Good Government in the States: Placing Colorado in the National Landscape of Performance Improvement Initiatives

Report Six of a six-report series exploring the performance improvement initiatives of the Hickenlooper administration

Report Highlights:
This report examines the state of Colorado’s position within the national landscape of state government performance improvement initiatives.

Examining public-facing documents and websites for each of the 50 states, it is evident that Colorado is not the only state seriously involved in performance improvement initiatives, but its efforts are notably comprehensive.

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Abstract

Colorado’s state government actively instituted and expanded efforts to improve government through performance management, process improvement, and talent development during the Hickenlooper administration (2011-2019). The administration’s major performance improvement initiatives included: the SMART Government Act; the Governor’s Dashboard; Lean process improvement; and the Performance Management Academy, among others. The efforts to make government “effective, efficient, and elegant,” the so-called “3 E’s,” were guided by a focus on goals and results alongside a reinvigorated desire to better serve the state’s diverse customers.

This report, Report Six of a six-report series, examines Colorado’s position within the national landscape of state government performance improvement initiatives. Reviewing public-facing documentation available through each of the 50 state’s government websites, other states’ performance improvement initiatives are analyzed based on four key dimensions: (1) process improvement; (2) performance budgeting; (3) performance metrics (measurement); and (4) data dashboards. These data are then placed in context by identifying those states serving as inspiration for Colorado’s performance improvement efforts as reported in interviews with leaders from the Hickenlooper administration. As such, this report serves as both a progress report and a guide to external resources for further information and inspiration.
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Related Research Reports

This study is part of a broader project looking at performance improvement initiatives in Colorado during the administration of Governor John Hickenlooper, 2011-2019. With this project, we play the role of outside observers looking back on the administration’s performance improvement initiatives in order to document the experiences, elevate successes, identify challenges, and inform current and future public officials in Colorado and beyond. The following reports are all available on the website of the Colorado Evaluation and Action Lab at the University of Denver, which supported this work:

**Report One:** Looking Back, Thinking Forward: Leading Performance Improvement Initiatives in Colorado State Government

**Report Two:** Making it Work (Better): Implementing Performance Improvement Initiatives in Colorado State Government

**Report Three:** Institutionalizing Performance: Colorado’s SMART Government Act

**Report Four:** Public Display of Performance: The Governor’s Dashboard in Colorado

**Report Five:** Leaning In: Lean Process Improvement in Colorado State Government

**Report Six:** Good Government in the States: Placing Colorado in the National Landscape of Performance Improvement Initiatives

Suggested Citation

Introduction and Background

In the United States’ federalist system, state governments have long been considered laboratories of democracy, meaning that states have constitutionally-granted autonomy to adopt laws and policies and test whether these policies work. If laws or policies work well in one state, they may be recognized and diffuse laterally to other states, as well as trickle up to the federal government, or trickle down to local governments.

We refer to the collective performance management and process improvement activities of a state as performance improvement initiatives. More narrowly, Poister, Aristigueta, and Hall (2014) define performance management as the “strategic daily use of performance information use by managers to correct problems before they manifest in performance deficiencies,” and performance measurement as “the collection of data on key performance indicators.”¹

The use of these performance activities exhibited lateral diffusion, as municipalities during the Progressive Era began adopting measures of worker efficiency borrowed from Frederick Taylor and the “scientific management” movement of the early 20th century.² In more recent decades, performance management and measurement exhibited vertical diffusion, as executive and legislative efforts at the federal level—namely, the Government Performance and Results Act (and National Performance Review) of 1993 and the President’s Management Agenda of 2001, respectively—provided models for how state and local governments can better address performance issues.

Even in the absence of a federal mandate, the prevalence of performance measurement has grown in state and local governments.³ Beginning in the 1980s, New Public Management and the “reinventing government” movement of the early 1990s precipitated the proliferation of performance metrics in the public sector.⁴, ⁵ Governments have come a long way since 1995 when performance management scholar Robert Behn identified “the measurement question” as one of the three biggest issues in the public management field.⁶ Theodore Poister points out, however, that while performance measurement is widely utilized in governments, performance management or “actively utilizing performance information to strengthen policies and programs, improve performance, and maximize the benefits of public services” lags behind.⁷

Regardless of whether states are laboratories of democracy or later adopters, there is much variation in their performance improvement activities. During the last two decades, researchers have compared what states are doing to improve performance and ranked them according to this activity.⁸ For example, the Government Performance Project (GPP), managed by the Maxwell School of Citizenship and Public Affairs at Syracuse University and funded by The Pew Charitable Trusts, is a multi-year study of state and local governments’ overall capacity for performance management. According to the GPP survey results in 2000, Colorado ranked 33 out of 48 states reviewed for performance information in key documents.⁹ In 2008, a
A report in *Governing* magazine assigned a “C+” grade to Colorado for its overall capacity for measuring performance along key dimensions, including information, people, money, and infrastructure.\(^\text{10}\)

Despite historically low assessment ratings, Colorado has come a considerable way since the 2000s in performance improvement practices, most dramatically during the eight years of Governor John Hickenlooper’s administration (2011-2019).

