Results-Focused Government Best Practices: Recognizing Agency Progress Through the LegisStat Process

New Mexico Legislative Finance Committee

Updated January 2023

Contents

Part I - Overview

Introduction

The Legislative Finance Committee (LFC) launched LegisStat in August 2021 to strengthen its collaboration with state agencies in monitoring the implementation and management of state programs and to improve state budget decisions. LegisStat involves ongoing, data-driven conversations between the committee and agency leaders. Equally important, it involves work by agencies between meetings to implement specific action items committed to during the meetings.

As part of the LegisStat process, LFC developed a set of 10 best practices for using evidence and data to drive better results within state agencies. These best practices were identified based on leading examples across the nation, including on the state, local, and federal levels.

The Practices

The 10 best practices can be grouped into three categories related to evidence, performance, and data. Each will be described in detail in Part II.

Best Practices in Evidence-Related Strategies

1: Using evidence-based budgeting

2: Developing a learning agenda

3: Creating an evaluation policy

4: Using behavioral insights to improve programs

5: Implementing results-driven contracting

6: Adding evidence incentives to grants

Best Practices in Performance Management

7: Using performance information

8: Implementing strategic planning

9: Collaborating with other agencies or levels of government

Best Practices in Using Data

10: Expanding data sharing and usage

Recognizing Agency Progress Through LegisStat

To encourage agencies (particularly those involved in LegisStat) to make progress on these practices, LFC will begin highlighting agency progress on these practices starting in fall 2022. Specifically, the committee will take time at the beginning of a LegisStat meeting to recognize an agency that has implemented one or more of the practices.

LFC analysts will periodically check in with agencies on their implementation of the practices. Likewise, agencies are encouraged to share with their LFC counterparts when a practice has been

implemented—or even when important preparatory work is occurring to advance that practice. That preparation work may be highlighted within LegisStat meetings as well.

Key Points About the Practices

All the practices can be adopted at **low cost**. None require special technology or expensive infrastructure. In fact, the most important element needed to adopt any of the practices is agency leadership commitment. Also, the practices are **not policy specific** because they help agencies strengthen a culture of learning and continuous improvement that can help drive better results across all areas of policy.

Supporting Agencies in Implementing the Practices

To support agencies in learning about and implementing the practices, LFC and Department of Finance and Administration have teamed up to launch the New Mexico Performance Academy. The kickoff workshop was held in August 2022 and opportunities for agencies to participate in learning communities around key practices will take place starting in fall 2022.

A Foundation for all the Practices

A foundational element to all the practices is agency leadership that demonstrates it values evidence and results. When state agency leaders—secretaries, deputy secretaries, and other senior staff—demonstrate they value evidence-based decision-making and continuous improvement, it sends a valuable signal to the rest of the agency. It signals, "Pay attention, this is important." Ways that leaders can demonstrate this include the following:

- **Articulating a results-focused strategy.** If leadership is able to clearly and compellingly articulate their agency's approach to using evidence, performance data, and innovation, it shows the rest of the organization—and external stakeholders—that approach is important.

- **Asking for evidence:** Agency leaders who regularly asks for credible evidence and data to back up staff recommendations are demonstrating and modeling the importance of evidence-based decision-making.

- **Including evidence experts in the room.** Making it a regular practice to include agency evidence experts when important budget or policy decisions are being made can add that lens to the discussion and demonstrates that evidence is valued.

- **Acting on evidence:** Leaders who regularly act on credible evidence and data in making decisions not only send a powerful signal to the staff and external stakeholders but also help ensure their agencies are doing what works.

The Importance of Action Plans

Once agencies have chosen specific best practices to implement, they should create action plans to guide the implementation. Action plans should be living documents, being adjusted over time as needed. By putting key implementation details on paper, action plans greatly increase the chances of success.

Action plans should describe the following:

- <u>Who</u> is assigned to lead implementation,
- <u>What</u> exact steps the team plans to take and what its goals are,
- <u>When</u> specific actions will be taken and completed,
- <u>How</u> the practice will be implemented and sustained over time.

Useful action plans are a balance of being specific and detailed enough to be actionable, but also having enough of a bigger-picture vision to ensure everyone is aiming in the right direction.

Part II: Details on the Practices

Practice #1: Using Evidence-Based Budgeting

What It Is and Why It's Important

When agencies adopt evidence-based budgeting practices, including creating program inventories, it helps ensure spending goes to credibly effective policies and initiatives that improve the lives of the people of New Mexico.

Details

Evidence-based budgeting involves four main steps:

1. Agencies develop an **evidence continuum** (drawing from existing state models) that describes levels of evidence for any given program or initiative. Those levels include weaker evidence (such as having a theory of change) all the way to stronger evidence (such as causal evidence based on rigorous program evaluation). An evidence continuum helps agencies rate the level of evidence behind programs or initiatives.

2. Agencies create an **inventory** of funded programs or initiatives (starting with a one or more policy areas) and then assess the evidence behind each policy or initiative, giving it a rating on their evidence continuum.

