while two run the program through city government. Program direction, management and funding, however, are quite varied depending upon the specific circumstances and partnerships in each city. The partnerships among the federal, state and local governments and communities create complexities unique to each city.

Results

The GAO's 1997 assessment of the six Empowerment Zones found the following results:

- Planning and program implementation worked best when (1) community members sat on EZ governing boards, (2) communication among participants was strong and (3) local and federal political leaders supported the program.
- Planning and program implementation were limited by (1) disagreements over the governing board's composition, (2) state government involvement, (3) expectations for quick results from many sources and (4) no federal funding for initial start-up efforts.
- The GAO also found programs need to move from an emphasis upon outputs as a measure of performance to outcomes. The transition is difficult. Indeed, efforts between HUD and the Empowerment Zone communities to develop measurable indicators have required intense work. As in any performance measurement effort, however, meaningful measures that connect activities to outcomes are constrained by the vast number of factors that might influence economic development or education improvements. They also are held back by varied perspectives across collaborative efforts as to what programs ought to accomplish and how they should be held accountable.

Model 6: External Support for Public Innovation Experiments

- **Partnerships: A facilitating organization partners with government agencies seeking assistance in doing their work differently. The facilitating organization provides expertise, sometimes funding, and connections across the public and private sectors to include businesses and universities, for example, in the effort.**

- **Problems: Political and resource barriers often prevent innovation in the public sector, despite demands for better performance. A lack of training, technical expertise or resources might limit an agency or community's innovative potential, as might systems designed to ensure public accountability that also limit innovative partnerships with other agencies or the private sector.**

Special Features

- *A commitment to starting small in terms of resources, number of personnel or partners, or definition of the applied policy area.*
- *A commitment to testing and rigorous evaluation before the project is expanded.*
- *An emphasis upon planning, preparation and participation, and the opportunity to plan and prepare out of the political spotlight.*
- *Broad sharing of processes and results of the collaborative effort through Internet Web sites, publications and conferences.*

Example 1: New York's Center for Technology in Government

Benefits of modern technology that can enhance productivity, streamline communication, improve customer service and foster partnerships across organizations often are denied government agencies. The reasons are complex, but the process of procuring technology that must be adapted to government practices can be expensive, time consuming and risky given the chance of failure (or problems along the way).[120] In addition, the practices of governments and agencies represent historical, political and economic influences that often are not amenable to change. New technology might eliminate the contributions of a particular industry or interest group to the governing process, for example, or create a reduced need for government employees. Also, governments and agencies vary widely in their capacity for funding and operating new technologies.

The State of New York created the Center for Technology in Government (CTG), housed in the State University of New York in Albany, to support and test the ideas of public agencies that want to use technology to improve public service, despite obstacles. State and local agencies compete to have their ideas developed as pilot projects. The center, according to the CTG Web site, looks for "good problems" that are "mission-critical," have "rich information content" and "high learning value."[121] Pilot projects are pursued through partnerships among CTG staff, high-tech corporations, government, and university faculty and students. Pilot team members think about the ways in which the proposed project could improve government service and then design, build and rigorously evaluate the project, the results of which are shared broadly through reports and papers made available to the public online and in print.

[120] Kelman, Steven (1990). *Procurement and Public Management*. American Enterprise Institute Press.
[121] Center for Technology in Government Web Site (1998). Retrieved January 10, 1999, from the World Wide Web: http://www.ctg.albany.edu/resources/rptwplst.html.

BEST COPY AVAILABLE

Results

- Since 1993, the center has completed a wide range of projects. These efforts have ranged from improving the capacity of agencies to deliver services on the World Wide Web, to assisting small business owners who need a voice recognition/response system 24 hours.[122]
- A recently completed award-winning project examined and identified best practices in 11 New York-based initiatives to coordinate information systems between the state and local governments. A CTG report, "*Tying a Sensible Knot: A Practical Guide to State-Local Information System,* encouraged similar coordinated efforts to streamline government and improve service; identified challenges to coordination that are more systemic; and pointed out ways these challenges could be addressed.[123] The report is useful not only from a technical perspective, but also as a means for project participants to understand the political and institutional dimensions that can frustrate coordination.
- While the State of New York provides approximately $100 million each year for the project, in-kind corporate contributions approximate $2.4 million.

Example 2: Institute for Public Safety Partnerships

The Institute for Public Safety Partnerships (IPSP) is one of 35 community policing institutes across the country funded through a grant by the U.S. Department of Justice's Office of Community-Oriented Policing Services. Its mission is to enhance the capacity of communities, police and other agencies to build safer and healthier communities through partnerships that aim to prevent crime. Since its creation in 1997, the Illinois-based institute has pursued this mission through the development and delivery of education materials, training sessions and technical support for members of Illinois communities, police and government officials. These efforts are built upon the assumption that both community members and the police play an essential role in identifying and solving community problems, and that the efforts of one community can serve as an example and learning experience for other communities.[124]

Several partnering organizations come together to form the Institute. The University of Illinois at Chicago and the Department of Criminal Justice (which submitted the grant for the institute), 10 police and criminal justice agencies across Illinois, the Chicago Alliance for Neighborhood Safety (see Model 1), Loyola University of Chicago and Northwestern University. A Core Development Team of representatives from the partnering organizations began the institute's work by selecting a National Advisory Board to provide knowledge, expertise and guidance in developing education and training material and delivery systems. The team also recruited trainers and developed the curriculum for training them and community members. A broad survey of Illinois communities and their community policing capacities, needs and interest was conducted to identify potential pilot sites. Teams of community- and police-based trainers were then dispatched to the communities to lead an intensive, eight-step process toward building community partnerships in preventive problem solving.