This report examines Colorado’s position within the national landscape of state government performance improvement initiatives by reviewing all public-facing documentation available through each of the 50 state’s government websites based on four key dimensions. These data are then placed in context by identifying those states serving as inspiration for Colorado’s performance improvement efforts as reported in interviews with leaders from the Hickenlooper administration. As such, this report serves as both a progress report and a guide to external resources for further information and inspiration.

**Research Methods Overview**

We systematically reviewed all public-facing documentation available through each of the 50 state’s government websites. Each state’s website, including Colorado’s, was examined to identify evidence of key performance improvement activities along four dimensions (Figure 1). In addition to focusing on process improvement and performance metrics, we also examined performance budgeting and data dashboard activity to account for the planning-budgeting and transparency-accountability dimensions, respectively, which are associated with public sector performance improvement.\(^\text{11}\) These dimensions also mirrored the primary performance improvement activities we reviewed in Colorado. See Appendix A for details on the data sources and methodology.

**Figure 1: Four Dimensions of Performance Improvement Activities Analyzed in this Study**

1. **Process Improvement**: Activity focused on reducing waste, inefficiencies, and costs in the production and delivery of goods and services.

2. **Performance Budgeting**: A technique in which governments link policy or program performance to budgeting deliberations and decisions.

3. **Performance Metrics (Measurement)**: Government agencies’ utilization of performance measures on a statewide level, across all or most agencies.

4. **Data Dashboards**: Performance management tools used for enhancing transparency and accountability, especially around key policy aims and objectives.
Limitations

Our approach has two key limitations and caution should be taken when making conclusions based on this research. First, our analysis of states, including Colorado, reflects only online content that was public-facing as of spring 2019. It is likely that our research team failed to capture less-visible activities that state governments engage in on a daily basis to manage performance. Relatedly, without interviewing personnel in state governments like we did in Colorado for this report series, we have no way of knowing with certainty that the performance improvement initiatives are actually utilized in a meaningful and impactful way. The information we obtained about Colorado’s efforts through interviews and other research methods was disregarded for this report. Thus, our assessment reflects only what public-facing performance improvement evidence suggests, rather what is actually implemented and executed.

National Landscape: What are Other States Doing?

Examining public-facing materials on states’ websites, we find that many states utilize process improvement, performance budgeting, performance metrics, and data dashboards at a high level, while others are less engaged.

To place Colorado’s efforts within the national landscape, our research team reviewed all public-facing materials on each of the 50 state’s websites during the spring of 2019. We looked for evidence of performance improvement activities related to (1) process improvement; (2) performance budgeting; (3) performance metrics (measurement); and (4) data dashboards. We also tried to determine whether these activities are implemented on a statewide, systematic level, or utilized for only specific agencies or projects. Each state’s website was analyzed by at least two members of our research team to ensure reliability. Below, we highlight states’ activities within each of the four categories.

Findings from State Government Websites

(1) Process Improvement

We determined that 18 states (or 36%) appear to be utilizing Lean or Six Sigma process improvement on a statewide, systematic level, and three additional states (6%) appear to employ these process improvement methods in some limited capacity (e.g., within a single agency). Of the different process improvement methodologies, Lean and Six Sigma were most commonly utilized by states. Many states have branded Lean around their state name, such as Ohio (LeanOhio), Rhode Island (LeanRI), Connecticut (LeanCT), and Pennsylvania (LeanPA). These examples reflect the prominence of branding performance improvement initiatives to make them more visible to the internal and external stakeholders.
Figure 2: LeanOhio’s Infographic


Several states, including California, Michigan, Nebraska, and Rhode Island, publicize that they train state employees in Lean methodology. Nebraska, for example, has the Center for Operational Excellence, which trains employees across all agencies in continuous process improvement. Michigan’s Office of Good Government provides an online Lean process improvement training module and associated Lean certification. Pennsylvania releases Lean-related videos through the Department of Labor and Industry’s YouTube channel.

Most states using process improvement methods also track their completed projects and the number of employees trained. Rhode Island has trained over 2,800 workers and completed over 100 Lean projects since 2015. LeanOhio showcases their process improvement results in an infographic, shown in Figure 2. LeanOhio has completed over 300 projects across 44 state agencies, boards, and commissions.
(2) Performance Budgeting

Performance budgeting, also known as performance-based budgeting or performance funding, is a technique in which governments link policy or program performance to budgeting deliberations and decisions. From our review, we found 24 states (or 48%)—including Colorado—explicitly attempting to link performance measures to budgets (often through legislation). In our assessment, we specifically looked for language indicating performance metrics are tied, in some form, to budgets or budget requests, and for how metrics are used in budget deliberations. Having performance measurement alone does not constitute performance budgeting in our analysis.