3. Program leaders within agencies are required to **convey the level of evidence** behind programs or initiatives for which they are requesting new funding or significant changes in funding, drawing on the program inventories.

4. Agency leaders **use this information** before approving funding changes in their requested budgets to the Governor's Office.[1]

Examples

- **Minnesota.** Launched in 2015, the *Minnesota Inventory* now has more than 700 programs and services that have received an evidence rating through this inventory process. Those evidence ratings include "proven effective," "promising," "mixed effects," "no effect," and "theory based." The inventory is available online.[2]

- **Tennessee.** Launched in 2019, the state now has five program inventories in the areas of mental health, substance use, correction programs, children's services, and higher education. The program inventories include if/than statements, performance measures, and evidence ratings—along with a summary of the findings of that evidence. The state is expanding those effort to cover 20 agencies over two years. The inventories created to date are online.[3]

---

[1] This process does not mean that leadership will only approve new funding if it is backed by strong evidence—there are many policy areas where that level of evidence does not exist. Instead, the level of evidence should be one factor when making these decisions.

[2] See the Minnesota Inventory.

[3] See the Tennessee Office of Evidence and Impact's program inventory page.

Suggestions Related to This Practice

- **Use existing models.** Agencies do not need to reinvent the wheel when it comes to creating an evidence continuum, since good examples already exist. That includes Colorado's evidence continuum which has five levels (they call them steps) from Step 1 focused on program design, such as having a logic model, to Step 5, which requires causal evidence based on rigorous studies.[4]

- **Start with one policy area.** Creating a program inventory can start with one policy area, ideally a priority one for leadership that has existing research connected to it. That pilot inventory can provide the agency with practice to expand to new policy areas over time.

- **Using existing research databases.** Rating programs by evidence level does not (usually) mean doing a literature search for each program. Several national databases of research studies exist that can help agencies rate programs more easily. In fact, the Pew Charitable Trusts has combined several databases into its own (free) "Results First Clearinghouse Database."[5]

Suggested Steps

- Adopt an evidence continuum as a way to begin, providing a foundation for the rest of the process.

- Create at least one program inventory (in at least one policy area), including a catalogue of programs and initiatives and evidence ratings.

- Start using program inventories to inform budget decisions, including formulating budget requests.

---

[4] See Figure 1 in *Colorado's 'Evidence Continuum' Promotes Efficient, Effective Public Programs* by the Pew Charitable Trusts Results First initiative.
[5] See Results First Clearinghouse Database.

Practice #2: Developing a Learning Agenda

What It Is and Why It's Important

A learning agenda is an up-and-coming tool—especially at the state level—to strengthen a culture of evidence-based decision-making within an agency. It is a document that identifies an agency's priority research or operational questions, such as the following:

- Is Program A effective?
- Which version of Program B is most cost-efficient?
- What operational changes might make Policy D more customer-friendly?

Details

Learning agendas are valuable because they identify high-priority research questions, thereby helping the agency focus its limited program evaluation or other analytical resources on the most important topics.[6]

Importantly, however, the questions identified in a learning agenda do not need to be answered only by the agency or its contracted research partners. For example, sharing a learning agenda with university researchers could promote researcher-practitioner partnerships that could help answer some of the questions.

An Example

- **North Carolina.** The state's Department of Public Safety, with help from the Governor's Office, identified several high-priority questions related to its mission that were raised by the Covid-19 pandemic. These included, "How can the department and its stakeholders best provide access to healthcare and mental health resources for offenders re-entering the community during the pandemic?" After outreach to university researchers, the department found research teams from three North Carolina universities interested in helping tackle the questions. The teams reviewed existing research and analyzed public data. Within six weeks, and at no cost to the state, the researchers delivered briefs with their initial findings. The department's leaders were able to use the findings to inform their near-term decision-making, while determining next steps for more in-depth analyses.[7]

Suggestions Related to This Practice

- **Starting a learning agenda.** Rather than asking program leaders within your agency what types of research projects they would find most useful (because the term "research projects" can an sound slow and academic), a better question might be, "What keeps you up at night?" In other words, what are the most pressing problems or challenges that this program faces?

---

[6] For a longer overview of learning agendas, *Evidence Toolkit: Learning Agendas* by the Urban Institute.
[7] See "The Learning Agenda Every Public Agency Needs" in *Governing*.

- **Customize learning agendas as needed.** You can be creative in structuring learning agendas to fit the needs of leadership and program staff. For example, some agencies have aligned their learning agenda to their strategic goals. Others have aligned them to program areas.[8]

- **Settle on a process.** Developing an agency learning agenda might be a top-down effort, meaning a chief evaluation office (or similar function), leads the process, seeking input from programs and offices along the way. Alternatively, it could be a bottom-up process, where programs or offices develop their own learning agendas (after receiving training), which then get rolled up into a departmentwide document.