Results

An evaluation of the institute's training efforts one year since its initiation focused primarily on efforts to train communities for partnerships. Given the emphasis upon community-based governance in communities across the nation, the results identified by Jennifer Comey and Marianne Kaiser of the

[122] CTG Web Site (1998). Completed Projects. Retrieved January 10, 1999, from the World Wide Web: http://www.ctg.albany.edu/projects/projmain.html.
[123] CTG Web Site (1998). Completed Projects. Best Practices in State and Local Information Systems.
[124] The University of Illinois at Chicago, Institute for Public Safety Partnerships (IPSP) Web Site. Information retrieved January 10, 1999, from the World Wide Web: http://www.acsp.uic.edu.

Institute for Policy Research at Northwestern University provide important indications of how these efforts might be enhanced.[125]

- Turn-out and general mobilization of participants proved difficult for some of the onsite training sessions. Limited information about the communities, a short timeframe and limited contacts with community leaders resulted in problems organizing participation. The institute relied upon police and government points of contact, rather than community leaders, in several instances.
- The institute's curriculum was viewed by participants, trainers and evaluators alike as innovative because of its emphasis on an active, mutual partnership between police and community members, and methodology for assessing a community's efforts to improve the partnership.
- The experience and mix of trainers was varied, as was the time each could devote to the training sessions. Trainers from one of the nation's longest-running efforts to build community policing partnerships, the Community Alliance for Neighborhood Safety (CANS), had much experience in working with neighborhood groups, but future trainers coming to the project might be more novice, requiring different levels of preparation for the field. Police officers participating as trainers had less time to devote to the process than full-time trainers hired by the institute, raising concerns about the balance of perspectives and approaches in the sessions.
- An effort to use an Internet Web site for the institute to present information about its efforts, to facilitate training and community capacity-building efforts, as well as communication among trainers, the advisory board and other institute partners was considered a failure. Most critically, many of the trainers did not want to use e-mail or distance learning because they argued it contradicted efforts to bring people face to face to plan and work together. Each pilot community was to have a computer on site to participate through the Web, but supply and technical problems limited this potential as well. And the greatest number of visits to the Web site came from outside of Illinois.
- Finally, evaluators recommended the need to tighten and focus the partnerships forming the institute with a governing board. The advisory board guides and advises, while the core planning group plays a simultaneous policy and operations role in developing and executing programs. A tighter central focus is also recommended for improving the clarity of communication with trainers in the field.

[125] Comey, Jennifer, and Kaiser, Marianne (1998, July). *Institute for Public Safety Partnerships: A First-Year Evaluation*. Report submitted to the IPSP. Retrieved January 10, 1999, from the World Wide Web: http://www.acsp.uic.edu/oicj/other/ipsp/reports/evalu0798/06.cfm.

CHALLENGES OF THE NEW GOVERNANCE

The transition to more broadly based governing partnerships focused on performance presents several challenges. In this section a series of questions are posed that address concerns for *accountability*, *replication*, *the rule of law*, *customer service*, and the *resources and political support* needed to govern in this manner. Table 3 lists the questions discussed below.

TABLE 3

Questions for the New Governance
Accountability
• *Does the government have the capacity to manage its partnerships?*
• *Who should participate in the governing process?*
• *What is a good indicator of performance?*
• *How do we hold empowered employees accountable?*
• *Should public managers and employees be entrepreneurs?*
• *Can advocates, adversaries and government agencies work as partners?*
Replication
• *Can local solutions be replicated?*
The Rule of Law
• Do legal frameworks allow for consensus-based governance?
Customer Service
• *Do "customers" have an obligation to participate as citizens?*
Resources and Political Support
• *What resources are required for the new governance?*
• *How long can reform be sustained in a political context?*

Accountability

Does the government have the capacity to manage its partnerships? Federal, state and local governments are taking steps to upgrade their procurement processes, eliminate some of the purchasing risk to government and train procurement personnel. Yet the challenge of building sufficient government capacity to manage the contracts of wide-ranging partnerships across the civic and private sectors is enormous. Taking the time to build partnerships up front (as is being done for the purchase of information technology) before funds are committed is a good first step toward building that capacity.

But as government has turned to the private sector over the years, it has simultaneously delegated decisionmaking authority and diminished its own expertise in areas as diverse as toxic waste clean-up to the management and operation of family service centers.[126] This is not to say that government necessarily should have the substantive expertise to manage every program deemed publicly valuable. It is to say, however, that a general capacity to hold an outside organization accountable through a contract (rather than manage the work inside a government organization) is a critical investment.

BEST COPY AVAILABLE

[126] Kettl, Donald (1993). *Sharing Power: Public Governance and Private Markets*. Washington, DC: The Brookings Institution. John F. Kennedy School of Government. Case: Friends of the Family.

At the same time, the government needs to think critically about the kinds of partnerships developed with the private and civic sectors and the kinds of activities that perhaps should remain singly government functions. The growing private prison industry is one such example. Should, for example, privately run prisons execute death sentences? Could or should governments consider contracting out their role as prosecutor if cost efficiencies and a bid promising a greater conviction rate were offered?

Who should participate in the governing process? When a school sets out to define its education mission, who should be at the table with teachers and administrators? Students? Parents? Community organizations? Business leaders with employment needs? Building consensus around a clear mission can be grueling and time-consuming, even for small numbers of participants. Broadly based deliberative processes hold the potential for innovative and broadly embraced solutions to public problems, as well as the potential for gridlock and debate. As the examples in the previous section showed, the trend toward broader participation in defining problems and directing projects has heightened the importance of the decisionmaking process, including the decision of whom to include.

