IBM Center for The Business of Government

# Off to a Running State Capital Start:

## A Guide for New Governors and Their Teams

*Second Edition*

**Katherine Barrett**

**Richard Greene**

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**The Business of Government**

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# FOREWORD

**Out of the 36 gubernatorial elections last November, 26 resulted in the return of an incumbent while only one, Nevada's Steve Sisolak, lost. That left nine new governors taking office. Next comes the hard work for these governors and their teams of delivering results for citizens. Yet, gubernatorial teams have a short span of time in preparing to take the reins in their state capitals.**

On behalf of the IBM Center for The Business of Government, we are pleased to release this special report, *Off to a Running State Capital Start: A Guide for New Governors and Their Teams.* The report provides three lessons from Katherine Barrett and Richard Greene, a pair of veteran observers of state and local government management, to help gubernatorial teams move quickly and set the stage for a successful term in office.

The Business of Government collaborated with the Partnership for Public Service on a series of roundtables about key success factors in preparing to manage the national government as part of a presidential transition. These roundtables brought together multiple experts in public sector management, as well as current and former government officials involved in presidential transitions. The roundtable discussions contributed to a series of reports that focused on issues influencing transitions. A basic message emerged that has relevance at all levels of government: prioritizing good management early in the tenure of a new administration helps achieve positive results quickly, while a lack of management focus can derail successful implementation.

In this special report, Barrett and Greene adapt the analysis and findings from our presidential transition series to the context of a state government. The authors use this information to develop recommendations for the new gubernatorial regimes that have taken power following the 2022 election.

As the IBM Center for The Business of Government and the Partnership for Public Service stated in their 2016 management roadmap for the new presidential administration, "management should be integrated in all phases of…transition planning."[1] The same is true for new governors and their teams, where integration of management efforts can help establish firm traction on the road to success. We hope this special report provides a helpful resource in achieving this objective.

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# INTRODUCTION

**The first months of a governor's administration are much like the launching pad for a rocket ship: it sets the trajectory for the rest of the journey.**

If a spacecraft starts off in the wrong direction—even marginally—it's unlikely to reach its planned destination. Similarly, if the early months of a new administration aren't thoughtfully administered, and according to well-established principles, the new administration is unlikely to reach the results it desires.

With some 36 gubernatorial elections having just taken place, and nine new governors taking office, this phenomenon is timely and critical.

Of course, not all states are alike in terms of how governors can best achieve their goals. Just a few of the factors that differ between states are: the balance of power between the governor and the legislature, the ability to take executive action, the capacity to call the legislature into session, the importance of boards and commissions, and veto powers. For example, according to the National Association of State Budget Officers, while Maryland's new governor has no veto authority over the operating budget bill, Arizona's governor can veto allocations as long as the bill has more than one appropriation.

New governors will face questions during the period of their terms of office that weren't even on the radar screen when the original version of this report was published in 2018. These include options open thanks to recent legislation, such as significant spending on infrastructure, including broadband; a number of investments in both climate and health care; and unspent funds that will expire, including those from the American Rescue Plan Act.

As we pointed out in a recent column, some of the issues that concern the new governors can be divined by looking through the executive orders they issued in the early days of their administration. Some of them reflect both campaign promises and issues dear to them, their own background, current controversies, and headline-grabbing national problems. The choices often reflect their political party's policy dreams and priorities, as well as their approach to governing.

For example, on her second day in office, Oregon's new leader, Gov. Tina Kotek signed three executive orders, all focused on escalating homelessness. Massachusetts's Gov. Maura Healey's initial focus has been on climate change, with an executive order, signed on her second day in office, January 6, to create the Office of Climate Innovation and Resilience to be housed in the Governor's office. Other newly created entities include Maryland Gov. Wes Moore's new Department of Service and Civic Innovation; Nebraska Gov. Jim Pillen's creation of the Office of Broadband Coordinator, Arizona Gov. Katie Hobb's creation of an independent prison oversight commission, and Pennsylvania Gov. Josh Shapiro's order creating the Pennsylvania Office of Transformation and Opportunity, with a mission to "facilitate the implementation of transformational economic development projects."

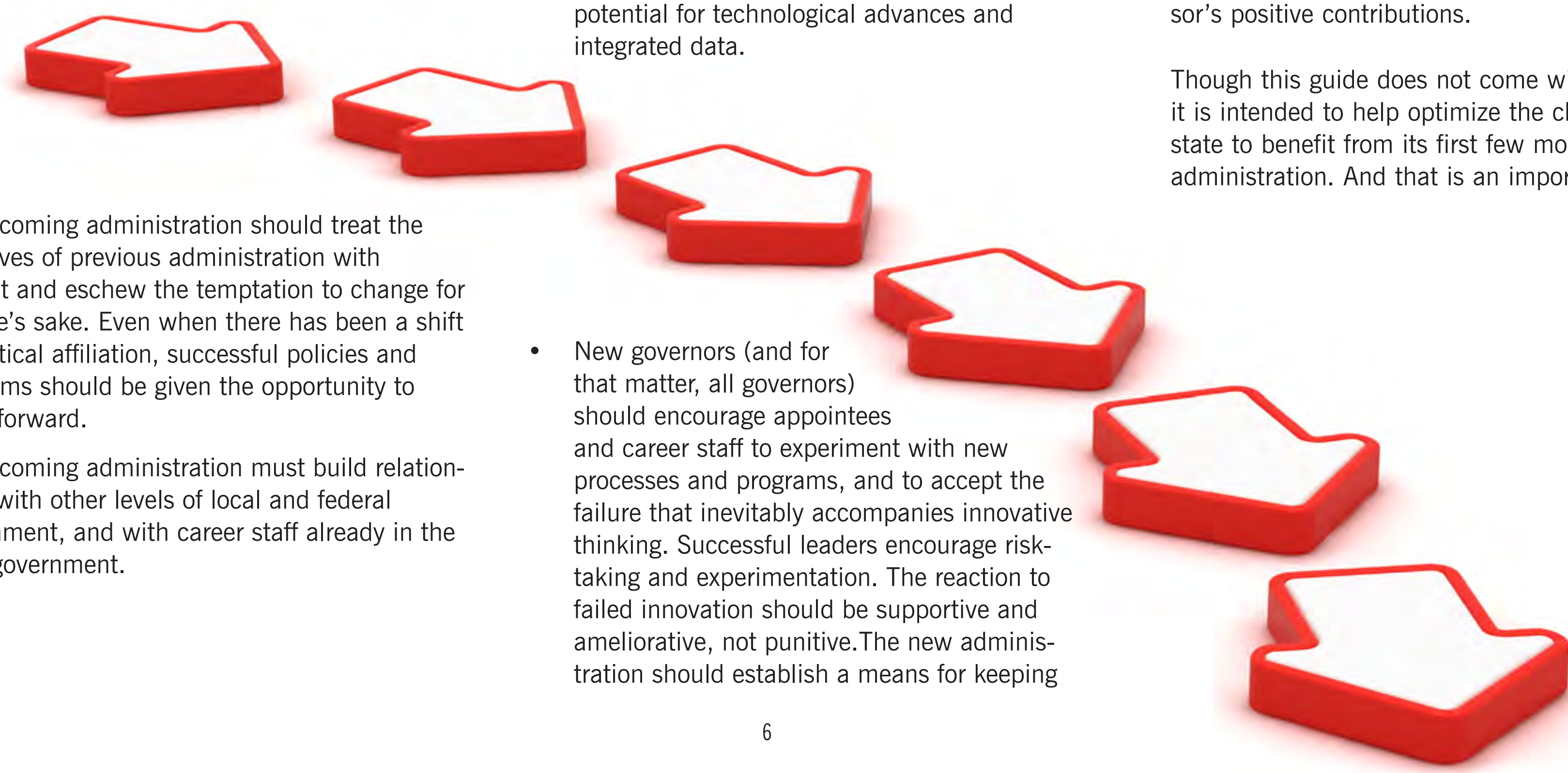
Dealing with the questions of when and how to spend money now will pose one of their most significant challenges, albeit potentially positive ones. Adding to that challenge is an accelerated personnel shortage that makes it difficult to actually spend the cash available to them.