- **Use the learning agenda to form an agency research agenda.** Once learning agenda questions have been identified (even for one program, to start), those questions can help form a research agenda for the agency. Projects might use rapid experimentation, data analysis, program evaluation or other analytical techniques to answer the questions.

Suggested Steps

- Start by forming a working group to develop the learning agenda.

- Create a basic learning agenda with at least five questions identified.

- Keep building out the learning agenda over time so that it eventually draws from multiple offices, divisions, or programs across the agency.

---

[8] See "The Opportunity Agencies Should Seize" in *Government Executive. While the article is focused on federal agencies, the same points apply to state agencies.*

Practice #3: Creating an Evaluation Policy

What It Is and Why It's Important

An evaluation policy is a public document posted on an agency's website that describes the principles the agency seeks to follow when it conducts program evaluations or other types of evidence building. Leading examples of evaluation policies generally cover five topics: rigor, relevance, transparency, independence, and ethics.

Details

Today, most, if not all, evaluation polices have been created by federal agencies, but New Mexico can help bring this useful tool to the state level. An evaluation policy affirms an agency's commitment to conducting rigorous, relevant evaluations and to using evidence from evaluations to inform policy and practice. An evaluation policy is especially valuable to have in place when the political winds blow in the opposite direction, whether it is pressure to obscure negative findings from studies or to use less-rigorous methods. Evaluation policies are lines in the sand that say, "Our agency does evaluation right."

The five principles that leading examples of evaluation policies[9]:

- **Rigor**: Committing to getting as close to the truth as possible. That means using the most rigorous methods appropriate to the evaluation questions and feasible within budget and other constraints.

- **Relevance**: Ensuring evaluation priorities (the questions program evaluations will explore) are relevant to the program operators and policymakers who will be using the information.

- **Transparency**: Making evaluation methods and data easily accessible so others can replicate and critique the work. Importantly, it also means making the results public and accessible regardless of the findings and doing so in a timely manner.[10]

- **Independence**: Insulating evaluation functions from undue influence. While a broad range of stakeholders should be involved in deciding the questions evaluations will pursue, they should not be involved in deciding the answers, which are empirical.

- **Ethics**: Safeguarding the dignity, rights, safety, and privacy of participants. There are many laws and principles related to research using human subjects, and the idea here is to comply with both the spirit and the letter of them.

An Example

- The evaluation policy of the Administration for Children and Families (ACF), an agency of the U.S. Department of Health and Human Services, is among the best known and is available

---

[9] For background, see *Why Your Agency Should Have an Evaluation Policy Now* in *Government Executive*.
[10] An increasing number of agencies go further by registering their studies and making their evaluation design plans public on their websites.

online.[11] You can also hear the former head of ACF discuss the value of their evaluation policy in a podcast interview.[12] Other examples are from the U.S. Agency for International Development, the U.S. Labor Department, and the Small Business Administration.[13]

Suggestions Related to This Practice

- **Developing an evaluation policy.** It is useful to get broad buy-in and feedback across the agency, from program staff to leadership, when developing an evaluation policy. Another important step is working to make the evaluation policy's key principles known after they have been created. That could be done by having evidence or evaluation leaders reference the principles in conversations with programs or external stakeholders. A well-crafted evaluation policy is less useful if it is not well-known.

- **Building on leading examples.** As with other practices where good examples already exist, there is no need to reinvent the wheel. New Mexico agencies can simply adapt or adopt an evaluation policy from a leading example, such as ACF.

Suggested Steps

- Start by forming a working group to develop an evaluation policy.

- Get internal and external stakeholder input into the draft policy.

- Create and post an evaluation policy that discusses the issues of rigor, relevance, transparency, independence, and ethics.

---

[11] See Administration for Children and Families' Evaluation Policy.
[12] See "Why evaluation policies are useful to results-focused federal agencies: An interview with Naomi Goldstein, HHS, and Molly Irwin, DOL" from the Gov Innovator podcast. The interview focuses on federal agencies, but the same points apply to state agencies.
[13] Links to these evaluation policies are here: U.S. Agency for International Development, the U.S. Labor Department, and the Small Business Administration.

Practice #4: Using Behavioral Insights to Improve Program Operations

What It Is and Why It's Important

Behavioral insights are research findings from the behavioral sciences, such as behavioral economics and behavioral psychology, about how people make decisions. By applying those findings to address programs challenges, agencies can improve results and better serve participants and residents—often at low cost and quickly.[14]

Details

Behavioral insights became known to many Americans—including public managers—through the book *Nudge* by Richard Thaler and Cass Sunstein, which explained that the way choices are designed and structured can "nudge" us toward better decisions. Here's an example: Research shows that losses (real or potential) are perceived by most people as worse than equivalent gains—a "cognitive bias" called loss aversion. How can we apply that insight within agencies? In encouraging program participants to take an action, such as signing up for a financial benefit, emphasizing potential losses (such as the income one might not receive) may work better than emphasizing the gains if they do.