Who should participate, for example, in a consensus-based effort to develop a rule for reformulated gasoline? In the example in Model 4, the "reg-neg" to do just that did not include broad-based citizen participation. When the burden of purchasing reformulated gasoline fell to consumers in the Milwaukee, Wisconsin, area, the outrage over expense and performance of the new gasoline forced the EPA to hold additional public hearings. And even when a wide range of "stakeholders" have a seat at the table, not all participants have the same capacity to participate in the process. Residents, groups or coalitions may be considered essential participants of a process, but without the resources and time to participate, the invitation is meaningless.

What is a good indicator of performance? The new governance demands clear statements of organizational missions, goals and performance measures for guiding organizations and holding them accountable. On the surface, the prescription is straightforward. Yet mission-driven governance is an arduous process. Professor Janet Weiss of the University of Michigan has studied the role missions play in organizational governance. She argues the definition of a project mission is a work in progress: "There is no single best or true mission. A mission is an interpretation of a complicated situation that is intended to be helpful to the people who use it."[127]

Keeping the mission "helpful" and up-to-date for the people who use it takes time and resources. Weiss reports, however, that managers who take on the task see positive results, such as building commitment to the work of an organization, providing clear information to guide work and offering stakeholders outside the organization a better sense of how the organization can be held accountable.[128]

Finding an indicator representative of the mission and goals of a project is another difficult step. Assessments of AmeriCorps demonstrate the intricate efforts to evaluate the general goal of community building through individual, organizational and community-level assessments. And, often what is most easily to measure does not necessarily demonstrate performance. For example, when the Customs Department reports an increase in drug seizures, does this mean the department is doing a more effective job of stopping drugs at the border or the overall volume of drugs coming into the country has increased?[129] Identifying measures also is complicated by the numerous factors that influence the effectiveness of an agency's efforts. Reducing crime, improving school performance, finding jobs for welfare recipients and building community diversity are all influenced by factors that reach far beyond

[127] Weiss, Janet (1997, November 1). "Managing the Mission." Paper Presented at the National Public Management Research Conference, Athens, Georgia, p. 2.
[128] Weiss, Janet (1997). "Managing the Mission."
[129] GAO (1998). Customs' Aviation Program, p. 18. (GAO/GGD-98-186).

the boundaries of a single agency or even collection of agencies. Finally, some measures might have perverse results. If police officers are held accountable for maintaining low crime rates in specific city districts, a more aggressive approach to crime prevention could lead to police brutality and less respect for individual rights. This is a concern in New Orleans where Comstat has been adopted for the city's policing efforts (see Model 2).[130]

How are empowered employees held accountable? The new governance calls for empowerment of local government officials, front-line employees and citizens. But again, accountability is a challenge. If clear indicators of performance are available, broad delegation might not be a problem. Without such indicators, removing procedures, rules and regulations might open the door to unchecked discretion. In her study of decentralization in school governance in New York City, Professor Lydia Segal of John Jay University concludes delegation to local decisionmakers requires structural features that ensure checks on corruption, fraud and abuse, yet facilitate local control.

In the case of New York City's schools, decentralization created opportunities for patronage hiring that rewarded campaign workers, resulted in a waste of financial resources and limited parents' influence. Segal recommends structural features that limit political input for hiring decisions, establish clear performance standards, provide school choice within a decentralized system to give parents a greater voice, and demand rigorous central oversight of performance and investigation of wrongdoing.[131] Localized governance, in other words, does not necessarily eliminate the need for some central controls and standards of accountability prominently featured in traditional governance.

Should public managers and employees be entrepreneurs? Professional roles can provide some accountability. The civil service, for example, is built upon the premise that politics and administration can be distinct. Civil servants attend to the administration of public programs, while the political dimensions of programs are left to politicians and the voting public. Government programs, in other words, can be implemented in a neutral manner. Yet the new governance suggests civil servants such as public managers, school principals, police officers, university professors and procurement officers have a role to play in prompting deliberative processes, clarifying public goals and finding alternative means to achieve public problems. Community policing, for example, requires officers to get closer to the public they serve to develop rigorous partnerships aimed at preventing crime, rather than responding to reported crimes.

This more "entrepreneurial" government employee challenges convention and is an uncomfortable fit for many critics concerned about the exercise of power in a democracy.[132] Greater flexibility for managers, for example, might mean opting out of government efforts to bolster the status of women, racial minorities or small business.[133] On the other hand, supporters of more entrepreneurial efforts by public employees emphasize the failures of traditional systems and the role entrepreneurial managers can play in creating public value.[134]

Can advocates, adversaries and government agencies work as partners? Finally, as noted above, the assumption that government programs can be managed in a neutral manner is a basic assumption of

---

[130] Gurwitt, Rob (1998, January). "The Comeback of the Cops." *Governing: The Magazine of States and Localities.* Retrieved November 30, 1998, from the World Wide Web: http://www.governing.com.

[131] Segal, Lydia (1997). "The Pitfalls of Political Decentralization and Proposals for Reform: The Case of New York City Public Schools." *Public Administration Review*, vol. 57, no. 2, pp. 141-49.

[132] Terry, Larry (1998). "Administrative Leadership, Neo-Managerialism, and the Public Management Movement." *Public Administration Review*, vol. 58, no. 3, pp. 194-200.