What's more, the ramifications of the pandemic will weigh heavily on the new governors. In a report we wrote in collaboration with Don Kettl for the IBM Center,[2] we set out a number of lessons that new governors can take from the era of COVID.

These include major steps toward improving relations with the federal government as well as with cities and counties.

Notwithstanding the complexity of providing one-size-fits-all routes to successful gubernatorial success, the pages that follow provide critical points that adapt research at the federal government level to a state context:

- Incoming administration leaders must actively engage legislators and other elected leaders early on to establish a collaborative and productive relationship. This sets the stage for the kind of buy-in that leads to positive results.



- The incoming administration should treat the initiatives of previous administration with respect and eschew the temptation to change for change's sake. Even when there has been a shift in political affiliation, successful policies and programs should be given the opportunity to move forward.
- The incoming administration must build relationships with other levels of local and federal government, and with career staff already in the state government.
- The new team should steep itself in the state's history of management reform, including efficiency commissions, performance audits, and studies or reports published by oversight bodies.
- The incoming governor and other executive branch leaders should examine the topics most recently selected by the legislature for interim committee work, prior to the upcoming legislative session.
- The governor's team should quickly strive to achieve a solid understanding of the recent history of technological change, attitudes and approaches to swiftly shifting technology roles, possible technological barriers, and the potential for technological advances and integrated data.
- New governors (and for that matter, all governors) should encourage appointees and career staff to experiment with new processes and programs, and to accept the failure that inevitably accompanies innovative thinking. Successful leaders encourage risk-taking and experimentation. The reaction to failed innovation should be supportive and ameliorative, not punitive.The new administration should establish a means for keeping close track of the efforts underway as it assumes power, and should make sure that all parties involved are clear as to what has been accomplished, what has fallen through the cracks, and what has been tried but failed.

Of course, even following this guidance and the details that follow do not guarantee a fully successful transition. When a state's leaders value political gain over progress for the citizenry, there is likely no series of steps that can be successfully implemented for the public good. For example, a governor intent on ending the political legacy of his or her predecessor is not likely to buy into a positive process contingent on buy-in and collaboration, nor to reap the gains of the long-term outcomes of that predecessor's positive contributions.

Though this guide does not come with a guarantee, it is intended to help optimize the chances for a state to benefit from its first few months of a new administration. And that is an important goal.

# Hitting The Ground Running

*Top appointees deal with many of the same issues as governors—including the need to move quickly, to manage time effectively, to prioritize activities, and to build a strong and collaborative team culture within their own organizations.*

*Here are some words of advice we've picked up over the years from many high-level state officials.*

## First steps after taking office

- At the beginning of an administration, prepare for a slew of high-level retirements and make sure training and development opportunities are available for both appointed and career staff so that skill gaps can be filled quickly and easily.
- Don't assume that appointees of former cabinet secretaries will want to leave. Some will want to stay and will be assets to a new administration. Reassuring, honest, and open discussions will eliminate nervousness and pave the way for continuing good relations.
- Look for recent employee surveys that give clues to the culture and pressing issues of individual departments. Solicit opinions and ideas from career staff members to better understand the culture of the department and the barriers they see to getting work done.
- Consider ways in which citizens currently interact with your services and whether technology or design improvements can improve the user experience.
- Identify key agency stakeholders. Have face-to-face meetings early on and establish easily accessible lines of communication.
- Tap the wisdom of departing or recently departed state or agency chief information officers to get an idea of the challenges and untapped possibilities in the technology sphere.
- Review and prepare to disseminate strong ethics guidelines.

## The next few months in office

- Take advantage of state membership associations that share information about promising practices and can help individual states benchmark against one another.
- Establish a frequent meeting schedule to develop a team atmosphere in which directors and managers in your agency get to know each other. Communicate the importance of collaboration, using meetings to discuss cross-agency and/or cross-program issues.
- Visit state employees outside of the capitol area and capital city. Many employees work in diverse spots around the state. New appointees, and especially those who are new to the executive branch or government in general, forget that the workforce is much bigger than what they can easily see in the halls of their own office buildings.
- Get to know and rely on other directors and new administration colleagues. Share problems and solutions.

# LEVERAGE

## Your State Government's Existing Executive Talent

# LESSON 1

An incoming administration will invariably need to make a number of new appointments to cabinet positions, particularly when the party in control of the statehouse has changed. The vast majority of states have a cabinet structure, with most having 25 or fewer members, according to a recent survey by the National Governors Association.[3] The cabinets meet as a group with varying frequency, about a quarter meeting weekly or bi-weekly and most of the rest meeting monthly or less frequently.[4]

That is just the beginning. Governors also appoint some sub-cabinet positions, and members for many boards and commissions, which carry out tasks such as overseeing the licensing and regulation of specific professions and businesses. Other appointees act as advisors to the governor in especially significant fields, like the environment or economic development. Some governors appoint judges as well.

