Institutionalizing Performance:

Colorado's SMART Government Act

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

Report Highlights:

Colorado's SMART Government Act is important for institutionalizing the state's performance management and process improvement initiatives and requiring discussion between departments and the legislature around performance.

However, the optimism that the Act will serve as a robust performance budgeting system is not reflected by some legislators and staff engaged in the creation and communication of performance plans.

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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.

In 2010, the Colorado General Assembly altered the state's budget process with House Bill 10-1119, the State Measurements for Accountable, Responsive, and Transparent Government Act, known colloquially as the SMART Government Act or SMART Act. The legislation's purpose was to create a statutory performance budgeting process and elevate the role of the joint committees of reference, the legislative committees that provide oversight of executive branch agencies. What made the legislation "SMART," aside from the acronym, were a series of requirements for state departments to create publicly-available annual strategic plans.

This report, Report Three in a six-report series, first summarizes the impetus and details of the law and its 2013 revision during the Hickenlooper administration. Then, based on interviews with 37 governmental leaders and staff supplemented with secondary sources, the Act's perceived value is inventoried, including the value of its associated hearings and its linkages between performance and budgeting.

We find that the law is considered important for institutionalizing the state's performance improvement efforts, including the use of an established process improvement methodology, and requiring discussion between departments and the legislature about performance. Overall, the quality and utility of the Act's associated hearings are uneven, but exemplars suggest the hearings can be effective for both departments and legislators. The removal of the feedback role from the committees of reference to the Joint Budget Committee when the law was revised in 2013 essentially removed those participating in the SMART Government Act hearings from sharing what they learned and potentially influencing the budget.

The optimism of some leaders that the Act serves as a robust performance budgeting system and meaningfully involves additional legislators in the budget process is far from universally-reflected among legislators and those engaged in the creation and communication of performance plans.

Table of Contents

Acknowledgements

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 observer 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*

Note

Throughout the report, all quotations (if not cited) indicate a direct quote from an interviewee or the text of the revised SMART Government Act, House Bill 13-1299.

Suggested Citation

Background

> **Enacted in 2010 and extensively revised in 2013, Colorado's SMART Government Act includes requirements for state departments to create publicly-available annual strategic (performance) plans and present them to the General Assembly; for the Office of State Planning and Budgeting to designate and instruct departments on the components of a state performance management system, including the adoption of a process improvement methodology; and for the Office of the State Auditor to conduct regular performance audits. One objective of the Act is to increase formal exposure to department budgets and performance for legislators not serving on the Joint Budget Committee.**

In 2010, the Colorado General Assembly altered the state's budget process with House Bill 10-1119, known colloquially as the SMART Government Act or the SMART Act.

With the passage of this bill, the budgeting framework moved towards a performance-based system intended to link funding to the measurable results it delivers.

In Colorado, the legislative budget process largely falls to the Joint Budget Committee (JBC), a group of six legislators and associated staff that are "statutorily charged with analyzing the management, operations, programs, and fiscal needs of the departments of state government."[1] With a system that concentrates legislative budget authority into the hands of so few through the JBC, the SMART Government Act increased the formal exposure of other legislators to department budgets and performance through the availability of strategic plans and the new hearing process.

The formal name for the bill is the State Measurements for Accountable, Responsive, and Transparent Government Act. What made the legislation "SMART," aside from the acronym, were a series of requirements for state departments to create publicly-available annual strategic plans, commonly referred to as "performance plans." Somewhat facetiously, a sponsor of the legislation admits that, "When we passed the SMART Act, we needed an acronym, and we thought SMART was really good, and we didn't know what the hell would be the actual words."

> What made the legislation "SMART," aside from the acronym, were a series of requirements for state departments to create publicly-available annual strategic plans, commonly referred to as "performance plans."

Details of the 2010 SMART Government Act

The 2010 SMART Government Act required state departments to develop annual strategic plans that include a mission statement, related goals, performance metrics capturing progress toward goal achievement, explicit strategies to reach the goals, and evaluations of department performance. In addition to writing the plans and making them available on the state's website, departments present the plans to their respective legislative joint committees of reference in SMART Government Act hearings where public testimony is welcomed.

As required by the original 2010 SMART Act, the committees of reference were required to assign two liaisons (members of the committees) to each department to bridge discussions about performance plans

between the committee members and department leaders. The JBC, in its prominent budgetary role, was also required to assign one of its legislative members to each department as a liaison and point of contact for the committees of reference. After the presentation of plans at the joint committee hearings, the committee was required to submit recommendations related to the performance plan to the departments although no funds were attached to adoption of these recommendations.

The 2010 legislation also required the Office of the State Auditor to complete two or more performance audits each year, including an examination of performance measures and reporting quality, and present the findings to the associated committees of reference.[2] The JBC was also obligated, under the law, to hold a joint hearing with committees of reference and consider any budget recommendations they made based on the SMART Government Act hearings. From our interviews and review of hearings, it appears that such recommendations from joint committees of reference to the JBC were uncommon under the original law.

Impetus for the 2010 SMART Act

Where did the SMART Government Act come from? According to our interviews with state leaders (see Appendix A: Data Sources & Methodology), there were three main drivers of the legislation. First, the Great Recession of 2008 highlighted the limited data available to the legislature to inform difficult budget decisions:

> *We had cut, in one year, a billion dollars of general fund. And what we were very clear about was there were no good choices. We made the least-worst choices possible. But as we were making those choices, we didn't have data. We didn't know what was working, what wasn't working. And, so, could we get to a place where the information we had about departments was much more robust data, data-driven, and tied to specific goals? So that you could then say, 'Yes, this program is not working that well. So when we're going to have to cut a billion dollars, while we might like it, it's just not worth the money compared to these other three programs that are actually doing better.' And so, that was one of the selling points of it, you know, it gives us better information to be able to make decisions when we have to make budget cuts.*

Second, the legislation intended to provide committees of reference a more active role in department planning in order to become better acquainted with the activities of the state.

Third, engagement around department performance plans was intended to strengthen the oversight role of the General Assembly. According to one interviewee instrumental in the legislation, "The legislature was not doing its job as an oversight body, it was much more of a bill machine, and we had to change that." The hearings increased exposure of the legislature to "what's actually going on in government" and awareness around budget allocations.