An easy way to remember a useful set of behavioral insights is the EAST framework created by the Behavioral Insights Team.[15] As its report on the topic explains in more detail, if you want people to take some sort of action—say, getting a flu shot or paying their taxes on time—it helps to make that decision:

- **Easy** by simplifying messages and reducing hassle factor.
- **Attractive** by drawing attention to the decisions.
- **Social** by showing that most people perform the desired behavior.
- And **timely** by promoting the action when people are most likely to be most receptive.

Examples

- **Using the power of defaults to increase voluntary compliance.** Research shows that most people tend to accept the default option when one is given – i.e., we tend to "go with the flow." The U.S. Office of Personnel Management (OPM) applied that insight to its effort to get more people to voluntarily provide demographic information when applying for federal jobs on USAJOBS website. The default on the website had been opt-in: You had to click yes to share that information. OPM used an randomized controlled trial (RCT) to test a new default: sharing demographic information unless you click no. Staff found submission rates rose 9 percentage points, from 60 to 69 percent—an improvement that cost nothing to test and to implement.[16]

- **Using peer effects to reduce over-prescribing.** The U.S. Centers for Medicare and Medicaid Services (CMS) had a goal of reducing overprescribing of a common antipsychotic drug. Researchers at CMS used behavioral insights to design a letter to top-prescribing doctors that included a graphic comparing their prescribing rates to those of their peers, knowing that peer

---

[14] See "Think Government Can't Do Anything Quickly and Cheaply? Think Again." In *Government Executive*.
[15] See the Behavioral Insights Team's report *EAST: Four Simple Ways to Apply Behavioral Insights*.
[16] See "Increasing Voluntary Submission of Demographics Information with USAJOBS Applications" by the U.S. Office of Evaluation Sciences.

comparisons can be effective motivators. The results, based on a randomized experiment, showed an 11percent reduction after nine months among those who received the peer-comparison letter.[17]

Suggestions Related to This Practice

- **Testing behavioral insights using RCTs.** It's important to test whether a behavioral insight worked as intended because context matters. So, applications of behavioral insights by programs should almost always be conducted in the context of a rapid, low-cost test, typically using and RCT.

- **Forming an agency community of practice.** Staff within Colorado's Department of Public Health and Environment were interested in using behavioral insights to address operational challenges within its programs. With leadership support, they launched a community of practice around behavioral insights and provided staff training. An important focus of their efforts has been improving the department's forms. [18]

- **Where to start.** A useful way to start is by asking program managers what operational challenges they face. Then draw on experts in behavioral economics—within your agency, through contractors, or from research partners, such as universities—to consider whether some of those challenges might benefit from applying behavioral insights and how those insights could be applied and tested.

Suggested Steps

- Form working group to examine opportunities within the agency to use behavioral insights to improve operations.

- Apply and test behavioral insights within one program.

- Expand the use of behavioral insights to more programs.

---

[17] See "Reducing Overprescribing of Quetiapine in Medicare Part D" by the U.S. Office of Evaluation Sciences.
[18] See "Launching a behavioral insights community of practice within a public agency: An interview with Melissa Leal, Colorado Department of Public Health and Environment" from the Gov Innovator podcast.

Practice #5: Implementing Results-Driven Contracting

What It Is and Why It's Important

Results-driven contracting is an effort to ensure agency contracts are strategic investments that do the most good with procurement dollars. Moreover, procurement should not be treated as a back-office administrative function, but rather as a core part of agencies' strategy for delivering better performance. Three key components of results-driven contracting are (1) consolidating contracts and allowing for more flexibility, (2) establishing goals for service providers and tracking progress, and (3) using active contract management.

Details

Useful background on the motivation for results-driven contracting comes from the Government Performance Lab at the Harvard Kennedy School. It has noted, "Many of the most important functions of state and local governments—from building and maintaining roads to housing the homeless—involve contracting for goods and services supplied by the private sector. Increasing the effectiveness of procurements is, therefore, an essential component of improving governments' overall performance in creating public value."[19] Results-driven contracting is designed to make services provided through contracts a much more strategic investment.

Examples

The city of Seattle significantly improved the efficiency and effectiveness of its homelessness services through results-driven contracting.[20] That process included

- **Consolidating contracts and allowing more flexibility**. The city had an unwieldy number of contracts, making it difficult for staff to track and manage those contracts. In fact, Seattle's homelessness services involved hundreds of contracts. To change that, Seattle created a large, consolidated contract that was able to put money to a variety of different needs to support homeless individuals.