[133] Roberts, Alasdair (1997). "Performance-Based Organizations: Assessing the Gore Plan." *Public Administration Review*, vol. 57, no. 6, pp. 465-78.

[134] Behn, Robert (1998). "What Right Do Public Managers Have To Lead?" *Public Administration Review*, vol. 58, no. 3, pp. 209-24.

traditional governance. The partnerships of the new governance, however, knock this assumption on its head. Traditional advocates for and adversaries against public programs become partners in the governing effort. Environmental regulations built upon consensus bring environmental groups and industry together at a table rather than in the courtroom. And community policing brings groups advocating for a more democratic approach to policing in partnership with their traditional adversary, the city police department.

Yet the partnership can be a tenuous one, precisely because of participants' traditional roles and, more important, because of the need for a government agency to assert some control over the partners to ensure accountability for public efforts. In Chicago, for example, a partnership between the Chicago Police Department and CANS ended in 1997 when the department decided to take responsibility for training and organizing neighborhood residents to participate in the community policing effort. Critics of the move cited CANS' role as an advocate for democratic policing (including a report criticizing the relationship between police and city youth) and its direct action politics as the reason the partnership was terminated.[135] Chicago police, however, noted the department's enhanced capacity to conduct training on its own.

Whatever the reasons, partnerships can be an uncomfortable fit for participants organized to advocate for better public services and for government agencies that ultimately stand accountable for public outcomes. Brian O'Connell of Tufts University, and a leading spokesperson for civic or third-sector organizations, raises the similar concern that partnerships with government could jeopardize the traditional roles of advocacy and citizen empowerment these organizations have played for better government programs.[136]

Replication

Can local solutions be replicated? Most of the examples in the previous section feature leaders with energy and a vision for change: a university president, neighborhood leaders in East St. Louis, the U.S. vice president or the director of New York's Civil Service System. The examples also feature highly committed individuals from city blocks, police departments, public-sector unions and civic organizations willing to take a chance to work with traditional adversaries and to do so against their peers' advice. Members of a governing partnership refer to "turning points" when other people came on board to support the partnership, they gained small victories or a promise was kept. They also talk of a culture change, when the way work has been done in the past no longer feels legitimate, and when participants "see" the value of working together. And they talk of trust and the ways in which shared information and decisionmaking helped to build it. The examples, in other words, rest heavily upon individual commitment, personality and the capacity of groups to work and produce together.

The Rule of Law

Do legal frameworks allow for consensus-based governance? The new governance encourages alternative mechanisms for resolving public problems, such as the use of regulatory negotiations rather than traditional notice and comment proceedings. "Reg-negs" have facilitated solutions in traditionally deadlocked areas of environmental regulation, for example, and participants emphasize the higher quality of information available and participant commitment to a negotiated solution. Similarly, union members and public managers emphasize the improved relationship and enhanced capacity to build organizational performance when issues once negotiated in collective bargaining agreements can be worked out during dinner conversations or weekly roundtable discussions.

---

[135] Fung, Archon (1997, March/April). "Contract Expired." *The Neighborhood Works*, vol. 20, no. 2. Retrieved January 11, 1999, from the World Wide Web: http://www.cnt.org/tnw/20/202compl.htm.

[136] O'Connell, Brian (1996). "A Major Transfer of Government Responsibility to Voluntary Organizations? Proceed with Caution." *Public Administration Review*, vol. 56, no. 3, pp. 222-26.

Yet the rule of law can inhibit or severely limit consensus-building efforts. In Michigan, for example, the Public Employees Relation Act (PERA) governs union contract negotiations for all public sector employers, including universities and K-12 schools. An amendment to PERA prohibits employees and their K-12 unions from bargaining over some matters, such as the choice of insurance carriers, the start of the school day and contracting out for services. The amendment also provides more specific methods and penalties to enforce the no-strike law in public sectors. The opportunities to negotiate particular issues at a district level in a more collaborative setting, in other words, are limited. Civil service regulations and procurement laws are among other legal barriers that might exist to new governance opportunities.

Customer Service

Do customers have an obligation to participate as citizens? When government agencies begin to view members of the public as "customers," advocates of the new governance argue that service will improve. Customer feedback and service evaluations give agencies valuable information to improve performance. But the label "customer" could have implications for the role members of the public play in governance. Katherine and Richard Barrett, contributing writers to *Governing* magazine, argue that as "customers," members of the public do not have the same obligations to participate in governance as when they view their role as citizens.[137] If one thinks of government as a business, such as a department store or catalog service, customers have little input into the governance of such an organization other than taking their business elsewhere. Nor are customers necessarily privy to the inner workings of a business. Government agencies, however, are often the only show in town, and shopping elsewhere is not an option. Members of the public also have a right to information about the expenditure of public funds and the role of public officials. If citizens become content as recipients of service, their responsibilities to be informed and engaged members of the governing process might be diminished.

Resources and Political Support

What resources are required for the new governance? Reformers make bold statements about savings and results from changing patterns of governance. But reform is never easy or free.[138] The devolution of welfare to the states has resulted in important yet costly innovation. States must find ways to provide child care to their clients and often develop a regulatory framework for a growing child-care industry. And they must develop the capacity to facilitate the transportation, job searching and training needs of the people making the transition from welfare to work. Similarly, empowered employees must be skilled employees knowledgeable about the law and the people they serve.