Clearly, one of the primary goals of a gubernatorial transition is the careful and well-thought-out selection of these appointees who are crucial to the smooth operation of state government.

Success in a new administration, or even in a returning administration, begins with appointing leaders who have strong management skills and are capable of working as a team to cut down silos and follow the governor's lead.

It is particularly important that the leaders are put into place as soon as possible—which sometimes depends on legislative approval. Many leaders set the tone for the remainder of the governor's term in office, and having priorities and plans in place in the early days of an administration is an essential ingredient to success.

When appointments take longer than expected, new administrations can make sure operations continue effectively by persuading incumbents in key management positions, like chief financial officers, to stay until their successors are nominated and confirmed. That may not lead to any significant changes, but at least it allows a governor to continue to move his or her policy through the appropriate channels.

The introduction of new officials to fill high-level positions is not exclusively an issue after a gubernatorial election. Many appointees, particularly in certain positions, are not inclined to stay in the governor's cabinet or sub-cabinet positions for a full term. For example, the average tenure of chief information officers (CIOs) is 31.1 months, according to the National Association of State Chief Information Officers (NASCIO).[5] The average tenure of a Medicaid Director is even shorter, 21 months, reported the Center for Healthcare Strategies.[6]

Selecting potential leaders is one of the key responsibilities of the transition team. This team should include people who are comfortable with innovation, and with finding candidates who embrace new approaches and fit well with the work style of the new governor. Additionally, this team should be thoroughly filled with operational leaders who are skilled at beginning and accomplishing tasks on a tight timeline. Transition teams should also include technologists and data scientists to help make sure that appointees emphasize data analysis and are prepared to engage in evaluating and improving the technology infrastructure of their agencies.

Since the successful implementation of policies and programs depends on the smooth working of technology, it's also important that care be given to picking the right candidate for the CIO slot. Surveys by NASCIO have revealed that communications, strategy and relationship management are the most important leadership traits of a CIO and are valued beyond hard-core technology skills.[7]

A handful of action points to consider for new administrations before, during, and shortly after taking office include:

1. **Establish good working relations between career staff and appointees.** New administrations and their appointees sometimes use the words "the bureaucracy," as a pejorative and show distrust and hostility toward the men and women who do the bulk of the on-the-ground management that is essential for successful results.

   The new executive branch team may fear that the sub-appointee positions are populated by people who are loyal to previous administrations, and who will be unsympathetic to new leaders. This phenomenon can slow down meaningful progress at the beginning of a new administration.

   One way to avoid this pitfall is by establishing agency leadership teams that include both political appointees and career executives.

   Benefits also accrue when political appointees are careful to include senior career executives in key meetings and events. This is a commonplace shortcoming as demonstrated by a 2017 employee survey in Michigan that showed that only 51 percent of state employees agreed with the statement that "Sufficient effort is made to get the opinions of people who work here."[8]

2. **Make sure that senior appointees are knowledgeable about how the state government works.** For appointees to do their jobs well, they should receive training early on about state structures, culture, management statutes applicable to their agencies, the past history of management successes and failures, and policy implementation successes and difficulties.

   A one-stop route to gathering this knowledge can come from oversight, audit, and evaluation offices. They may be happy to help with advice and training of new appointees, since they have a good sense of the factors that performance audits or studies have found amiss in the recent past.

3. **Select appointees who are good collaborators and who are attuned to the importance of evidence-based decision making and the potential of data for informing practices and policies.** Leadership needs to deliver a strong message that collaboration is valued and that many of today's complex issues require teamwork and cross-agency cooperation. To that end, new appointees need the kinds of skills and personalities that support a collaborative

culture. This includes the ability to get along with colleagues, trust the ideas of others, handle disagreements effectively, and work as part of a team.

To encourage innovation, it can be beneficial to plan a retreat of cabinet officials as early as possible in a new administration. This can put a focus on new ideas for the government and help new appointees get to know each other. Some governors accelerate the cabinet meeting schedule in their first months to make sure their appointees are working together and are aligned with gubernatorial goals.

Collaboration becomes particularly important for making the most out of state data which is held in separate agencies and can yield enormously useful information when integrated.

4. **Focus new leaders on the benefits of risk-taking.** It's also important to communicate to appointees that risk-taking is considered a positive attribute and that the failure of promising experiments should not be penalized.