IMPETUS FOR THE 2010 SMART GOVERNMENT ACT

1 • Need for more data available to the legislature to inform difficult budget decisions

2 • Need for committees of reference to play a more active role in department planning in order to become better acquainted with the activities of the state

3 • Need to strengthen the oversight role of the General Assembly
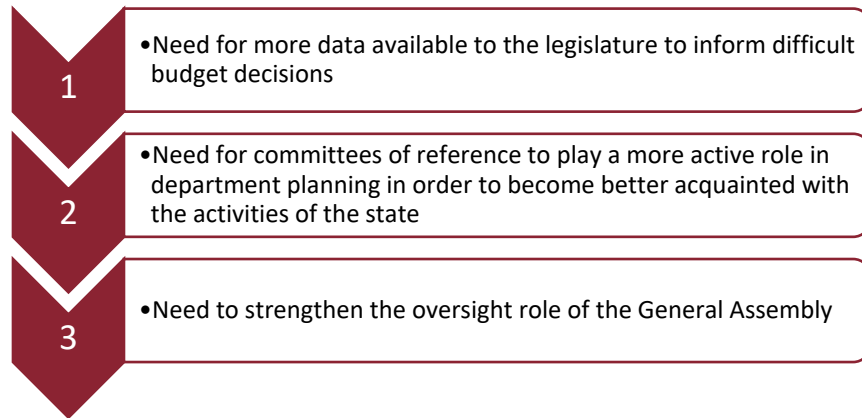
Some of the ideas embedded in the law paralleled those experienced by key stakeholders in previous government experiences. Efforts to link performance to budget decision making have a long history but became especially prominent in the federal government with the enactment of the Government Performance and Results Act of 1993 (GPRA). The GPRA ushered in formal strategic planning and performance reporting for federal agencies and was followed by the President's Management Agenda implemented by George W. Bush and adoption of the Program Assessment Rating Tool (PART). A state employee reflected on the origins of the legislation, noting:

> *When the SMART Act was first developed, some of the legislators involved had kind of a federal lens; they were looking to create a state GPRA.*

A sponsor of the legislation believed that such legislative performance management is easier to accomplish at the state, rather than federal, level:

> *I do think it's easier at the state level because you just don't have the same politics, and it's a smaller legislature. It's 100 people, not 535 people, and you're in much closer proximity to everything that's happening.*

Revising the SMART Government Act in 2013

There were difficulties in implementing the SMART Government Act as detailed in a 2012 performance audit conducted by the Office of the State Auditor. The audit found that: more than half of the strategic plans failed to include the required components stipulated in statute; plans were not all available online by the established deadline; a quarter of the plans' performance measures failed to be understandable to the public; unrealistic (either too ambitious or not ambitious enough) performance measures were common; some departments lacked employee engagement when establishing the performance measures; and nearly 10% of the requested Fiscal Year (FY) 2013 budget line items failed to be captured by any performance measures utilized in the departments' plans.[3]

Although not directly tied to the audit findings, the SMART Government Act received a major overhaul during the first term of the Hickenlooper administration. In 2013, the original SMART Government Act was repealed and an updated version was enacted (House Bill 13-1299).[4] The ideas behind the original

legislation were generally liked by the executive branch leaders we interviewed, but some believed the Act did not achieve its intention. The goals of the rewrite, according to individuals involved in the effort, were to "make a performance metric system that works, that actually operationally, matters on the ground." An individual involved in the revision deemed the original law "too prescriptive" and incapable of adjusting to the varied levels of performance management and process improvement already occurring across the state's departments. The revisions tried:

> *…to make it [the SMART Act] less prescriptive, to make it a little bit more focused on the customer, more focused on the day-to-day operations, less focused on outcomes, and make it something that a department, no matter where they were in their maturity, could rally around and embrace and try to use to their advantage.*

At the time, the deputy director of the Office of State Planning and Budgeting (OSPB) described the goals of the updated legislation as simplicity and flexibility. The timing of the SMART Government Act hearings shifted from early in the legislative session to the November and December intersession with the intent of "setting the table" for the new session starting each January. The hearings were required to include discussion of the department's performance plan, budget request and legislative agenda, and regulatory agenda.[5] The joint committees of reference would continue to assign two members as liaisons to the departments around performance plans, but other committee and JBC responsibilities (like providing recommendations to the department and feedback on budget requests) were removed.

The revised 2013 SMART Government Act requires:

- OSPB to instruct departments on the components of a state performance management system.

- The adoption of a process improvement methodology as part of the performance management system ("based in Lean government principles or another widely accepted business process improvement system").

- Employees to be trained to implement the performance management system.

- Quarterly and annual reviews of the department performance plans conducted by OSPB and published online.

The new requirements for departmental plans and hearings took effect in July 2014, so Colorado's state government has had five years of experience under the revised SMART Government Act framework as of the writing of this report.

The following sections describe the experiences of state leaders and department and office employees with the Act, including their perceptions of the value and usefulness of the law (particularly performance plans and the law's role in institutionalizing performance management), hearings, the linkage between performance and budget, experiences of entities not subject to OSPB oversight, the audit function under the law, and employee engagement survey results related to the Act.

Perceptions of the Revised 2013 SMART Act

> Interviews with state leaders and staff detailed (1) the overall value or usefulness of specific components of the law; (2) the role of the required annual legislative hearings; and (3) the connection between the law and budget process. The Act is considered valuable for advancing performance management and process improvement in state government both in the Hickenlooper administration and beyond, but not without some significant limitations. These limitations are most prominent in the role of the SMART Government Act hearings and use of performance information in the budget process.

We interviewed state leaders and staff engaged in a wide range of SMART Government Act activities. Responses from interviewees related to the Act naturally grouped into three primary and related topics, including: (1) the overall value or usefulness of specific components of the law; (2) the role of the required annual legislative hearings; and (3) the connection between the law and budget process. We supplement the interviews with a number of secondary data sources (see Appendix A: Data Sources & Methodology).

(1) Value and Usefulness

Before detailing the perceptions of those working on a daily basis with the requirements and activities of the SMART Government Act, we note that interviews with key individuals engaged in the revision of the original law believe it is a significant achievement for advancing performance management and process improvement.

On the other hand, some interviewees specifically saw the law's requirements as unnecessary for the many departments already operating robust performance management operations, and the requirements risk being nothing more than another box to check in reporting. Other interviewees mentioned that legislators periodically question whether the SMART Government Act is achieving its stated objectives, which we also observed in listening to legislative hearings.

Overall, interviews with state leaders and staff frequently pointed to a data-driven focus on goals, outcomes, and results as a primary underlying principle of the state's performance efforts. Some saw a natural parallel between the Hickenlooper administration's embrace of *The 4 Disciplines of Execution (4DX)*,[6] and the focus on wildly important goals, or WIGs, as aligned with the performance planning required under the SMART Act. Goal setting became more common across state government during this time period.