Yet training and continuing education is typically one of the first categories cut in budget-reduction efforts. Developing performance-based evaluation standards and methods is a time-intensive process. Partnerships with the public require organizational capacity, education and training of the public to make the partnership meaningful. Upgrading computer systems for sharing data across boundaries or communicating more closely with clients costs money. This is not to say that savings cannot be realized from the new governance. Rather, effective new governance requires devoted attention to the capacity of governing partners to participate and to the development of a process and technology for making decisions and assessing progress along the way.

---

[137] Barrett, Katherine, and Barrett, Richard (1998, March). "Customer Disorientation." *Governing: The Magazine of States and Localities.* Retrieved March 4, 1998 from the World Wide Web: http://www.governing.com/3manage.htm.

[138] DiIulio, John, Jr.; Garvey, Gerald; and Kettl, Donald (1993*). Improving Government Performance: An Owner's Manual.* Washington, DC: The Brookings Institution.

How long can reform be sustained in a political context? Leaders willing to share decisionmaking authority, and to provide the training, education and information necessary to participate in a meaningful way, are prominent throughout the earlier examples. Sometimes the leadership consists of a team of leaders, such as faculty and neighborhood leaders in the ESLARP (Model 1) project. Other times the leadership is layered, such as Vice President Al Gore's support for federal government reform that gives agency and division leaders opportunities to adopt new governance patterns. Other leadership comes strictly from within an organization, such as the university president who opens communication and governance opportunities to unionized faculty.

But each of these leaders or groups of leaders also operate in a political context that can create as well as eliminate opportunities for reform and leadership longevity. Scrutiny by a mayor, president or state legislature could constrain reform efforts or eliminate them altogether. Leaders can be fired. Program initiatives can be replaced or repealed. And program budgets can be cut or underfunded. The more public attention a program area receives, such as education, the more difficult it can be to lead according to the priorities of the new governance. Scrutiny and expectations for quick "results" can limit the time and resources required to develop a culture as well as the structural and professional capacity essential for an alternative governing approach.

THE NEW GOVERNANCE AND FRAMEWORKS FOR EDUCATION OPTIONS

In many respects, public education is similar to the other public policy sectors considered in this report. Public discontent with performance, tight financial conditions, aging and rigid administrative systems, competition from the private sector, and new technology and ideas are pushing public education to find alternative forms of governance. In other ways, public education faces a more formidable governing challenge than other policy sectors. First, education is a highly politicized sector. Reform efforts come from the federal government, state governments, school districts, as well as from independent consultants. Any additional change in governance, as the Chicago and Los Angeles school districts are finding,[139] results in overlapping initiatives that can contradict or impede other initiatives. In addition, reform efforts take place under an intense spotlight of multiple interests, each with a stake in education change.

Second, education is complicated by the multiple goals attached to the public schools' work. Public expectations for what schools should achieve can vary widely from producing students able to pass statewide assessment tests, to developing individuals interested in learning for learning's sake, to preparing children for the workforce. Trying to assess the performance of a school based upon wide-ranging expectations is a difficult task, made more difficult by the multiplicity of factors that affect public education. The performance of a school can rest heavily upon the social and economic contexts and multiple problems students bring to school each day. Students who must pass through a gang war zone in their neighborhood on the way to school are less likely to attend regularly. Children living in a violent home or community could have problems in their emotional and intellectual development. Most public problems have multiple dimensions, but the difficulty is particularly acute for public education.

Despite these challenges, the public-sector examples studied in this report provide some perspective for considering changes in education governance. The question before the National Commission on Governing America's Schools is: *"How can states and communities organize themselves to more effectively educate their young people?"* This section considers four broad options, presented in Table 4.

[139] Lewis, Lisa (1997). "Los Angeles has a lot to LEARN." Catalyst: Voices of Chicago School Reform Web Site. What Matters Most. Retrieved January 11, 1999, from the World Wide Web: http://www.catalyst-chicago.org/11-97/117la.htm.

TABLE 4

Examples of Governance Options
Improve the Existing System: Rationalize operation of existing district-run schools. • *Clear goals* • *Investment in curriculum quality, including materials and personnel* • *Professional development* • *Statewide academic standards* • *Performance-based assessments of personnel and schools*
Decentralized Site-Based Management: Central office becomes provider of services to schools and promotes distinctive neighborhood-controlled schools. • *Districtwide board, executive structure and civil-service hiring remain in place.* • *Selected districtwide rules are waived at school's request, but accountability rests with performance.* • *Superintendents and principals have greater authority for hiring and promotion, as well as defining the school's approach.* • *District- or statewide standards of performance are used for assessment.* • *Site councils generate local participation and accountability.* • *External partners provide training, evaluation and insights on alternative education approaches.*
Charter School Districts: A system of independently operated but publicly accountable schools. • *A public, representative body enters contracts with individual schools to operate with public funds.* • *Chartered schools have control over budgets, curriculum and professional development, and the hiring, firing and promotion of staff.* • *Chartered schools are accountable for the terms of their contracts.* • *Parental choice and enrollment are key indicators of success. Enrollment must be high enough to keep the school financially viable.*
Education Development Board: A planning agency that coordinates education services provided by school districts, private organizations and contractors to encourage a varied and high-quality supply of options. • *Finances teacher training and efforts to attract the best teachers to a community.* • *Finances scholarship (tuition) opportunities for children in some schools.* • *Helps create new schools as an option for children attending poor or failing schools.* • *Provides rich public information about the alternative educational options.* • *Gives parents education choices.*

Improve the Existing System

Several themes of the new governance have direct application to improving the existing system. First, within the existing system, leadership can help to improve performance. In the examples of the models, as well as in education research, leadership that shares decisionmaking among employees, external partners and the public, and draws upon the same partners to help clarify direction and goals of the public effort, is essential to improved performance. Examples of union and management collaboration rest upon leadership that shares information, provides greater opportunities for input, takes a team approach to problem solving and creates joint responsibility for outcomes.