- **Establishing goals for service providers and tracking progress.** In Seattle's case, the Human Services Department staff realized their contracts lacked consistent goals. As a result, they worked with partners to develop three high-level goals and to start paying providers based on those goals.[21]

- **Active contract management.** Simply setting new expectations was not enough. The final step was to work closely with providers to make sure they were successfully serving people and achieving the contract goals. In Seattle, the Human Services Department held monthly meetings with each homeless services provider to review the data and make action plans to fix problems.[22]

---

[19] See "Results Driven Contracting" on the Government Performance Lab website.
[20] This example draws on a related Gov Innovator podcast interview on this topic, as well as from the Government Performance Lab's Results-Driven Contracting Solutions Book.
[21] The goals related to moving clients into permanent housing, minimizing people's return to homelessness, and minimizing the length of time that individuals and families are homeless.
[22] Seattle also implemented "learning circles" where the city convenes a group of providers to talk about the data together, discuss common challenges, and share what works. Finally, the department's director meets quarterly with

Suggestions Related to This Practice

- **Understand the barriers to better contracting.** If results-driven contracting is so effective, why does not everyone use it? One reason is that political pressure may exist to distribute contracted funds widely, rather than focusing on more effective providers—pressure that will need to be overcome for better results. Another barrier is that effective contract management may take more staff resources than a more traditional "turn the crank" (get dollars out the door) approach. Leaders may need to be willing to advocate for more staff resources to ensure contracts are being managed well.

Suggested Steps

- Form working group to examine opportunities to strengthen results-driven contracting practices.

- Apply results-driven contracting practices to at least one contract or procurement that seems ripe for a stronger focus on results.

- Expand the practice to other contracts where it is useful to do so.

---

vendor leadership to make sure that data-driven discussions are also happening at the leadership level of the contracted organizations.

Practice #6: Adding Evidence Incentives to Grants

What It Is and Why It's Important

When state agencies provide funding in the form of competitive grants to which nonprofits or jurisdictions or other entities can apply, it provides an opportunity to incentivize the use of evidence. Those incentives can encourage grant applicants to propose evidence-based approaches (interventions, programs, etc.) with the grant dollars. The goal is to ensure state grant funding flows to approaches that are effective and, therefore, do the most good for the people of New Mexico.

Details

With competitive (rather than formula) grants, interested entities must apply, and grantees are selected based on prescribed criteria. If preference points are part of the criteria, some of those points can be assigned for evidence. For example, applicants could earn five points if they cite a published evaluation or study backing the intervention they plan to implement.[23]

While competitive preference points can be used to create incentives for evidence, another option for grant programs is to simply require the use of evidence. For example, the program could require applicants to choose from a set of pre-specified activities or interventions that are supported by at least moderate evidence of effectiveness.

By adding evidence incentives or requirements to grant programs, agencies can help strengthen program outcomes by encouraging grantees to do what works.

Examples

Many of the leading examples of adding evidence incentives to competitive grants have occurred in the education field. However, there is no reason this trend could not be expanded to new policy areas by New Mexico state agencies.

- **Nevada and Massachusetts.** Several states have begun adding evidence requirements in their grant-making to distribute federal school-improvement funds. For example, Nevada conditioned all its school-improvement grants to districts and schools on the basis of their use of evidence-based interventions, up from just 15 percent going to such approaches last year. And Massachusetts now competitively allocates its school-improvement dollars based in part on districts' use of evidence-based strategies.[24]

- **The U.S. Department of Education.** The Department of Education has added evidence incentives to important competitive grant programs over the last decade. For example, the students support services grant program provides funds to colleges to offer educational opportunities and supports to help disadvantaged students graduate. The department offered three points in two areas (a total of six points out of 100) if applicants (higher education institutions) proposed using interventions backed by at least moderate evidence of

---

[23] Agencies could also add competitive preference point if grantees are willing to build evidence, i.e., to evaluate their programs. For instance, a competitive grant program could add five points if the applicant agrees to be part of a state evaluation. Incentives for building evidence can be useful but are not a focus of this chapter.

[24] See "Education and the Quiet Power of Evidence-Based Grant-Making" in *Governing*.

effectiveness, as defined by the department.[25] The department provided examples and citations on the grant program's website to make it easier to identify evidence-based interventions.

Suggestions Related to This Practice

- **Understanding the research base.** A first step in considering whether to add evidence incentives to grant programs is to ask: Is there an evidence base in this program area and, if so, are there credible studies for applicants to cite?

- **Choosing the level of evidence to require.** Adding evidence incentives to a grant program requires deciding what level of evidence to encourage or require. For example, the U.S. Department of Education's regulations identify four levels of evidence: (1) strong evidence, (2) moderate evidence, (3) promising evidence, and (4) demonstrates a rationale. New Mexico state agencies can build off existing frameworks like this in defining evidence levels.[26]

Suggested Steps

- Form working group to examine opportunities to add new evidence incentives or requirements to its competitive grant programs.

- Add new evidence incentives or requirements to one competitive grant program.

- Keep expanding the use of evidence incentives to more competitive grant programs, where it makes sense to do so.

---

[25] For more information, see page 116 of "TRIO, What Works Clearinghouse, and the Competitive Preference Priorities."
[26] For more information on these levels, see "Using Evidence to Strengthen Education Investments" from the U.S. Department of Education.