In Hickenlooper's first term, quarterly and annual reviews of the performance plans were conducted by the executive team with regular meetings between department executive directors and the Chief of Staff, and later, with the Chief Operating Officer, to discuss progress and challenges. Those interviewed believed the review meetings provided necessary structure and support for holding departments accountable for progress toward performance plan goals.
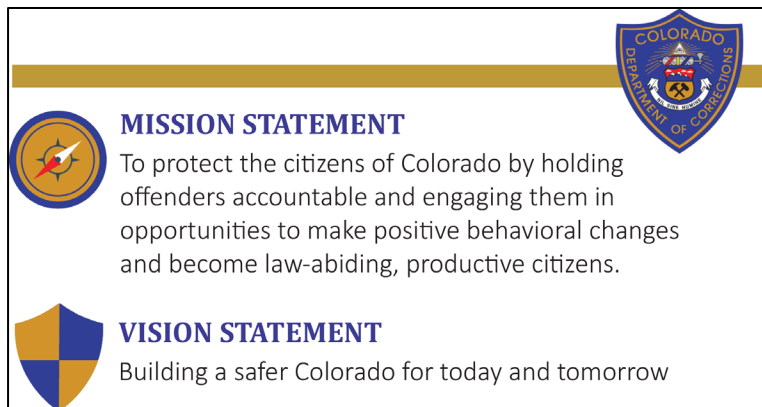
The Value of Performance Plans

Interviewees value the required goal setting and associated metrics embedded in the law through performance planning. Performance plans are annual strategic plans, available to the public online, that include a mission statement, related goals, performance metrics capturing progress toward goal

achievement, explicit strategies to reach the goals, and evaluations of department performance. OSPB provides performance planning guidelines to agencies based on the law that can include additional requirements from the governor. For example, for FY 2019 the Hickenlooper administration targeted having 100% of departments establish an ambitious customer service goal as part of their Executive Director goals and performance plans.[7]

Some interviewees suggested that completing and sharing performance plans with the governor's office improved the quality of the plans over time in part due to the feedback and critiques received from the governor's office. Others pointed to an underappreciated fact that the performance plans made important information available to both the legislature, through the hearings and submission of plans, and the public via posting online. Some staff pointed to the internal departmental benefits of the performance planning process from having to articulate what is important to a department and its employees each year.

Below, we use a variety of recent examples to highlight the main components of performance plans that are required by the 2013 SMART Government Act. First, performance plans begin with mission and vision statements, as all goals derive from a department's overall purpose (see Figure 1).

Figure 1: Colorado Department of Corrections' Mission and Vision Statements, 2017-2018

MISSION STATEMENT
To protect the citizens of Colorado by holding offenders accountable and engaging them in opportunities to make positive behavioral changes and become law-abiding, productive citizens.

VISION STATEMENT
Building a safer Colorado for today and tomorrow

Source: Colorado Department of Corrections. *Performance Plan 2017-2018*: p. 1.

Following the mission and vision statements are strategic policy initiatives, a small number of key priorities on which a department is focused. The Colorado Department of Human Services (CDHS), for example, presents the following five strategic policy initiatives across its broad portfolio of activities for FY 2018-2019:

1. Expand community living options for all people served by the Department;

2. Ensure child safety through improved prevention, access, and permanency;

3. Achieve economic security for more Coloradans through employment and education;

4. Improve kindergarten readiness through quality early care and learning options for all Coloradans; and

5. Return youth committed to the Division of Youth Services to the community better prepared to succeed through education received while in the custody of the Department.[8]

Each strategic policy initiative has a number of strategies for improvement and associated metrics to gauge progress. Figure 2 details how CDHS links a strategy of timely processing of expedited food assistance to support the priority of expanding community living options.

Figure 2: Colorado Department of Human Services Performance Plan Strategy Example, 2018-2019

SPI 1: To expand community living options for all people served by the Department

Office of Economic Security

Food and Energy Assistance Division

Timely Processing of Expedited Food Assistance Applications

Strategy: Timely processing of expedited food assistance applications ensures that eligible Coloradans have access, as soon as possible, to needed financial assistance for food, ultimately, reducing the likelihood of Coloradans going hungry.

Source: Colorado Department of Human Services. *2018-19 Performance Plan*: p. 31.

Progress made toward achieving strategic policy initiatives is captured by associated metrics with one- and three-year target goals (only three-year targets are required by the law). The metrics are, ideally, outcome measures, but output measures are still common (i.e., "outputs" produce results, which are called "outcomes"). Outcomes represent the change in conditions resulting from the associated activities. For the Colorado Department of Natural Resources, one of their four strategic policy initiatives focused on implementing the state's water plan through the Colorado Water Conservation Board, as seen in Figure 3. Specifically, the associated metrics are indicators of water storage and conservation. A baseline value is provided from 2017 in order to assess future changes in the measures. Target values, in acre feet of water, are provided for the one- and three-year timeframes.

Figure 3: Colorado Department of Natural Resources Performance Plan Measures Example, 2018-2019

DNR Strategic Policy Initiative #3

Implement Colorado's Water Plan through increasing water storage and water conservation

Div	Measure	Desired Trend	Baseline FY	Baseline Number	Target FY	Target Number	FY	Number
CWCB	# acre-feet created which has state financial support (based on % of completion) (E&E Dashboard)	⇧	2017	17,000 acre feet	2019	22,000 acre feet	2021	27,000 acre feet
CWCB	# of acre-feet conserved as reported through approved conservation plans and the 1051 database (E&E Dashboard)	⇧	2017	48,000 acre feet conserved	2019	50,000 acre feet conserved	2021	54,000 acre feet conserved

Source: Colorado Department of Natural Resources. (November 2018). *FY 2018-19 Performance Plan*: p. 8.

The measures included in performance plans are updated with actual values in periodic performance evaluations. During the Hickenlooper administration, quarterly and annual performance evaluations were posted online. The evaluations allow interested stakeholders to review progress made toward department strategic policy initiatives.

For example, the Colorado Department of Revenue's FY 2018 Annual Performance Evaluation, released in October 2018, presents actual and goal values for the operational measures associated with strategic policy initiatives. As seen in Figure 4, the priority initiative of customer service is monitored through a variety of measures including those focused on driver license wait times and e-filed sales and individual income tax returns, among other indicators. The performance evaluation shows that FY 2018 wait times for driver licenses fell short of the one-year goal and lagged the FY 2017 performance. On the other hand, the share of e-filed sales tax returns increased from the previous year and exceeded the department's one-year goal. Progress made with increasing e-filed individual income tax returns is difficult to judge based on the reported quarterly information.

Figure 4: Colorado Department of Revenue Annual Performance Evaluation, FY2018

Customer Service Process – Serve walk-in customers with in-person transactions using Wait-Less technology									
Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
Reduce wait times for Driver License customers from the baseline of an average of 60 minutes 65% of the time established in FY14 to an average of 15 minutes 70% of the time in FY18.	N/A	54.10%	73.00%	63.20%	66.10%	68.20%	69.30%	70.00%	80.00%
Process – Provide online options for taxpayers to file their income and sales tax returns									
Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
Increase e-filed sales tax returns as a percentage of total sales tax returns filed from the baseline of 13% in FY10 to 80% in FY18.	48.00%	77.30%	82.00%	85.20%	85.50%	86.00%	87.70%	80.00%	84.00%
Increase e-filed individual income tax returns as a percentage of total individual income tax returns filed from the baseline of 64% in FY10 to 85% in FY18.	80.40%	84.07%	84.70%	76.70%	76.31%	88.80%	85.30%	85.00%	86.00%

Source: Colorado Department of Revenue. *FY2018 Annual Performance Evaluation* (October 2018).