Of the states explicitly mentioning engagement in performance budgeting, some have more established methods. For example, Minnesota has incorporated performance indicators in state programs since 1969, and still utilizes performance budgeting concepts today.16 Alabama has implemented a computer system called “STAARS” in which the state’s quarterly performance reporting is directly linked to budget requests.17 Some states, such as Kansas, offer resource guides and templates to agencies, to help them report program performance and link this information to the budget process.18

We also determined that seven states (or 14%) use performance measurements for budgeting in one agency or a limited number of agencies, but have yet to fully integrate them statewide. We also found three states (or 6%) either considering or piloting performance budgeting programs, including Vermont.

(3) Performance Metrics (Measurement)

We examined whether performance metric or measurement systems exist in state governments. By “performance metric system,” we mean that government is using performance measures on a statewide level, across all or most agencies. We found 20 states (or 40%) appear to meet this standard.

“Results Washington” in Washington State is an example of a statewide performance measurement system, tracking performance on approximately 20 priority outcomes for the state, across priority areas of education; economy; energy and environment; healthy and safe communities; and efficient, effective, and accountable government.19 Results Washington convenes 90-minute monthly review forums in which state leadership and citizens come together to discuss challenges to performance measures and strategies for improvement.

Some states have created more interactive, web-based tools for their citizens and residents to use to better understand how the state is performing in key areas. Louisiana’s LaPAS tool, for example, allows users to view performance historically and in real time, as well as search for performance measures of interest.20 Figures 3a and 3b display screen captures of LaPAS’s website.
Many states without statewide performance measurement systems utilize metrics at the agency level. In total, 21 states (or 42%) appear to use performance metrics within agencies, mostly in transportation, health, human/social services, and the environment. Thus, when combining statewide and agency use, over 80% of states appear to use performance metrics in operations.
Data dashboards are tools used for enhancing transparency and accountability around key policy objectives. We investigated which states have a unified public-facing data dashboard with measures spanning across multiple policy objectives and/or agencies. In total, nine states (18%)—Colorado, Hawaii, Indiana, Kansas, Minnesota, North Carolina, Utah, Vermont, and Washington—appear to have a statewide data dashboard. We found two states—Michigan and Wisconsin—operated statewide dashboards under previous administrations, but have since removed them, at least temporarily, from public viewing. We also found that Iowa and Massachusetts will be publishing statewide data dashboards in the near future.

Hawaii is an example of a state employing a number of metrics cutting across state agencies, which are displayed on a public-facing data dashboard. In addition to its general data dashboard (Figure 4a), which covers multiple outcome areas like economy, education, energy, agriculture, and homelessness, Hawaii has numerous performance measures within single-purpose units such as those displayed on its Ocean Resources Management Plan Dashboard, shown in Figure 4b.

Figure 4a: Hawaii’s General Government Data Dashboard

![Budget and Economy](https://dashboard.hawaii.gov/open-government)

While we find relatively few states operate statewide data dashboards, the vast majority of states utilize data dashboards on the departmental level, mostly for public health, public education, transportation, and human services. In total, 39 states (78%) have at least one public-facing (and accessible) data dashboard on a state agency website. Public-facing data dashboards appear to be used in a more siloed sense, by agencies tracking and reporting data related to specific tasks and goals, rather than on a statewide basis.

States also appear to utilize dashboards for different functions, revolving around data transparency, comparison, and strategic goals. Some states, like North Carolina, use dashboards for “operational” (monitoring real-time activity) and/or “tactical” purposes (providing data for analysis and comparison). Others states, like Hawaii, have “strategic” (determining goal achievement) dashboards, as demonstrated in Figures 4a and 4b.

Early in their efforts, Colorado leaders communicated with leaders from other states, including Maryland, Tennessee, and Connecticut, who had experience implementing performance management initiatives.
Colorado’s Inspiration for Performance Improvement from Other States

Interviews with Colorado government leaders identified states that served as models for the state’s work. As described, we interviewed 13 leaders at the executive level in Colorado, spanning the governor’s office, lieutenant governor’s office, the Office of State Planning and Budgeting, various departments, and a former legislator, and asked them: “Where did the ideas for the performance improvement efforts come from?” Interviews with the leaders were conducted between November 2018 and January 2019 (see Appendix A for more detail).

From these interviews, we found that in addition to federal government, local government, and private sector influences, several states were influential in building Colorado’s performance improvement system. Early in their efforts, Colorado leaders communicated with leaders from other states, including Maryland, Tennessee, and Connecticut, who had experience implementing performance improvement initiatives.