Practice #7: Using Performance Information

What It Is and Why It's Important

Tracking and using performance measures are a basic building block of good government. Practice #8 builds on New Mexico's existing work tracking and reporting on performance by encouraging agencies to submit their quarterly performance reports on time and to include analysis and discussion. Moreover, higher levels of achievement on this practice require agencies to launch an ongoing, data-driven review of agency performance known as PerformanceStat.

Details

The basic level of this practice is for agencies to submit performance report cards to LFC on time and to include analysis and discussion, demonstrating the agency's knowledge of its key performance trends and challenges. Higher levels of this practice, in turn, require launching a PerformanceStat initiative—the focus of the rest of this section.

PerformanceStat is a leadership strategy that uses ongoing, data-driven conversations between top leadership and senior division managers to identify and address important organizational challenges. It also helps agencies get out of the cycle of focusing on the urgent over the important.[27] Well-known examples include CitiStat in Baltimore and StateStat in Maryland, but dozens of examples exist, including at the state-agency level.

Notably, most agency leaders have regular check-in meetings with their division heads, often focused on the hot-button and pressing issues. Agencies that run PerformanceStat have those check-in meetings too, but they add PerformanceStat meetings, which have a different structure, feel, and purpose. PerformanceStat meetings

- Focus on specific high-priority challenges, and meetings keeps coming back to those challenges until they are fixed;
- Are data-driven, using metrics to help track problems, successes, and improvements;
- Emphasize accountability, including starting meetings with the action items assigned in the previous meeting;
- Have enough staff in the room (including from finance, operations, human resources, IT, and legal) so that questions can be answered in real time, rather than passed over until the responsible agency manager can be consulted.

An Example

- **Colorado Department of Human Services.** The Department of Human Services in Colorado launched a PerformanceStat initiative known as CStat under then-Director Reggie Bicha. Meeting occurred by office and, together, involved tracking about 100 measures each month. Two-thirds of those measures were maintained or the department beat its goals set in the C-Stat process. As Director Bicha noted, "We can see in real time when something goes wrong—

---

[27] See "Caught in the Cycle of 'Urgent Over Important'? This Leadership Strategy Can Help" in *Route 50*.

and we're committed to fixing it." You can hear Reggie Bicha speak about CStat in an audio interview he gave as director.[28]

Suggestions Related to This Practice

- **Decide how to organize the meetings:** PerformanceStat meetings can be focused on sub-units (divisions or offices within the agency) or they be organized around an agency's priority goals. In the latter case, the participants will likely span divisions. The right structure depends on what is most useful and motivating to leadership.[29]

- **Understand senior leadership's crucial role.** PerformanceStat initiatives are the most impactful (and avoid becoming "show and tell" sessions) when everyone in the agency sees the initiative as important to leadership. That means the agency secretary is ideally in the room for most Stat meetings. It is why, for example, Reggie Bicha almost never missed a "CStat" meeting in his more than seven years as director.

- **Avoid PerformanceStat misconceptions.** PerformanceStat meetings are not "gotcha" sessions focused only on problems. Rather, they can shine a spotlight on your most effective leaders. By lifting up their examples and sharing approaches and strategies that work well, it encourages others across the agency to emulate their example.

- **Starting small is ok.** A PerformanceStat initiative can start small, with one or more pilot divisions or priority goals. A small team of analysts can work to gather existing performance data from divisions and work with leadership and staff to pick focal topics. Starting with existing data and working from there is useful. No fancy technology is needed: Basic presentation and spreadsheet programs can do the job. The only essential element is leadership commitment to the process.

Suggested Steps

- Start by submitting agency report cards to the LFC on time and include analysis and discussion, demonstrating the agency's knowledge of performance trends and challenges.

- Form a working group to prepare to launch a PerformanceStat initiative.

- Launch a PerformanceStat initiative of ongoing, data-driven meetings between leadership and either (1) divisions or (2) teams representing different strategic goals.

---

[28] See "Insights from C-Stat in Colorado at year 5: An interview with Reggie Bicha, Executive Director, Colorado Department of Human Services" from the Gov Innovator podcast.
[29] See "PerformanceStat: A Leadership Strategy That Keeps Innovating" in *Governing*.

Practice #8: Implementing Strategic Planning

What It Is and Why It's Important

A well-written strategic plan helps clarify agency goals with enough detail to be able to understand the strategy and track progress. While strategic planning is a fundamental tool of good government, in practice it can be less impactful than hoped. Achieving more useful strategic planning takes broad stakeholder input as well as a stronger focus on learning and evidence.

Details

Most state agencies have strategic plans that they update periodically and typically include
- A mission and vision statement;
- A set of organizational goals, strategies designed to achieve those goals, and initiatives to advance those strategies;
- And associated performance metrics to track progress.