For a small sample of departments, we reviewed four continuous years of performance plans and looked at the quality of the plans, particularly around measurement. The plans and included information are undoubtedly useful for understanding a department's operations and priorities. Assessing the quality of plans over time is complicated by a number of factors. In many cases, strategic policy initiatives change over time, as does the number and composition of metrics and the timely availability of the needed data. For each change in initiatives and measures, the benefits of having longitudinal performance data for assessment are reduced. There is also no reporting mechanism, even in the annual performance evaluation, which clearly communicates goal achievement for a department.

The logic behind the establishment of target goals, both the initial and revised targets, is also frequently unclear. Why are some targets set at levels lower than the baseline, for example, or why did a target not increase further once initially achieved? For some departments, a metric is reasonably dropped once the performance target is achieved. Performance plans must be flexible to adjust to changing priorities of the time or a new executive director, as well as changes in data availability that provide opportunity for new and improved metrics. At the same time, departments must balance flexibility and the evolution of performance plans with the need for consistent and complete performance data over time that can be used for strategic purposes.

The Value of the Act in Supporting the Continuity of Performance Management and Process Improvement

The interviews suggest that a fairly wide range of outcomes are valued by those who work under the SMART Act's requirements. At the highest level, individuals value the foundational role of the Act in creating a lasting framework for performance management in the state. Multiple respondents argued that it drives the state's performance management work through the performance plans and culture created by the required activities. For example, one department official noted:

> *It forces every agency to have a performance plan, and I don't know if that would happen without the SMART Act.*

> As law, the SMART Government Act institutionalizes a minimum level of activity while establishing a foundation for more advanced performance management.

Others commented on the importance of the state having a law mandating a performance management system. As law, the SMART Government Act institutionalizes a minimum level of activity while establishing a foundation for more advanced performance management. An interviewee in the lieutenant governor's office stated that "having legislation was a really big deal. Because that provides sustainability and people have to do it…and that really allowed us in the second term to go way to the next level."

Others perceived the high-level guidelines and flexibility provided by the law to be a significant strength of the law. The idea that the SMART Government Act serves as a common link between administrations' performance activities surfaced repeatedly. For example, one interviewee commented:

> *I'm assuming it'll get rebranded...but, underneath it is a system, a way of teaching people, and a philosophy that's harder to just scrap, especially since a big chunk of this is in Colorado statute.*

The Value of Audits

As detailed above, the SMART Government Act includes requirements for the Office of the State Auditor to conduct annual performance audits of one or more specific programs or services in at least two departments and present the findings to the relevant joint committee of reference. Among the selection criteria for the audits is consideration of the impact of the audited programs or services on a department's performance-based goals. The Office of the State Auditor also considers most of its performance audits to fulfill the SMART Government Act requirements.

The statutory requirement to present the performance audit findings to the joint committees of reference is usually fulfilled by presenting immediately prior to departments' SMART Government Act hearings. This highly visible approach prefaces a department's discussion of their performance with a review of both performance audit results under the SMART Government Act and any other outstanding audit findings (whether financial, performance, or information technology). This setup allows departments to come in after that and talk about what they're doing to address any of the recommendations and provides a venue for legislators to raise questions of the department about the audit findings. More recently, the Office of the State Auditor added a section to their testimony including possible next steps for legislators in response to the typical questions received at the audit hearings.

The Value of the Act for Departments and Offices Not Subject to OSPB Oversight

The oversight role of OSPB under the SMART Government Act is focused on the executive branch departments without elected leaders (16 departments), which excludes the Departments of Law, State, and Treasury, among others. The 2012 performance audit of the original SMART Government Act highlighted that a number of the remaining departments and offices not under the purview of the governor should "ensure that their strategic plans comply with the SMART Government Act and either follow OSPB's written guidance or establish their own policies and procedures for developing strategic plans."[9] This criticism appears to hold for the revised 2013 Act as well. Our interviews and review of a small sample of hearings reinforced this point that support may be needed to make the SMART Government Act meaningful for these departments and offices potentially lacking the resources and capacity to independently complete performance planning.

(2) Hearings

Once a year, department leadership presents their performance plans to the department's respective legislative joint committees of reference during the SMART Government Act hearings. For example, to fulfill the SMART Government Act hearing requirement, the Department of Health Care Policy and Financing (HCPF) annually briefs the Joint Senate Health and Human Services, House Health, Insurance, and Environment, and House Public Health Care and Human Services Committee on HCPF's performance plan.

The hearings are best described by the words of a department employee as "a double-edged sword." The potential educative benefits of the hearings for both departments and legislators were frequently acknowledged. When asked if the hearings are useful, one response from a department employee was:

> *A thousand percent, yes, because it gives us an opportunity to remind our legislators that we have a plan…we have a captive audience of people who will be influencing policy for the entire session…it actually helps us have intel on what to expect going into the session.*

However, departmental staff say the rewards of the hearings come with real costs associated with preparing the presentations. Even for some who appreciate the hearings, the timing is considered suboptimal:

> *I think it's fantastic [the hearings]; it's a great opportunity. It just needs to come sooner.*