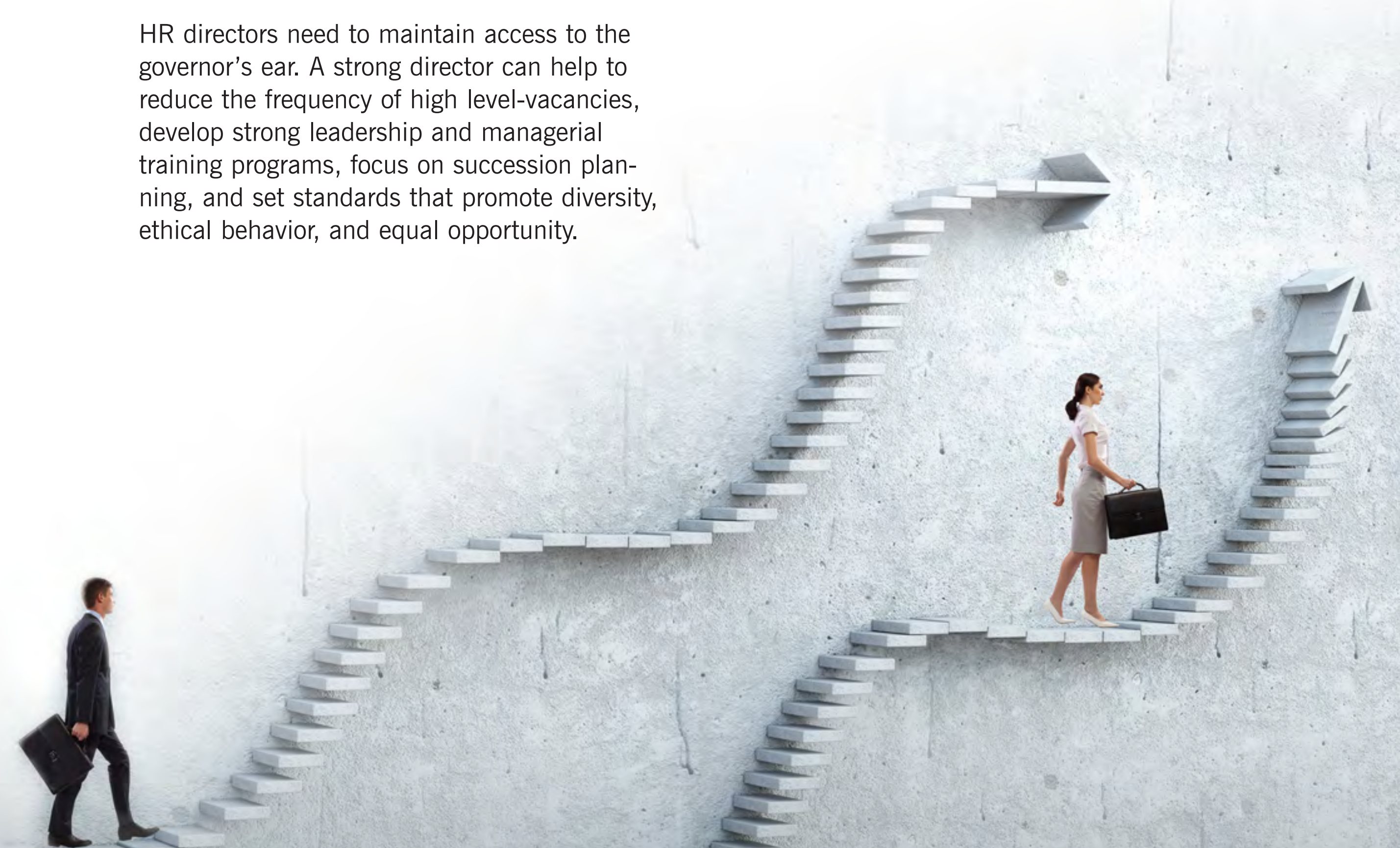
   Recognition of success is equally important. But it is often in short supply in the hectic fast-paced life of a new administration. In fact, surveys at all levels of government reveal that an employee's sense of the recognition they get for a job well done is usually one of the lower-scoring categories.

5. **Clarify that the Human Resource director and staff should be key members of the leadership team.** Over recent years, the power and significance of state HR directors has diminished in some states. Some years ago, we observed in a Governing column that reorganization efforts had started to shift the HR function from a separate agency to a division in a larger agency, sometimes with several layers between the HR director and the governor. But the impact of the pandemic and its effect on retirement and workforce shortages dramatically demonstrated the importance of the people who deal with people issues.[9]

   HR directors need to maintain access to the governor's ear. A strong director can help to reduce the frequency of high level-vacancies, develop strong leadership and managerial training programs, focus on succession planning, and set standards that promote diversity, ethical behavior, and equal opportunity.

When Delaware Gov. John Carney came into office in January 2017, one of his first managerial moves was to work with the legislature to re-establish a Department of Human Resources as a separate entity with the secretary participating in his cabinet and reporting directly to him.

The Delaware Director of Equity Initiatives (and one time Human Resources Secretary) Saundra Johnson told us that the once-independent personnel department had become a division within the Office of Management and Budget years before. But, the governor wanted to have a strong and visionary



department that centralized personnel functions for the state. “We’re advancing our whole HR function to be more proactive than reactive, with all agency HR people reporting to cabinet-level leadership,” she said.[10] This is especially critical with the potential for a large number of state employee retirements.

6. **Keep track of the progress that appointees at all levels are making toward reaching their goals.** While the tasks given to a governor’s appointees can be difficult to measure, establishing these measures heightens the chance of success and helps signal when success is proving elusive. Some governors establish performance agreements with their top staff, often with other performance agreements cascading down through the organization.

   As the National Governors Association has advised its guide for governors, “Performance agreements with each gubernatorial appointee should include established priorities and measures as well as expectations for leadership, teamwork, communications, and integrity”[11]

   Of course, establishing performance agreements is just a beginning. These agreements also need to be actively used to monitor and evaluate progress on a regular basis.

7. **Tap into private sector expertise.** In the recent past, some governors have developed fellowship programs that bring diverse private sector expertise into government. For example, the Governor’s Fellowship Program in Colorado encourages involvement from leaders in the private sector who have competencies that the state needs. “They are trained in how to use data to get results; how to motivate the workforce (and) how to measure outcomes,” Senator John Hickenlooper told us when he was governor of that state.[12] His hope was that some of the people brought in to understand public sector problems will be available to future governors for cabinet positions.

Of course, there are no magic tricks that guarantee a governor’s appointees will all be successful. But rewarding benefactors, college classmates and people who sport great resumes without evidence of accomplishment—and ignoring a careful selection process, as described above—invites failure. It’s also particularly important to select appointees who are not only subject matter experts, but who have significant management experience as well as a sensitivity to political considerations important in individual decisions. And, even when the best candidates are selected, they need to be empowered and sufficiently trained to implement the governor’s policies.

# TREAT

## Your State Government As An Integrated Enterprise

# LESSON 2

One of the most significant contributions a new governor and a new administration can make is to organize groups of officials around cross-agency goals that are focused on delivering better outcomes for citizens. Given the hyper-connectedness of states and localities, this kind of enterprise management provides governments with the efficiencies of operating as a single entity instead of as a set of separate, disconnected agencies and programs—and experts advise that cross-agency goals should be a key issue for transition teams in new administrations.

In fact, persuading agency leaders to work smoothly with one another can be a far more palatable and achievable goal than the much ballyhooed "restructuring" of government. Multi-agency initiatives and integrated management are key levers to accomplish policy goals, prevent operational failures, and improve the use of taxpayer dollars.

One route to invigorating this kind of coordinated approach is tied to the use of chief operating officers (COOs), who can provide a central integrating focus for management initiatives and policy implementation.