Strategic plans help agencies clarify what they are trying to accomplish. The details help leaders, staff, and external stakeholders ensure everyone is rowing in the same direction. Yet strategic planning is sometimes less impactful than hoped.[30] One reason: Too often the plan is developed by a narrow group, never achieving broader buy-in nor reflecting the input of staff with implementation expertise.

A second, less obvious reason why strategic plans stumble is their traditionally prescriptive approach, showing where the agency is headed without acknowledging that getting there will take significant learning and adjustment. A more useful approach may be to use the strategic plan to help build a learning culture, drawing on the recommendations below.

An Example

- **The Architect of the Capitol.** This federal agency wanted to make its strategic planning more inclusive and impactful and to weave evidence more into the process. It held workshops with teams of employees across the agency to undertake quick logic model training and then to produce logic models for the goals identified in the strategic plan. Drawing on the logic models, the groups identified roadblocks to achieving the goals, giving leadership first-hand input into barriers that needed to be overcome.

Suggestions Related to This Practice

- Clearly define what success looks like for each goal within your strategic plan, using qualitative or quantitative measures—or both if possible. If you want to build a culture of continuous improvement, you need to be clear about what kind of improvement you're aiming for.

- Create action plans for the strategy or initiatives designed to advance those goals. As described in Part I of this document, action plans identify

---

[30] See "What Government's Broken Strategic Planning Needs: Evidence" in *Government Executive*.

- o <u>Who</u> is assigned to lead implementation,
- o <u>What</u> exact steps the team plans to take and what is goals are,
- o <u>When</u> specific actions will be taken and completed,
- o <u>How</u> the practice will be implemented and sustained over time.

- **Create learning agendas for each goal or strategy.** Learning agendas have not traditionally been considered part of a strategic planning process, but they greatly strengthen the connection to a learning culture. Because Practice #2 is to create a learning agenda, the suggestion here could also be said this way: Ensure strategic planning goals and strategies are induced in that process.

- **Develop logic models for each goal (or strategy or initiative within each goal).** Logic models are written descriptions of how inputs and activities tie to outputs and outcomes. They do not need to be complicated. The purpose is to clarify assumptions about what affects what and to specify the expected results. Creating logic models as part of the strategic planning process helps get everyone on the same page about where we are aiming and what it will take to get there.

- **Implement evaluation strategies for key initiatives**, formalizing the feedback loop. Without this step, it is difficult to credibly know whether those initiatives described in the strategic plan are working as intended or how they can be improved over time. Evaluation strategies do not need to be complex or expensive, but they need to produce credible information about what works.

- **Establish a process of regular evidence reviews**, providing leadership with an opportunity to access progress on the strategic plan (including reviewing any evaluation results) and act on that information by refining initiatives and strategies.

Suggested Steps

- Form a working group to strengthen your agency's strategic plan.

- Ensure your strategic plan is well-written, updated regularly, and based on broad stakeholder input.

- In addition to the above, create regular feedback loops with leadership to provide updates on progress and adjustments to the strategy.

Practice #9: Collaborating With Other Agencies or Levels Of Government

What It Is and Why It's Important

Collaboration is a best practice in results-focused government because so many challenges in public policy span agencies and levels of government. Government can only make meaningful progress on poverty, economic mobility, health, public safety, and many others issues with robust collaboration across boundaries.

Details

What might collaboration look like? Some examples:

Collaboration with other state agencies

- **Creating a joint policy initiative.** By linking efforts across agencies around a specific policy area, agencies support each other and fill gaps in serving individuals that one agency cannot alone.

- **Launching a multi-agency PerformanceStat initiative.** The PerformanceStat approach (see Practice #6) could include a collaborative element by joining with another agency (or more) to conduct ongoing reviews of data trends around a high-priority issue and discussing joint responses.

- **Creating data-sharing agreements.** This approach, which will be discussed more in Practice #10, is to help tackle important issues by sharing administrative data (i.e., program data) security, and confidentially among agencies so agency researchers can better understand program dynamics and determine how to make programs more efficient and effective.

Collaboration with other levels of government

- **"Performance partnership pilots" with localities.** A new collaboration with localities could give local authorities more flexibility in the way they operate a certain program or address a certain policy challenge in exchange for new accountability for outcomes. The initiative could be called "performance partnership pilots" to underscore the collaborative element—the partnership—between levels of government. New flexibility could be provided around program rules or in the ability to blend funding streams. New accountability, on the other hand, could be established around identifying a set of near-term and longer-term outcomes and closely tracking trends over time.

- **Creating a pilot program with the federal government.** This approach is similar to the bullet above except here it is the New Mexico agency being granted new flexibility from the federal government in exchange for greater accountability results. Some federal programs allow for flexibility in the form of pilot programs. If certain rules or funding constraints (including the challenge of multiple funding streams around a single issue) are creating roadblocks to efficient and effective service delivery, federal agencies may be open to allowing for pilot programs that test a possibly improved approach.