The timing of the SMART Government Act hearings has been challenging for two reasons. First, the hearings with committees of reference, under the revised 2013 law, occur between November 1st and the start of the legislative session in early January. Attendance by legislators prior to the session is often problematic. Second, the timing, according to some interviewees, fails to align well with informing the state's budget process. With regards to the first concern, we listened to a small sample of SMART Government Act hearings held prior to the session and observed legislator attendance ranging from 35% to 62.5% based on the initial roll call. At one hearing, a state senator explicitly expressed concerns over the timing of the hearings and associated attendance:
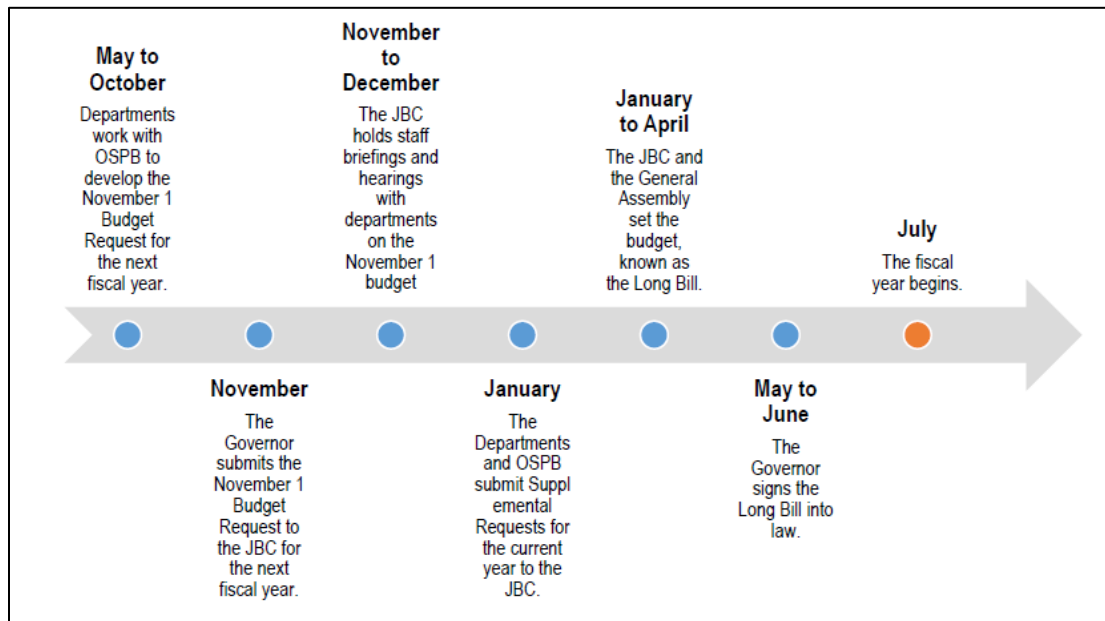
> *Hopefully we can all work together at adjusting our SMART Act hearings because these presentations and time, it takes a lot for the people that are coming to present this very important information, but it's not the best timing with people being out of town and not even being in the right committees yet…not being elected. So I hope that we can work on addressing this issue. And I just want to thank everyone in the room who's put so much time and effort into these presentations, and I apologize that not all of us will be able to hear them.[10]*

> The timing of the SMART Government Act hearings has been challenging… Attendance by legislators prior to the session is often problematic…the timing, according to some interviewees, fails to align well with informing the state's budget process.

From a budget perspective, the SMART Act hearings are held in November and December so that they can follow the submission of the governor's budget request to the JBC (including departments' new funding requests) and parallel the JBC's own budget hearing activity (see Colorado's budget process, in Figure 5). This means that some SMART Government Act hearings take place after the JBC's own budget hearings with departments.

Figure 5: Colorado Annual Budget Process

May to October

Departments work with OSPB to develop the November 1 Budget Request for the next fiscal year.

November

The Governor submits the November 1 Budget Request to the JBC for the next fiscal year.

November to December

The JBC holds staff briefings and hearings with departments on the November 1 budget

January

The Departments and OSPB submit Supplemental Requests for the current year to the JBC.

January to April

The JBC and the General Assembly set the budget, known as the Long Bill.

May to June

The Governor signs the Long Bill into law.

July

The fiscal year begins.

Source: Colorado Office of State Planning and Budgeting. (May 2018). *Budget Instructions*: p. 1.

Clearly, the lack of attendance at SMART Government Act hearings is troubling, but maybe unsurprising given the intersession scheduling. In the most recent session, the scheduling for the hearings shifted forward to the first two weeks of the legislative session with passage of Senate Bill 19-252 (as was previously the practice with the original law). This saves the state money by lessening the associated per diem and expense reimbursements and will likely increase attendance, although the SMART Government Act hearings will now be competing with the hectic schedule accompanying the start of a new session. The hearings will also fall later in the budget cycle, following the JBC's budget briefings and hearings.

The enthusiasm for the hearings is tempered by some responses questioning the value of the hearings and support for them from legislators. Interviewees commonly expressed that "legislators have a ton on their plate," which makes it difficult for them to focus on departmental performance plans:

> *Legislators really want to know all this information, and we go to great lengths to prepare it and present it and we don't get a lot of engagement from them. And that's sort of the nature of the beast.*

One individual's experience with the hearings included having very few questions asked by legislators, limited dialogue with legislators, limited interest, and no perceived increase in accountability. Another response highlights the nuanced relationships between the legislature and departments, where legislators sometimes think they have more control over activities than they actually do under state law. A somewhat common refrain is that legislators grandstand at times on "pet issues" during the hearings, especially in election years. Less frequently mentioned is that the hearings can be contentious. These challenges are the other side of the "double-edged sword":

> *It's kind of a double-edged sword. So, it serves to educate some of the folks on what a department is doing, what are some of the problems, here are our key goals that we have and some of the*

issues being faced. But of course, if somebody has an agenda, or is being lobbied by a constituent or an outside group, I can see them bringing up that stuff.

We listened to a small number of recent SMART Government Act hearings to supplement the information gathered from our interviews. Some closely follow the expected content and include a discussion of the Performance Plan (mission, clearly-identified priorities, metrics and review of progress related to metrics, and changes in metrics), Budget (current, new funding requests, legislative agenda, and link between budget and performance), and Regulatory Agenda. Others were less comprehensive and did not address key areas expected for the hearings. Meaningful discussion occurred around performance measures, but inconsistently depending on the hearing (e.g., a department executive director explained that they retire strategic goals if the goals are achieved and additional improvement is not within the department's control).

Other discussions during the observed SMART Government Act hearings focused on resources needed to improve performance (e.g., questions related to the need for additional staff to meet metrics) and the need for legislation and resources around emerging policy issues. Public comments are allowed and encouraged in hearings according to the legislation, but our limited review suggested that such engagement is uncommon. Overall, the quality and utility of hearings are uneven, but exemplars suggest the hearings can be effective for both departments and legislators.

(3) Connecting Performance and Budget

Perceptions about how well the SMART Government Act links performance to the budgeting process appear to differ based on an individual's role in state government. Within OSPB, some key individuals expressed optimism that the law resulted in "budgets that have initiatives tied back to the strategic plan" and "that had never happened before" in Colorado. Budget and performance are undoubtedly topics addressed in most SMART Government Act hearings.

> Perceptions about how well the SMART Government Act links performance to the budgeting process appear to differ based on an individual's role in state government.

Some interviewees discussed their experiences with specific linkages between the administration's SMART Government Act-mandated performance management system and budget. This included a discussion of two requirements for new funding requests: (1) the requirement for new funding requests to be connected to the department's performance plan and (2) the requirement to detail how process improvement has been used to address the budget need. In the Hickenlooper administration, the performance management system was overseen by OSPB.