While chiefs of staff advise on policy, the COO has a focus more on management and implementation and can be a critical part of managing the state enterprise. Katy Coba, the former COO in Oregon, told us she served as a convener-in-chief who can bring agency heads around a table and facilitate conversations about operating as a single entity.[13]

Though the appointment of COOs can be a useful tool, it's not the only path to integrated government. For example, historically, Virginia's workforce programs were distributed among 13 agencies and six secretariats. But, as of the beginning of this year, Virginia's Governor Glenn Youngkin proposed consolidating them all into one department in 2024. This notion will be debated in the coming legislative session.

"I firmly believe that this is not bipartisan but a nonpartisan topic," Youngkin told National Public Radio. "We've seen support for these moves, both from Republicans and Democrats, and delegates and senators.[14]

The following are a handful of action points to consider, for new administrations to help ensure that the government functions as one entity:

1. **Early in the first months in office, an important step is to identify which of the new governor's priorities can be accomplished by single agencies and which require cross-agency collaboration.** Executive branch teams should include a group that is specifically organized to identify and establish a means to accomplish cross-agency goals and the integration of personnel, policy, and management objectives.

2. **Involve the legislature in forming goals that cut across a variety of agencies.** Just as the U.S. Congress has passed legislation that requires cross-agency priority (CAP) goals, state and local legislators can play a decisive role in accomplishing the same task. One of the primary tools that lawmakers can use is programmatic funding, with which they can endow enterprise mission initiatives instead of a series of individual stovepipe goals.

3. **Build support for coordinated goals and activity among agencies.** Central to this goal is the appointment of cabinet secretaries who have a dedication to working with their counterparts. When we wrote the original 2018 version of this report, we talked with Bob Oglesby, then commissioner of general services in Tennessee, a state which has had a history of developing shared services platforms for operations. At the beginning of former Gov. Bill Haslam's first term, "the plan and vision" of a shared services platform ran into some obstacles because some of the appointed commissioners "weren't supportive of that idea," Oglesby told us. Asking appointees questions prior to appointment might uncover reasons to choose differently. "You'd want to understand how they run their businesses. Are they focused on customer service and citizen value or are they worried about control or building their own empire?"[15]

   The impetus for inter-agency collaboration can only be built into the system if cabinet secretaries work toward its implementation. If two secretaries don't want to work with one another, it may be next to impossible to get people deeper in the organization to understand that they have shared goals and shared responsibilities for accomplishing those goals.

   A strong leadership message promotes buy-in for the critical underpinnings of an enterprise approach. It helps loosen an agency's grip on its own data and focuses on the benefits of sharing data with others.

   Agencies also resist giving up their own siloed funding. On the executive side, budget office leaders must be attuned to the need for more flexibility in funding to support cross-agency initiatives.

4. **Share mission-support functions.** The use of shared services for mission-support functions often drives mission-focused enterprise goals. When agencies are dependent on diverse and incompatible administrative functions, it can be difficult for them to communicate, much less to collaborate. But an emphasis on standardization and integration in areas like information technology, human resources and procurement can go a long way toward breaking down walls.

What's more, agencies can free up a fair amount of capacity and resources for mission goals when they aren't individually responsible for managing generic administrative functions.

Many states are moving toward a greater use of shared services. One example is Delaware's Government Efficiency and Accountability Review Board (GEAR). One purpose of GEAR has been to conceive and drive implementation of shared services across state government and public education, including efforts in information technology, human resources, and financial management.[16]

5. **Focus on a digital strategy.** Citizens increasingly interact with government through their own mobile devices. They are more likely to visit government websites than brick-and-mortar offices, and their experiences with the private sector lead them to expect technological efficiency that may still be elusive in government.

   The new governor's role is pivotal. "Almost all of our studies mention the importance of governor-level support when it comes to information technology, cybersecurity, and data," says Yejin Jang, one-time director of governmental affairs at NASCIO.


To know where you want to go with technology, you must know where you are. All states have strategic technology plans, and the incumbent CIO will be able to convey what improvements are in the works and what is slated to come next. Conversations with career staff and external oversight authorities can also uncover issues that need attention, particularly when similar problems are cropping up in multiple agencies. New governors can then make decisions about how to advance technology to improve customer service and efficiency for the entire enterprise.

A new administration's vision needs to be tempered with realistic views of what's possible in a limited time frame and an understanding of some of the factors that keep government from operating like the Amazons of the world. The list of challenges just begins with federal compliance requirements and limitations on what can be done with data due to privacy concerns.

## Implementing Digital Government Can Help States to Transform Service Delivery and Reduce Costs for Their Citizens

Through effective implementation of proven commercial best practice to operations across government, governors can lead their states in delivering significant value over the next decade.

A central tenet of any new gubernatorial administration involves running their state more effectively at a reduced cost. In 2016, the IBM Center for The Business of Government released a special report, *Transforming Government Through Technology.*[17] This report highlights key findings and recommendations that can help governments understand how best to leverage and scale past successes to benefit citizens and taxpayers—these findings are even more relevant to state leaders today who can leverage emerging technologies to deliver cost-effective services.

This report demonstrates that by deploying technology effectively, based on analysis of what works, governments can direct resources to initiatives that both lower costs and improve outcomes. Such strategies lead to better returns for the taxpayer than indiscriminate cuts that often address cost management but not service delivery. At the federal level, the report shows that by using modern interconnected technologies and processes common to the private sector, agencies can realize sustainable cost reductions of more than $1 trillion over the next 10 years—if state leaders can reduce costs by even a fraction of that amount, a digital investment will have a very high return for their citizens.

Achieving cost reductions and improving service, however, will require technological innovations that support improved processes and decision-making, expanding efforts to modernize its IT portfolio and associated processes. This will add value by enabling state agencies to meet their missions more quickly and completely, with less overhead, lower costs and reduced risk.

The following four strategies are key to this endeavor. The first and fourth categories address strategic pathways for improving effectiveness, while the second and third focus on tools that can lead to greater efficiencies.

- Improving resource management
- Improving government decision making
- Investing in modern technology
- Optimizing processes

Realizing these benefits will also require a sustained focus on implementation to achieve positive and significant results. The report notes four steps that can help governors support effective implementation:

- Take an enterprise/cross-government perspective
- Empower a state's CIO
- Incorporate industry best practices
- Prioritize and sequence implementation

These practices and recommendations provide a roadmap for governors to lead transformational activities within and across state agencies, by adopting a business-like approach to modernize government through effective use of technology.