BEST COPY AVAILABLE

Similarly, federal government efforts to build empowerment zones or to establish AmeriCorps programs require the federal government as leader to relinquish many of traditional procedural constraints imposed on grant recipients, but provides for the simultaneous development of performance indicators by all participants that create mutual responsibility. In Chicago school reform efforts, leadership willing to work collaboratively with faculty and parents and external partners has been identified as more successful in turning around school performance.[140]

Second, the new governance emphasis on continuous learning can help to improve performance within the existing system. Fellowships, seminar opportunities and a 24-hour consultation service has helped police and mental health professionals in New Haven, Connecticut, work more closely and effectively in dealing with children exposed to violence. Opportunities for union members to develop new skills and knowledge are critical for collaboration with management. And residents in Chicago and other Illinois cities draw upon essential community policing training to make programs in their communities a success.

Similarly, the opportunity for teachers and administrators alike to learn new techniques and build their knowledge base from interaction with one another as well as the expertise that an external partner can provide would seem essential to improving the performance of schools. A Kentucky program that drew primarily upon teachers evaluated and trained to be "distinguished educators" to assist other schools in assessing educational performance and working toward improvement was successful in bringing new ideas to a school as well as returning the "distinguished educator" to their home base with new ideas.[141]

Third, the identification of indicators for performance evaluation or simply a regular effort to assess where a school is going and how well it is doing also would suggest a means to improve performance. Developing clear performance standards that all participants view as good indicators of a mission is difficult. But the process of trying to develop such standards can provide an opportunity to think about what a school is trying to accomplish and how, as well as how well it might be doing. Any opportunity to think collaboratively about direction and performance is important — even to demonstrate how far apart stakeholders might be in their perceptions of what they are working to accomplish and how they should be held accountable. A series of annual neighborhood summits in East St. Louis provides the opportunity for residents to define ESLARP priorities for the coming year, as well as to reflect on their partnership with the University of Illinois and the value of continuing or altering that relationship.

Fourth, a school perspective that treats parents and students as customers and works to assess performance through their eyes and experience might alter public education's culture. As in the case of performance evaluation, the identification of customer-service indicators could go a long way toward helping a school rethink what it does and how it does it. APHIS and other federal agencies involved in the ongoing customer-service initiative (Model 2) have found the process forces participants to think more critically about the services provided and the ways in which they might be improved.

Yet efforts to improve the existing system through these various techniques might be limited if the system itself is the problem. Examples in the models section illustrate the need to change traditional systems of operation dramatically before goals can be clarified and performance enhanced. Leaders constrained in their hiring, firing and promotion opportunities by centralized personnel systems and union contracts will be limited in their team-building efforts. Teachers and administrators who have continued to enhance their knowledge and skills will make limited contributions if the opportunity to collaborate among faculty

[140] Lenz, Linda (1997). "Three Faces of Reform: Earhart Elementary." In "Punching up Reform: Schools Jolted into Action, But Tough Love's Not Enough To Make Them Winners." Catalyst Web Site. Retrieved January 11, 1999, from the World Wide Web: http://www.catalyst-chicago.org/11-97/117punch.htm.

[141] Lenz, Linda (1997). "Punching Up Reform: Schools Jolted into Action, But Tough Love's Not Enough To Make Them Winners." Catalyst Web Site. Retrieved January 11, 1999, from the World Wide Web: http://www.catalyst-chicago.org/11-97/117punch.htm.

and staff is constrained. Collective-bargaining frameworks might limit what faculty and administrators can negotiate and create an atmosphere that does not allow for more interest-based bargaining. Many of the union-management examples mentioned previously point to the importance of first developing alternative ways to negotiate contracts that can establish a base of trust, then working collaboratively toward better performance.

Similarly, efforts to develop a mission, goals and performance indicators could be meaningless unless conducted in a manner that genuinely extends a decisionmaking role to key partners such as faculty and parents. To some extent, schools cannot avoid having missions implicitly imposed on them by such things as performance tests and central office decisions about curriculum and textbooks. But an open, collaborative process can provide a venue for thinking about deeper school missions and goals and the ways in which performance standards fit within those parameters. It also can provide a means for all partners to develop ownership of the mission and school goals and mutual responsibility for outcomes.

Finally, such mutual responsibility might not come about when a school treats parents, in particular, as customers rather than partners in the governing effort. Having a voice in the school's direction and evaluations of its performance creates a more fundamental partnership. A Chicago school even offers parents continuing education opportunities that reinforce a commitment to the overall success of the school.[142]

The new governance, in short, demands broadly devolved authority, training to build upon that extended authority, ongoing processes of discussion and evaluation, and the gradual building of trust and commitment among all participants. Capacity and process must be in place before a meaningful change in results will occur. Indeed, simply developing the capacity for discussion and decisionmaking among partners can be a key result as participants in California's procurement partnership initiative are finding. Existing systems can limit this capacity building with centralized personnel systems, constraining legislative frameworks or centrally imposed missions and performance standards. Existing systems also can foster piecemeal approaches to reform when a more comprehensive approach is required.

Decentralized Site-Based Management

Many potential barriers to the new governance within existing school systems can be overcome with decentralized site-based management. Success, however, requires central offices at the district and state levels to relinquish some authority and assume new responsibilities. For example, through waivers or negotiations with the central office, principals can gain greater control over hiring, firing and promotion. Decisions over curriculum, method and materials, and investments in staff development also could come under greater school control. Opportunities to collaborate, particularly among unionized faculty and the administration, and to build a more democratic decisionmaking process are critical.