Examples

- **HUDStat: A multi-agency PerformanceStat initiative.** In the Obama Administration, the U.S. Department of Housing and Urban Development (HUD) and the Veteran's Administration (VA) participated in joint "HUDStat" meetings around the topic of veteran's homelessness, a topic that spanned both agencies.[31] The meetings helped build shared understanding of the challenge and promoted discussions between the agencies on next steps, both individually and together.

- **Performance Partnership Pilots for Disconnected Youth.** This initiative was sparked when youth advocates approached the federal government with a problem: Helping out-of-school, out-of-work young people was made even more challenging by the number of different related federal funding streams, each with different rules and reporting requirements. The federal government responded by creating Performance Partnership Pilots for Disconnected Youth. The pilots provide approved states, localities, and tribal communities with new flexibility in blending or braiding funds in exchange for pilot sites' commitment to significant improvements for disconnected youth in educational, employment, and other key outcomes.[32]

Suggestions Related to This Practice

- **Prioritize mission over "turf."** Being open to new collaboration sometimes means letting go of some control (e.g., allowing more flexibility) in exchange for better outcomes. This requires agency leaders to have a strong sense of mission over things like turf battles.

- **The role of trust.** Developing new collaborations can take time and, in some cases, involves a process of trust building. Starting small and building deeper collaboration may be useful.

- **Addressing legal hurdles.** When agencies are hoping to develop new collaborations, the first reaction of their legal counsel may be, "We can't do that." One reason is that government tends to prioritize the status quo over innovation. However, there are many real-life examples in which, when agency officials saw new collaboration as a priority, the legal team took a deeper look and realized the proposed collaboration or flexibility was allowed.

Suggested Steps

- Form a working group to explore useful collaboration opportunities with one or more state agencies or different levels of government.

- Launch a new collaboration with another state agency or different level of government.

- Keep pushing to see if further collaborations would be useful.

---

[31] See "Tackling Veteran Homelessness with HUDStat" from the U.S. Housing and Urban Development website.
[32] See the "Performance Partnership Pilots for Disconnected Youth (P3)" webpage from youth.gov.

Practice #10: Expanding Data Access and Usage

What It Is and Why It's Important

For state agencies, forming research partnerships with external researchers, such as at New Mexico's universities or at other state agencies, can be an important for producing research that helps the agency better understand program dynamics, learn what works, or suggest solutions to program challenges. Building those researcher-practitioner partnerships often requires qualified external researchers with access to data in ways that ensure the confidentiality and privacy of the data.

Details

State agencies produce a lot of data, known as administrative data. That data can be used by external researchers—working in partnership with agencies—to address research questions that are a priority to agencies. Those questions might be part of an agency's learning agenda, described in Practice #2.

In practice, however, that data is often not accessible to researchers. One reason is privacy concerns, which is a very important issue. Today, however, there are well-established ways to strictly ensure privacy and confidentiality while expanding access to those data. One useful approach, for example, is to remove personally identifiable information from a data set. By ensuring privacy while expanding access to data, agencies can advance evidence-based decision making in important ways.

An Example

- **Learning about health and housing.** A leading example of a data-sharing agreements at the federal level was between the U.S. Departments of Housing and Urban Development (HUD) and Health and Human Services (HHS). HUD and HHS created an agreement to allow HUD to match its data with HHS data to explore the connections between housing and health—i.e., what types of housing (and housing support) helped promote the most health among low-income families? This research could not have been conducted without the matching of housing and health data.

Suggestions Related to This Practice

- **Create clear pathways for requesting data.** To facilitate data sharing to support researcher-practitioner partnerships, agencies should create clear, streamlined ways for external researchers to request access to agency administrative data, including being specific about how they will use the data.

- **Make it easy for researchers to understand agency research priorities.** Agencies should find ways to share their research priorities—for example, posting those priorities on their website or forming a community of practice with external researchers to share that type of information. That allows researchers to find projects that fit their own interests and request data to pursue those topics.

- **Be clear about how data will be safeguarded.** To address legitimate confidentiality and privacy concerns about data sharing, agencies should be clear about the safeguards that will

be put into place to protect personally identifiable information. Agencies should be up to date on ways in which data can be shared while ensuring those safeguards.

- **Understand the value of data sharing.** Agencies should stand up for the value of data sharing. After all, while there are always some risks to data sharing—risks that can be greatly minimized—there are also risks to *not* sharing data.[33] That includes missing out on important research insights that can improve the lives of New Mexicans.

Suggested Steps

- Form a working group to explore ways to expand access to program data, while protecting privacy, for external qualified researchers.

- Launch at least one ongoing initiative to expand data access, while protecting privacy, for external qualified researchers.

- Ensure your agency has at least one example (to start) of data shared with researchers though your agency's data-access initiative.

---

[33] On the value of data sharing, see "Why broadening access to Federal administrative data is critical for improving government services and increasing taxpayer value: An interview with Maria Cancian, Professor, University of Wisconsin-Madison" from the Gov Innovator podcast. While the interview focuses on federal data, the same principles apply to state data.