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6. **Establish the importance of shared and integrated data.** It is often the case in both federal and state government that a variety of agencies are measured by their success at a relatively singular task—like dealing effectively and efficiently with people who are mentally ill. Multiple agencies can be working toward making progress in this task; but if they don't share data, it can easily follow that individual clients are being treated by multiple agencies, in different ways, or with redundant (and thus expensive) efforts.

A February 2018 study by the Pew Charitable Trusts looked at how the 50 states have been analyzing their administrative data and what innovative approaches have resulted. It pointed to several gubernatorial actions to facilitate data sharing.[18]

From early in his first term, former Michigan Gov Rick Snyder emphasized the importance his administration would place on high-level agency cooperation. In his second term, he followed through on this goal by launching Michigan's Enterprise Information Management Program through an executive order. To facilitate data sharing, the order mandated that the state oversee a "data inventory" to catalogue all the state's data assets.[19] Internal agency data sets that may have been developed sporadically over time are often invisible to other agencies, and an inventory like this informs managers throughout government of data that can be potentially useful to them, particularly when integrated with other data.

Many governors have discovered in recent years that an increasingly prevalent government position—chief data officer (CDO)—facilitates the sharing of data, helps to protect data privacy, and promotes greater data accuracy. According to StateScoop, thirty-one states have now appointed CDOs, including eleven in just the last two years according to Tyler Kleykamp, a former Connecticut Chief Data Officer, and until May 2022, a fellow at Georgetown's Beeck Center for Social Impact and Innovation where he headed the State Chief Data Officers network.[20]

7. **Share employees with skills that are needed by multiple agencies.** The federal government's Food and Drug Administration and Environmental Protection Agency have developed employee skills directories, in which agency managers can advertise projects. This directory allows employees to seek out tasks

that match their skills, even if it means moving to another part of government. This same technique can be used by states and localities. It's particularly important, given that states can attract new employees by offering diverse opportunities across a wide array of services.

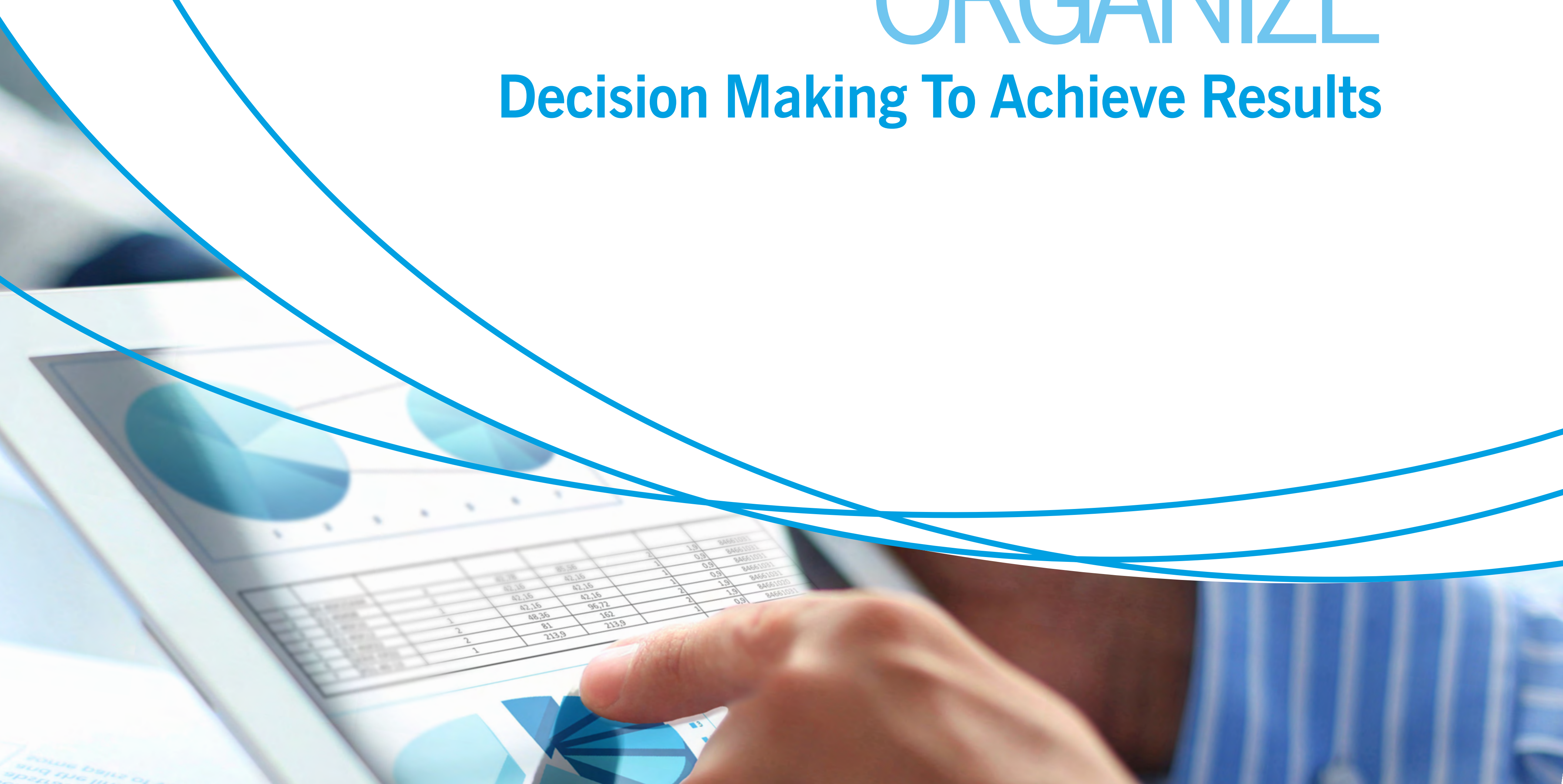
8. **Enhance the ability of agencies to cooperate with each other through coordination bodies.** The idea that one agency will magically find others with shared interests—or that the governor's office will easily identify those opportunities for collaboration—is a tall order. Some governors have found that it helps to cluster agencies in groups to tackle specific issues such as school safety. That topic could involve children's services, education, homeland security, veterans, corrections, and mental health or substance abuse agencies.

9. **Connect policy and management to implement enterprise objectives.** On the federal level, the Office of Management and Budget is the centerpiece of efforts to link policy and management.

   Some states have created parallel (though far less well-resourced) Offices of Management and Budget, including the Rhode Island Office of Management and Budget, the Ohio Office of Budget and Management, and the New Jersey Office of Management and Budget.