Some Chicago schools are finding that decentralized management works best when a school has a well-developed administrative and faculty team approach to improving performance and strong connections with parents and other outside partners. In turn, a central office that provides resources, support and means to hold low-performing schools accountable can be a great source of both support and motivation.[143]

---

[142] Duffrin, Elizabeth (1997). "Three Faces of Reform: Beethoven: A Climate for Change." Catalyst Web Site. Retrieved January 11, 1999, from the World Wide Web: http://www.catalyst-chicago.org/11-97/117punch.htm.

[143] Lenz, Linda (1997). "Punching Up Reform: Schools Jolted into Action, But Tough Love's Not Enough To Make Them Winners." Catalyst Web Site. Retrieved January 12, 1999, from the World Wide Web: http://www.catalyst-chicago.org/11-97/117punch.htm.

The AmeriCorps program, operated centrally by the Corporation for National Service (CNS), is a model of this effort. Grants are provided to local organizations (through state councils or directly through CNS) that accept an AmeriCorps volunteer(s) to support both the program and the volunteer. CNS sets broad policy guidelines for the community-building efforts of the organization, as well as management and reporting requirements. The corporation recognizes the limited administrative capacity of many participating organizations and the need to work more collaboratively with them to develop meaningful performance standards for grant accountability. Decentralization, in other words, demands attention to the administrative capacity of the empowered organizations, as well as the capacity of a central organization to establish standards of performance and hold participants accountable.

The task is particularly complex for site-managed schools that must govern in partnership with site councils, parent organizations, teachers unions, perhaps religious organizations or taxpayer organizations and other interested groups. Schools often identify strong external partnerships as key for enhancing performance. But developing the capacity for deliberation and decisionmaking that is broadly based (beyond a partnership with an external expert) requires a heavy investment. Participants must have the opportunity to develop the knowledge and skills they need to participate, and systems must be established with clear accountability for financial expenditures and decisionmaking (particularly for hiring, firing and promotion). Trust must also be developed among participants to allow failures to be evaluated and new approaches tried, rather than having a partner pull out or pull the plug on the effort.

Just as CNS is working with AmeriCorps organizations, a district board, state board or department of education can work with site-managed schools to build this capacity, perhaps providing expertise directly or the financial resources to select and hire an external partner. While these agencies might facilitate site-based governance by waiving or easing district- or statewide policies, for example, they might also wield the ultimate "big stick" of funding cuts or probation to push schools to working on their capacity to govern. Perhaps most critically, a district board or state entity can provide site-managed schools with information about what has worked in other schools and why and similar guidance on the development of performance standards and measures.

Charter School Districts

Perhaps the most critical dimensions of the new governance for charter schools are mission-driven management and performance-based accountability. As independent organizations held accountable for performance, charter schools must have a clear mission statement and understand how that connects to performance. Identifying clear performance standards recognized by all stakeholders as legitimate, however, remains a critical challenge for all public organizations. And given the variety of charter school missions, the question of "What performance will matter?" is critical. Holding all charter schools accountable for statewide test scores, for example, might not reflect the distinctive missions or the unique composition of students determined not only by the mission of the school but also by parental choice and geography.

The Performance-Based Organization (PBO) initiative, introduced by NPR, provides a model for charter schools and the challenges posed by mission-driven management and performance-based accountability. The PBO model establishes an organization responsible for improving service or operations for the public. The service orientation distinguishes the PBO from an organization responsible for policy development. Just as the charter school would be held accountable for its performance, the PBO commits to clear objectives, measurable goals, standards of customer service and improved performance. Just as a charter school has maximum operational independence, this new PBO will have great flexibility in managing its operations. And just as the leader or principal of a charter school is more directly accountable for performance, a chief operating officer in the PBO is held accountable under performance contracts.

Results of a PBO initiative in Great Britain suggest challenges that have application to charter schools as well. Most critically, participants in the British initiative note difficulties in identifying performance measures that capture the agency's work. While success in reaching performance standards is high, the meaningfulness of the measures is questionable. This is a basic challenge facing charter schools, too.

Second, advocates of PBOs in Britain and this country cite potential cost savings, but analysis of all participating organizations in Britain show small year-to-year increases in actual costs over a four-year period. If charter schools are viewed as a vehicle for improved education performance, as well as a means to save education dollars, Great Britain's experience suggests organizational independence and performance-based accountability alone do not reduce costs. Indeed, as discussed throughout this report, mission-driven governance and performance-based accountability requires times and resources if done correctly.

Finally, another critical dimension of the new governance for charter schools is the role of parental choice. Choice injects market forces into the accountability process. Schools that do what they promise will draw a financially viable number of students. Schools with weak performance, or whose stated missions do not attract students, will fail. Yet the capacity of parents to make meaningful choices is critical. In East St. Louis, residents were given the opportunity to participate in the action research effort, and they had a voice and veto in the agenda-setting process. What they did not have was the opportunity to learn more about the social, economic and political conditions that constrained their efforts and how they might be overcome.

Education for critical consciousness, as it is called, has provided that more fundamental knowledge base and enhanced the relevance of the neighborhood partnership with the university (Model 1). Professor John Ambler of Rice University found school choice programs in Britain, France and the Netherlands tended to "increase the educational gap between the privileged and the underprivileged" primarily due to the cost of gathering information and the capacity of families to understand and evaluate the information about different schools.[144] At a minimum, it would seem that parents seeking to make education-related choices for their children should have the opportunity to learn about the different schools, their missions and the expectations for their children, and to do so in a comparative venue.