Indeed, the FY 2019-2020 Executive Branch Budget Instructions from OSPB highlight two linkages between the SMART Government Act and requests for new funding. The first connection is that for proposed new funding requests:

> OSPB strongly recommends that departments optimize efficiency in areas of need through formal process improvement efforts prior to submitting requests for new funding. OSPB will prioritize approval of funding requests to support programs that have already undertaken a formal process-improvement event and can still demonstrate a need for additional resources.[11]

In other words, ideally process improvement efforts should be exhausted before throwing new money at a problem. The second link between OSPB's budget process and the law is a focus on expected outcomes and customers, as well as required information as to how the proposed solution and anticipated outcomes link to the department's Performance Plan and measurable goal(s). See Figure 6 for evidence of the link to performance plans in the one-page funding request form from OSPB.

Although separate from the SMART Government Act, the budget process also asks if the new funding request links to a Vision 2018/Governor's Dashboard goal.[12] The budget instructions do not explain the relative importance of responses to these questions, so it is unclear whether the links to the plans meaningfully influence which new requests are ultimately recommended for funding.

In testimony to the JBC in late 2017, then OSPB director Henry Sobanet explicitly described the fairly recent connection between the SMART Government Act and information provided to the legislature during the budget process:

> So, for the second year in a row, the book that we bring you every November, in each department section every decision item [new funding request] ties back to a strategic policy initiative, which is one of the requirements of the SMART Act…We all know that such huge parts of the budget are either constitutional mandates or federal mandate related to it, but when we ask for new money we can point to what we are trying to accomplish in the world with the money. So, this is year two of this and, if it's serving you, this is something future OSPB's can continue to do for you. If it's not, or if there needs to be a different connection, that's why this hearing today is important to know if how we're reacting to it is serving you. I know that the time you have with the budget document is small, but this was our way of at least connecting SMART Act to the budget.[13]

Figure 6: OSPB Funding Request One-Page Form (link to performance plans is under Proposed Solutions)

COLORADO

Department of _____

Paste your department triangle logo here

Priority: R-X
Title of Request
FY 20XX-XX [Suppl/Change/BA] Request

Cost and FTE

- *One bullet detailing the cost of the solution with a brief context, including a short summary of the request, fund source, FTE level and percentage increase over the current base. Please do not simply state the amount and FTE. Also note if the request funding is one-time or ongoing.*

Current Program

- *At least one bullet to describe the program and its broad responsibilities, including the program's customers/who the recipient is of the service or product.*
- What is the service and how is it delivered in terms of workload, inputs and outputs?

Problem or Opportunity

- *At least one bullet point to describe the problem or opportunity. If possible, this information needs to be quantified. This information should build on the information provided in the previous box.*
- How did the issue become a problem?
- How is the problem impacting the workload, inputs, outputs and service delivery?
- What prior measures has the Department attempted or implemented to fix the problem?

Consequences of Problem

- *At least one bullet point on the consequences if the problem is not fixed. Where applicable, the information should be quantified and should build on the description in the previous section.*
- Does the problem jeopardize the Department's goals for its customers?
- Will the problem lead to a degradation of service, or prevent an expansion of service?

Proposed Solution

- *At least one bullet point describing the proposed solution. The solution should briefly describe how the funds will be spent/how FTE will be utilized and how the process will be improved.*
- If the solution is a new program/service, or an expansion of an existing program/service, summarize and cite the relevant research demonstrating its effectiveness. Include a plan, timeline and budget to evaluate it.
- How will it affect workload, inputs and outputs? How does it tie to the Department's performance plan and Vision 2018 goals? How are outcomes measured and how will we know if it's successful?
- How will the solution affect service delivery? Who benefits from the solution?
- Does the solution require a statutory change?

Source: Colorado Office of State Planning and Budgeting. (May 2018). *Budget Instructions*: p. 85.

To reiterate, the linkage to performance plans covers only new spending requests. While a new budget request must be linked to a priority area as articulated in the performance plan, it is unclear the extent to which the department's progress (or not) toward their goals in that priority area influence funding decisions by OSPB and the General Assembly. Performance plans and metrics are not considered for decisions about ongoing spending, which includes the base budget (existing) and "incremental adjustments to the base budget that do not require a decision item [new spending request] justification."[14]

Other interviewees expressed that no one has really figured out how to successfully tie budget decision making and performance together, especially given the focus of the SMART Government Act hearings with committees of reference rather than the JBC budget process. Some interviewees suggested that performance budgeting, as well as evidence-based budgeting, is less feasible at the state level than at the program level. The department performance plans themselves have a purposefully small number of goals, which may not align with a department's actual budget request according to one interviewee. Departments sometimes need "side plans" to capture additional performance planning around key budget areas:

> We have so little room in the confines of this SMART Act performance plan that, you know, the reality is that our decision items [new funding requests], our budget request, don't always tie to one of those key areas that we have identified.

Despite these concerns, the Office of the State Auditor found that 89% of the requested FY 2013 budget line items and 71% of key programs were captured by performance measures in departments' plans.[15] A number of interviews surfaced a different sentiment that the SMART Government Act does not actually focus on budget, with one interviewee mentioning:

> I never thought of the SMART Act as a budget thing.

The central role of the JBC in the budget process means that their relationship with the Act is critical to the law serving a performance budgeting function. The JBC staff include links to department performance plans in their Budget Briefings, but the performance plans and SMART Government Act hearings do not appear to be influential or integrated into the JBC budget deliberations. The law requires that "as part of its regular deliberations, the Joint Budget Committee shall consider the performance plans…and the performance evaluations." Based on that review, the JBC may "prioritize departments' requests for new funding that are expressly intended to enhance productivity, improve efficiency, reduce costs, and eliminate waste in the processes and operations that deliver goods and services to taxpayers and customers of state government."[16] JBC staff reportedly do not currently attend the SMART Government Act hearings.

> "I never thought of the SMART Act as a budget thing."
>
> **- Interviewee**

Members of the JBC expressed some frustration with the SMART Government Act in a December 2017 hearing with Lieutenant Governor Donna Lynne to discuss the law and performance measures.[17] Specifically, they were concerned that the law is failing to achieve the anticipated linkage between performance and budget allocations and has not significantly increased the exposure to and role in the budget process for non-JBC legislators through the SMART hearings. For example, Senator Bob Rankin commented on the difficulty linking performance measures to budget allocations for the JBC and its staff:

> The other aspect of that, though, is the JBC staff and us, the committee, and how we relate to these performance measures, because you know it's not clear when looking at the [Governor's] Dashboard how you get the actual measurement, what are you measuring, and then how does that translate to the thousands of little spending pockets that we have and that's frustrating our own staff, in that we can't relate our work back to what you are doing very well.