   A few of the critical goals of offices of management and budget are to encourage building budgetary resources to support cross-agency projects, to ensure that cross-agency goals are incorporated into individual agency performance plans, and to focus attention on enterprise-wide risk management that considers the additional risks within an interrelated portfolio rather than just uncovering risks within the individual agencies.

# ORGANIZE
## Decision Making To Achieve Results



# LESSON 3

It is important for leaders in a new administration to be very transparent about how they intend to make decisions in different situations and what information they will need in order to ensure that those decisions are well-informed.

There is rarely a time when timely and astute decision making is more important than in the months preceding and following the beginning of a new governor's term. It is during this period that the stage is set for leading and implementing many efforts that will follow over the course of the administration. Think of it as a tree: the decisions made at the beginning of an administration are the trunk supporting limbs, branches, offshoots and leaves. When the process involved in forming the trunk is flawed, the stability of the entire tree is endangered—especially in a storm.

Governors come into office with a vision of what they want to accomplish, and a passel of campaign promises that helped them win. In addition, a wide variety of decisions greet an incoming governor concerning such topics as personnel, organizational structures, budget and finances, regulations, service delivery, ethical and moral standards, and rhetorical positioning. There are also decisions that are thrust upon a governor, such as the response to a prison riot or a hurricane.

We talked with former Iowa Gov. Tom Vilsack in 2008, long before he was named Secretary of Agriculture for the Biden administration. He told us that he became aware of the significance of quick decisions in the face of the unexpected at a National Governors Association conference, when he found himself sitting next to the late Zell Miller, governor of Georgia in the 1990s. He asked Miller what two topics he should focus on as he came into office—jobs, education or health? "Governor Miller said, 'Son, emergency management. I guarantee you that within six months something is going to happen in your state and if you don't handle it well, it won't make any damn difference what you do in health care or jobs or education.'"[21]

New Governor Vilsack very much appreciated that advice three months later when Iowa was hit with a major tornado.

Some common mistakes in the decision-making process are:

- Moving too slowly
- Making decisions without adequate information or with important pieces of information missing
- The opportunity cost of spending too much time on less-important issues
- Ignoring side effects, collateral damage, and unexpected consequences

Key action points with the potential to heighten the capacity of decision making before, during and shortly after taking office include:

1. **Get to know the state's timetable and past decision-making processes.** It can be helpful to the new administration if the outgoing administration and staff have documented their decision-making systems. This provides a head start for a new administration, and can help avoid sudden changes that can stand in the way of melding incoming appointees with existing staff accustomed to the former administration's style and process.

   Particularly important to a new administration is a clear understanding of timelines. Without clarity about when people throughout government expect certain actions to take place (such as the annual cycle for proposing budgets), there is a clear risk of missing deadlines, or pushing others to move more quickly than their experience had led them to anticipate.

2. **Establish clear priorities.** At the beginning of their administrations, the vast majority of new governors have the ability to firmly present their priorities in a carefully thought-out State of the State address. These speeches, often delivered in front of the legislature, can help the administration make decisions in the context of mission, goals, and objectives that have been laid out in clear and simple terms in front of a state-wide audience.

3. **Create a strategic plan.** These results-oriented documents attempt to connect goals with the means to reach them. Many state agencies use strategic plans, though only about one in five states has created a state-wide plan. Strategic plans can set the agenda for cross-agency collaboration. Sometimes, the plan initiatives are tied to performance measures. In all events, a carefully thought-out strategic plan that has buy-in from most stakeholders can offer a solid set of guidelines for future decisions.

In a number of states, strategic planning is a fundamental part of the annual or biennial budget process. For example, in Kentucky, cabinet and other major strategic plans are produced in the lead-up to the governor's budget recommendation.[22]

Of course, a strategic plan is relatively useless if no one looks at it after it's written. These documents should be trusted guides which are frequently referenced to stay on track. Years ago, we suggested that a coffee-stain index be developed to judge the merit of a strategic plan. The more stains on the cover, the greater the chance that the plan was in constant use.

4. **Use executive orders to build management infrastructure.** At the state level, executive orders serve multiple purposes which differ from state to state. For many governors, they are an effective and powerful way to inaugurate new management tools, such as the planning, measurement, and evaluation infrastructure that will support executive branch decision making. We provide links to all the states' executive orders on the website for Barrett and Greene, Inc.[23]

   For example, in the wake of ongoing challenges to the accuracy of election results in her state, immediately after taking office new Governor Katie Hobbs (who was secretary of state there prior to becoming governor) established a Bipartisan Elections Task Force, to "strengthen election laws policies and procedures in the state of Arizona."[24]

5. **Prepare for a first budget.** On the federal level, passage of the next year's budget is still nine months away when a president takes office. But for the vast majority of states, an intense budget process is already partly underway and will greet the governor as he or she walks in the door.

   That's a challenging situation as most new governors plunge immediately into an intense and condensed legislative session. In many of the 41 states with part-time legislatures, that body may be in session for only a few months but can provide a quick test of the governor's ability to gain support of favored legislative proposals and his or her ability to work well with legislators.

6. **Expand capacity for evidence-based decision making.** To heighten the likelihood of making the best decisions, it is wise for leaders early in their tenure to signal the importance of using data to make decisions. Beyond that, successful leaders will establish means to ensure that the evidence used to aid in making decisions is both accurate and timely.

   According to a 2017 report by the Pew Charitable Trusts, "By focusing limited resources on public services and programs that have been shown to produce positive results, governments can expand their investments in more cost-effective options, consider reducing funding for ineffective programs, and improve the outcomes of services funded by taxpayer dollars."[25]

   One of the keys to heighten the utility of evidence in decision making is by building a strong analytic capacity. That can include creating a central data analytics function to allow agencies to share information; systematically identifying areas for improvement in data collection and analysis and training agency staff members to become better consumers of data while scaling up evidence-based governance. This includes better use of predictive analytics and more public engagement.