A state board or department of education could assume some responsibility for providing parental information necessary to make charter school choice a meaningful option. Web sites or conveniently located kiosks that provided standardized information about the school missions and their performance in particular categories could work well. Similar efforts have proved effective in providing information to residents in the East St. Louis Action Research Project and the Chicago community policing project. Neither, however, would be a substitute for public meetings providing parents an opportunity to gather information in a face-to-face context.

A state board or department of education might also provide guidance on establishing performance standards for charter schools. At one level, this might take the form of state-sponsored forums to educate parents, teachers and administrators about the role performance measures can play and their significance for accountability, and to support locally based efforts to develop such standards. At another level, state boards or departments of education might take a leadership role in setting some across-the-board standards for all charter schools in a state, leaving other dimensions of performance to individual schools or localities.

[144] Ambler, John S. (1994). "Who Benefits from Educational Choice? Some Evidence from Europe." *Journal of Policy Analysis and Management*, vol. 13, no. 3, p. 470.

Education Development Board

Complex public needs and problems demand continuous learning. Partners in urban renewal, community policing, union-management collaboration, community integration or education must strive continuously to improve the public's capacity to address multidimensional and ever- changing public problems. Yet the U.S. political system rarely allows for such continuous efforts. The timeline of elections, the pressure of public expectations for quick results and a limited pool of public resources and tolerance for reforms that fail can bring programs to a halt, place new programs over existing programs or impose changes that limit the role partners can play. An external partner, armed with public authority and resources, such as an education development board, can help promote continuous learning and innovation despite these obstacles. The Florida Healthy Kids Corporation (Model 4), in particular, provides some parallels for the role an education development board might play in developing a rich supply of education options.

Florida's Healthy Kids Corporation, the public entity charged with developing school-based insurance for uninsured Florida children, coordinates the efforts of schools, insurance companies, health-care providers, auditors and researchers that evaluate program results. The work is narrowly focused, has a single product and relatively clear goals. Such clarity of product and goals might elude an education development board. It might also make partnerships across the education spectrum as well as accountability for results more complex. With a variety of options, education accountability will not be straightforward. Just as the Healthy Kids Corporation maintains tight reporting and evaluation controls over the work of its partners, a development board would need some type of management and performance-based methods to ensure accountability.

Two other examples from the models section provide some parallels for an education development board. New York's Center for Technology in Government (CTG) and the Illinois-based Institute for Public Safety Partnerships (Model 6), are designed to provide support for partnerships aimed at improving public service. The CTG selects technology projects proposed by state and local agencies across the state and works in partnership with members of the agency, high-tech industry, and university faculty and students to develop pilot projects that can be evaluated in an "incubated" setting before exposure to public and political scrutiny. Money comes from the state, as well as from companies with an interest in the technology or methods that might arise from the pilot. Results are shared on the World Wide Web and through publications so government operations around the country and world can learn from the effort. Similarly, the IPSP (Model 6) hires and develops trainers who go into selected communities to train residents and police officers on community policing. The face-to-face training begins to build critical capacity for organizing and managing a community policing approach.

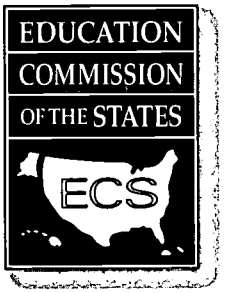
The two initiatives are diverse in their approach, one emphasizing technological development and wide information distribution, the other emphasizing the importance of person-to-person training and coordination to build trust in a critical partnership. An education development board likely would need to play such diverse roles in facilitating the needs of various partners in education.

Ensuring such diversity in service might be facilitated by the board's funding structure. Again, examples from the new governance offer suggestions. One option would be to create an education development board as a public entity, but require the board to raise some of its own income. This income could come from the various education partners that purchase consultation, expertise, information packages and other board services. Such an approach might ensure the board's attention to a wide range of education needs, while a combination of state, local and even federal funding could subsidize services to schools less able to make the purchase.

Conclusion

New governance demands attention to the capacity of partners in any public-sector endeavor to participate actively and the capacity of the governing process itself. The most critical outcome of a new governance effort might well be the exercise of capacity building. Yet, attention to capacity building is seldom a priority of reform. It takes time, commitment by all participants and resources for training, improving processes, perhaps adopting new technology. In the case of education governance, attention to issues of capacity would seem essential as well.

As noted in the discussion of charter schools, a state board of education or department of education might be ideally suited to play a supporting role in this capacity-building process. Ironically, the most popular option for improving the existing system provides perhaps the least opportunity to develop the capacity for broad-based decisionmaking and clear systems of performance-based accountability. Capacity building at the community level requires clear shifts of authority and resources from centralized decisionmaking organizations, coupled with the provision of information, technical and management support to empower communities as effective decisionmakers working within systems of accountability for performance. This type of transition will likely require not only changes in the responsibilities of education participants at the state, district and community levels, but also the practice of sharing resources and decisionmaking authority more broadly with all education partners.



Education Commission of the States
707 17th Street, Suite 2700
Denver, CO 80202-3427
303-299-3600
fax: 303-296-8332
e-mail: ecs@ecs.org
www.ecs.org

ERIC

EA 030023

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

NOTICE

REPRODUCTION BASIS

☑ This document is covered by a signed "Reproduction Release (Blanket) form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.

☐ This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").