Senator Kent Lambert spoke to the genesis of the SMART Government Act and captured other important criticisms. First, he noted that the removal of the feedback role from the committees of reference to the JBC when the law was revised in 2013 essentially removed those participating in the SMART Government Act hearings from sharing what they learned and influencing the budget:

> *I'm probably the only one who was here at the time we actually passed the SMART Act in 2010. And I was rather in favor of this because performance-based budgeting was the original idea. And for the first couple years, I think the budget committee was more involved with the departments getting into the SMART Act hearings, now we don't even schedule them, we don't have time to go to the SMART Act hearings.*

Second, Senator Lambert discussed that process improvement activities integrated into the revised law are not the same as performance budgeting:

> *I think within the Lean processes and so forth, Mr. Sobanet's office [OSPB] is looking at some of these things and looking at process improvement in a lot of areas, but that is not performance-based budgeting. And I've been rather disappointed that we're not really ingraining those performance elements back in an improvement process within the budget. And maybe it's indirect, maybe it's through OSPB and then the next year those processes are more considered over a year-long cycle, but it hasn't really, and this is a legislative problem, it really hasn't included our legislators, the other 94 legislators, to the extent that I had hoped it would do when we originally got the SMART Act out. Because it was a replacement for zero-base budgeting was one of the factors of it to more performance-based budgeting and I'm not sure if we've really done that very well.*

Other JBC members added that the SMART Government Act hearings are not adequately, or consistently, linking strategic priorities to budget requests or serving to involve the members of the joint committees of reference. According to Representative Adrienne Benavidez:

> *I'm on three committees of reference and have at least three SMART Act hearings and there's not been a relationship to goals…I was surprised when you [the OSPB director] said those were provided with respect to budget requests…which are not gone into much in depth at the SMART Act hearings…I'm not sure the hearings themselves follow what the lieutenant governor's presentation said.*

Overall, the budgeting process within OSPB provides a limited link between the performance plans and new requests for funding. Performance information, in the form of plans or goal achievement, does not appear to influence ongoing spending, which is set in an incremental fashion. The link between new budget requests and strategic priorities are shared with the JBC. It is less clear whether process improvement experiences of departments are always communicated to the JBC alongside new funding requests.

Some JBC members express frustration with the persistent lack of connection between performance information and budget decision making. The joint committees of reference have no formal feedback mechanism to the JBC regarding budget recommendations under the revised act, although liaisons are still assigned to departments from both the JBC and committees of reference. The law has introduced

performance elements into budgeting but is not representative of a performance-budgeting system where performance information is guiding allocation decisions for the bulk of the budget.

Employee Engagement Survey Responses

Employee engagement surveys conducted during the Hickenlooper administration provide a broader perspective on whether the goals of the SMART Government Act are reflected across state government. The survey results show a lack of progress in some areas like feeling encouraged to come up with new and better ways of doing things, modest progress in others including immediate supervisors addressing performance problems, and concerning declines in some activities including improving customer service.

State employee engagement surveys conducted during the Hickenlooper administration covered topics closely related to the SMART Government Act's legislative declarations.[18] The survey data provide a broad picture, based on an average 17,680 respondents in each wave, of progress based on employee perceptions since the law was implemented and revised. The law's legislative declarations focus on accountability, customer service, improvements in services and efficiency, process improvement, performance evaluation, auditing, and flexible use of resources in service delivery.

For clarity, we first discuss those questions with favorable responses among greater than 60% of respondents in 2017, as illustrated in Figure 7. Related to the SMART Government Act's declaration that "government be accountable," more than 80% of state employees agree they are held accountable for achieving results but the percentage has remained flat since 2011. Having "employees focus on taxpayer and customer service, underpinned by the constant goal of achieving operational excellence," a declaration of the Act, is captured in responses to a series of questions around work processes and performance. Over 60% of employees favorably responded to statements that, at the work group level, processes and systems are in place to provide consistent customer or public service, immediate supervisors address performance problems, and effective processes enable employees to get their jobs done well. Whether these favorability numbers are high enough is an important question, but the latter two of these questions experienced improved employee responses of three percentage points since 2011.

Figure 7: Share of Favorable Survey Responses by Employee Survey Year (above 60% in 2017)
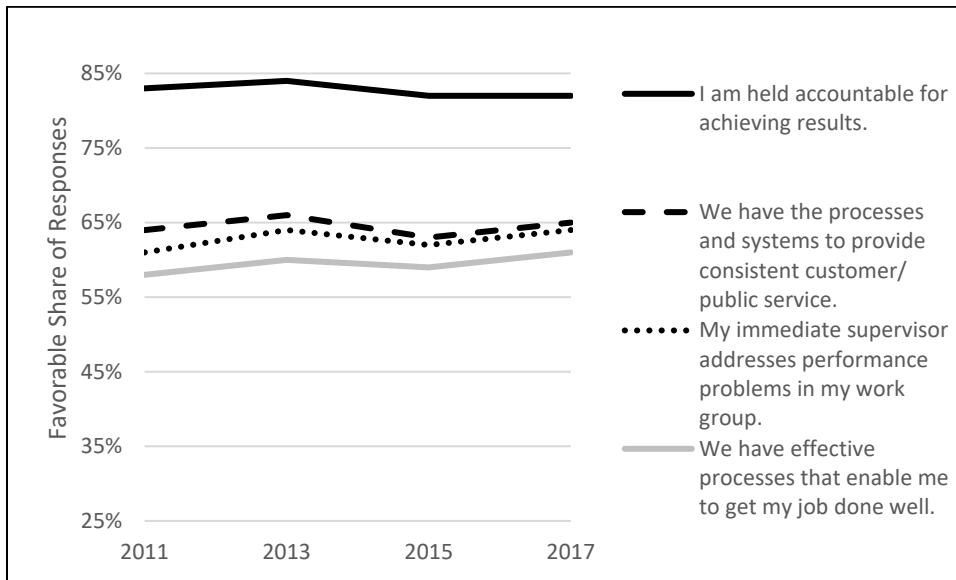
Next, we examine select survey questions where the favorable share of responses from employees ranged from 50% to 60% of responses (see Figure 8). Since 2011, there was a three percentage point improvement in employees responding favorably to having "the resources and equipment I need to do my job well." The positive trend is notable, given the SMART Government Act's focus on giving departments "flexibility to use their resources," but the overall level of favorability remains under 60% of employees. Although 60% of employees respond favorably to feeling encouraged to come up with new and better ways of doing things, the share has not grown over time alongside implementation of the SMART Government Act and its focus on continuous process improvement. Responses to two questions focused on improving customer service experienced steep declines in favorability, which runs counter to the law's focus on supporting "improvements in services rendered."