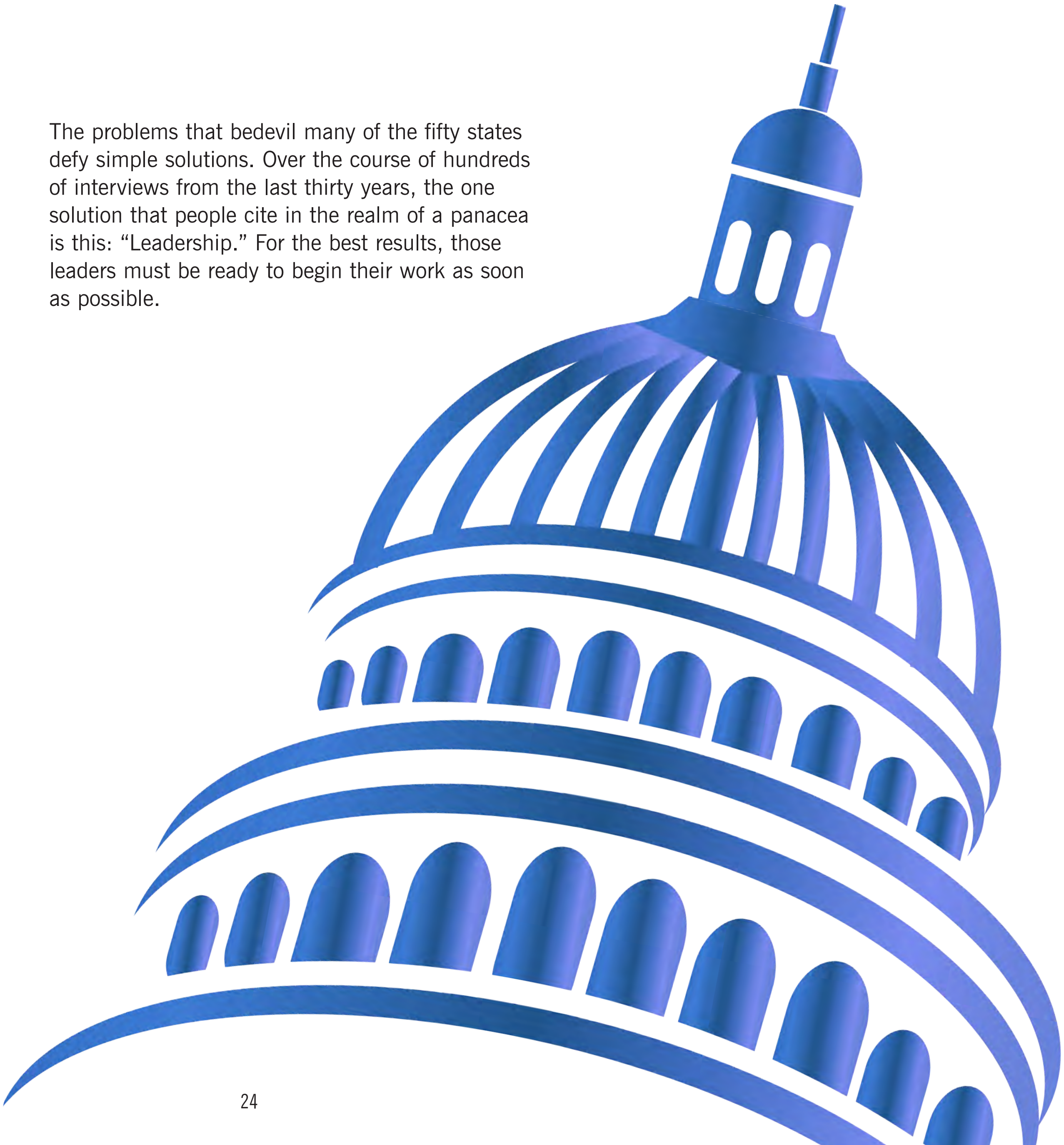
# CONCLUSION

When incoming administrations in states fail to get a solid start, the governments are at peril of providing inferior services and failing to achieve worthwhile goals.

Acknowledging this, we have built upon the volumes of work from the IBM Center for The Business of Government and the Partnership for Public Service, extrapolating lessons learned at the federal level to the state level. We have drawn on over 30 years of experience covering state management for a variety of organizations and publications.

A series of lessons emerged, most of which have been boiled down to "action points" in the preceding pages. Of course, no two states are identical, and our action points will find different shapes and forms depending upon the states in which they're used. Small states will need different approaches than large states, for example, as do rural states and urban states.

The problems that bedevil many of the fifty states defy simple solutions. Over the course of hundreds of interviews from the last thirty years, the one solution that people cite in the realm of a panacea is this: "Leadership." For the best results, those leaders must be ready to begin their work as soon as possible.



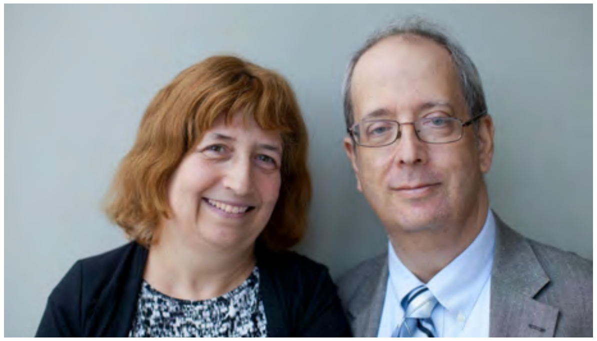
# ABOUT THE AUTHORS

**Katherine Barrett and Richard Greene.** Over the course of over 30 years, Katherine Barrett and Richard Greene, principals of Barrett and Greene, Inc. have done much-praised analysis, research and writing about state and local governments. Described by Peter Harkness, founder of Governing Magazine as “by far the most experienced journalists in the country covering public performance,” they pioneered “grading the cities, counties and states” in management. Related to that work, they founded the Government Performance Project.

They are visiting fellows at the IBM Center for the Business of Government; senior advisors to the American Society for Public Administration; advisors to the Government Finance Officers Association; consultants to tbe Bloomberg Center for Government Excellence; special project consultants to the Volcker Alliance, and fellows in the National Academy of Public Administration. In addition, Greene is the chair of The Center for Accountability and Performance at the American Society for Public Administration.

They are columnists and senior advisors for Route Fifty, and columnists for Government Finance Review.

Barrett and Greene have served in an advisory or contractual capacity to many organizations including the National League of Cities, the Urban Institute, the Governmental Accounting Standards Board; the Association of Government Accountants, the National Association of State Chief Administrators, the Council of State Governments, Governing Magazine, the Fels Institute at the University of Pennsylvania and the Pew Charitable Trusts.



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