Interviewees also mentioned Indiana’s data analytics, Michigan’s data dashboard, Wisconsin’s “Kidstat” program, and Washington State’s “Results Washington” program and the Washington State Institute for Public Policy as peer influences for Colorado’s performance improvement efforts, specifically in performance metrics and program evaluation areas.

Conclusions and Lessons Learned

We situate Colorado within the national landscape of performance improvement activities in state governments and identify states with leading practices that may serve as examples for Colorado. Colorado has made meaningful progress over the last two decades building its performance improvement system. Under the Hickenlooper administration, Colorado became one of the more active states in performance improvement. According to our evaluation of public-facing content available on all 50 state’s government websites, Colorado is situated among the leaders in statewide efforts to enhance the performance of government. This report serves as both a progress report and a guide to external resources for further information and inspiration.

Colorado can continue look to other state governments as laboratories of democracy for inspiration. For example, Alabama’s STAARS computer system could serve as a useful tool in improving Colorado’s performance budgeting process. Similarly, Vermont’s pilot programs for performance budgeting could serve as useful models. Although not explicitly addressed in our review, expanding program evaluation and benefit-cost analysis could also increase cost savings and improve programs through evidence-based policies and practices. Colorado may decide to pursue more complex Lean projects in the future, as projects addressing the “low-hanging fruit” (as one interviewee described) have already been completed. Looking to Nebraska’s Center of Operational Excellence, for example, might be a way to further shape a culture around continuous improvement. Colorado could also follow Washington State’s lead and hold regular public forums for citizens and stakeholders to join discussions about what matters to the people of Colorado and how state government tracks its progress toward goals. Finally, there is much Colorado could do in terms of expanding open data and utilizing data to make better decisions. Following Indiana and North Carolina’s lead, Colorado could develop their own data center or hub and establish partnerships with the federal government, local governments, and local research universities to leverage the use of data in policy and programmatic decisions.
Appendix A: Data Sources and Methodology

Qualitative Interviews

Officials from the lieutenant governor’s office assisted in identifying a purposive sample of individuals involved in leading Colorado’s performance improvement initiatives. The initial list suggested 19 individuals representing leaders who served in both of Governor Hickenlooper’s terms, in key roles overseeing the work at the statewide and department levels, and in the executive and legislative branches. We ultimately conducted interviews with 13 of the 19 individuals using an interview protocol of 10 open-ended questions (see below). Interviewees were affiliated with the governor’s office, the lieutenant governor’s office, the Office of State Planning and Budgeting, and various other departments. In addition, one interviewee was a former legislator involved in these initiatives.

The 10 open-ended questions were as follows:

1. In your experience, what are the primary elements of the performance improvement initiatives of the Hickenlooper Administration (both formal and informal)?

2. What is/was your role related to these performance initiatives?

3. During this period, how would you describe the underlying culture, philosophy, or principles of the performance improvement work?

4. How would you describe the evolution of performance improvement during the Hickenlooper Administration?

5. Where did the ideas for the performance improvement efforts come from? Other states, national programs, individual champions within state government?

6. Which efforts or initiatives had the most impact in making government work better? How do you know?

7. What challenges have been encountered during the design and implementation of these performance-based initiatives?

8. Have some state agencies or programs made more progress than others?
   a. Which are exemplars?
   b. If there are differences in performance improvement, do you have any ideas why?

9. If you were providing advice to future state leaders, both within Colorado and outside, what would you tell them about undertaking performance management and improvement initiatives?

10. Who else should we talk to, in or outside of government about these programs?

The research team recorded and transcribed the interviews with these leaders, which averaged 37 minutes in length. Following best practices in qualitative research, two members of the research team
coded the interview transcripts to ensure inter-coder reliability. Themes in the responses were identified by each coder independently, along with representative quotations. These initial themed codes were transferred into the coding forms and consolidated across coders based on team discussions. The coding generated counts of themes raised by interviewees for each question. The frequency of mentions was used to gauge the importance of the themes in our analysis. Any mention of other states as influential in Colorado’s efforts in the interview transcripts were counted by the research team and discussed in this study.

Public-Facing Materials on 50 State’s Websites

To place Colorado’s performance improvement efforts within the national landscape, the research team reviewed all public-facing materials available on each of the 50 state’s websites, including Colorado’s, and documented evidence of performance improvement activities in spreadsheets. Upon completion of the initial investigation, an additional member of the research team reviewed all 50 state’s government websites to verify the evidence collected. From this evidence, exemplar cases were identified to illustrate states’ performance improvement activities in the following areas: 1) process improvement; (2) performance budgeting; (3) performance metrics (measurement); and (4) data dashboards.
Endnotes