Figure 8: Share of Favorable Survey Responses by Employee Survey Year (50% to 60% in 2017)
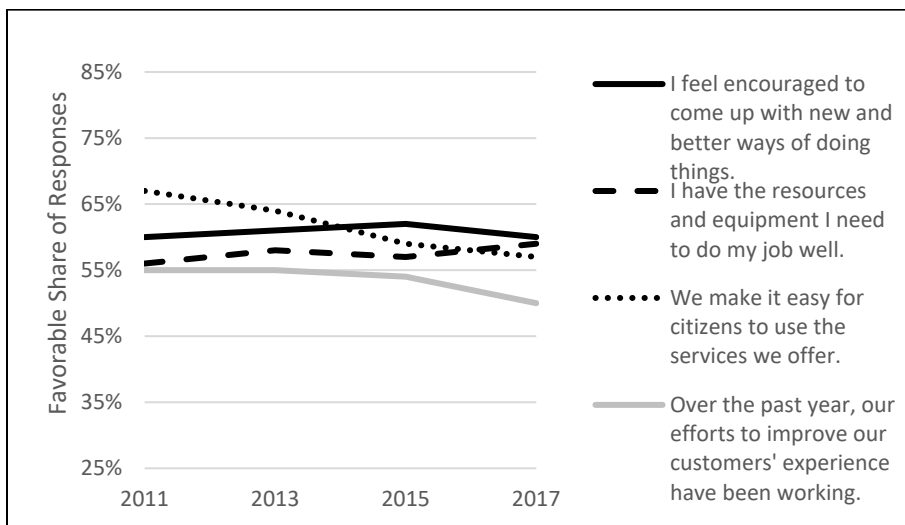
Figure 9 presents responses to relevant survey questions where the share of favorable employee responses in 2017 fell below 50%. In general, these responses paint a picture of an organization where employees are not empowered to promote change, efficiency of operations is not improving, support for Lean projects and project activity have plummeted, and capacity is lacking to enact promising ideas. These areas offer plenty of potential for improvement.

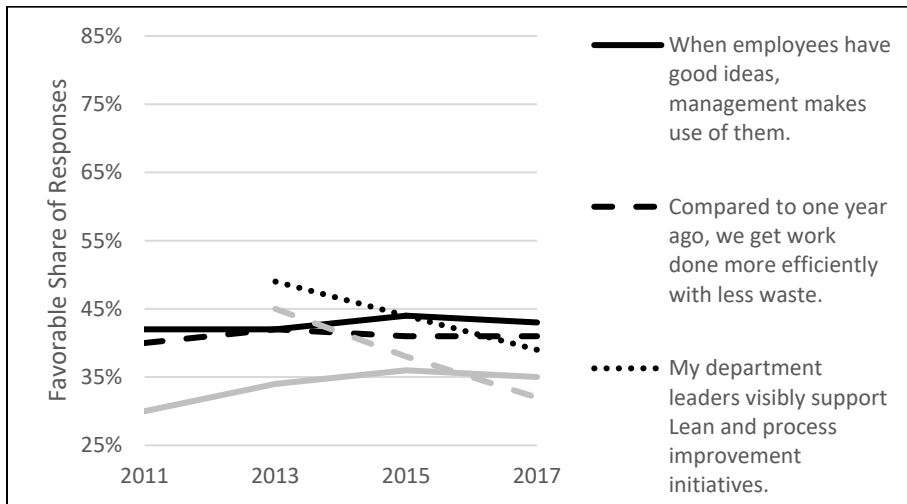Figure 9: Share of Favorable Survey Responses by Employee Survey Year (below 50% in 2017)

Table 1 in Appendix B includes all of the discussed survey questions and the share of employee responses that were favorable for each survey year. The low baseline levels of favorability and lack of improvement across the questions covering topics fundamental to the SMART Government Act are troubling and puzzling given the complementary performance initiatives accompanying the law.

Our interviews shed light on discrepancies between the intentions of the Act and its realities in practice, which may essentially trickle-down to the results of the employee engagement surveys. Both leaders and implementers interviewed for this report had clear feedback about the weaknesses of the Act even as they generally viewed it as a positive step forward for institutionalizing performance management and process improvement initiatives in Colorado. As noted in Report Two, three additional factors may also be at work. First, the individuals selected through purposeful sampling for the implementer interviews may have been more closely aligned with the optimism of leaders due to the interviewees' positions as upper-level managers, rather than front-line employees. Second, positive systems-level changes in policy and practice may not be visible to the front-line staff responding to the employee engagement surveys. Lastly, those with particularly strong feelings in either direction (optimistic or pessimistic) may have been more likely to respond to the employee engagement surveys.

Conclusions

Our interviews suggest that the SMART Government Act and the associated hearings are important for institutionalizing the state's performance management and process improvement efforts and guaranteeing face-to-face dialogue between departments and the legislature. However, the optimism of some leaders that the Act serves as a robust performance budgeting system is not reflected by some legislators or others engaged in the creation and communication of performance plans to the legislature.

The Act increases the availability of departmental performance information itself but does not explicitly support the comprehensive use of performance information in the legislative budget process. Changes to the timing of hearings away from the pre-session period should increase legislative participation and visibility, but more critical is determining whether the committees of reference should have a more meaningful role in the budget process through the Act. The general enthusiasm for integrating performance management into government decision making, including budgeting, remains, but practitioners and legislators continue to struggle with how to meaningfully use performance information to inform policy change and resource allocation. Widespread performance-based budgeting is uncommon because it is difficult to accomplish given the resource and service demands on state government, so these issues are unsurprising. Some interviewees suggested that performance budgeting, as well as evidence-based budgeting, is less feasible at the state level than at the program level.

> There is some irony that the SMART Government Act has not been evaluated, either by performance audit or external evaluation, since it was revised in 2013

Although OSPB provides quarterly and annual evaluations of department performance plans, these publicly-available documents generally focus on updating metrics toward department goals rather than an assessment of meaningful progress or the quality of the goals, targets, and measures themselves. There is some irony that the SMART Government Act has not been evaluated, either by performance audit or external evaluation, since it was revised in 2013. An additional, thorough review of SMART Government Act activity, including more interviews with key stakeholders in the legislature, may be warranted to determine if the law is functioning as anticipated as our interviews focused largely on the executive branch.

In the near term, both the executive and legislative branches can instill a sense of importance to hearings and provide flexible, but clear, guidance on how to structure presentations to stay focused on performance and the required elements of the hearings. The SMART Government Act's explicit inclusion of a process improvement methodology and associated training as part of the state's performance management system is innovative but suggests the need for effectively communicating the connection between process improvement projects and performance plan goals.

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 (OSPB), 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.

Officials from the lieutenant governor's office also assisted in identifying an initial list of 51 individuals representing staff involved in implementing Colorado's performance initiatives from a variety of state departments and offices.

Specifically, most individuals played one or more of the following roles: Lean Champion, Performance Planning Lead, or Subject Matter Expert. They were contacted via email with an initial interview request and a follow-up request if needed. We ultimately conducted interviews with 24 state employees representing 14 agencies and offices, including representatives from the Office of the State Auditor and Joint Budget Committee staff, using an interview protocol of eight open-ended questions:

1. What is/was your role related to performance improvement initiatives?

2. How did these state-level efforts translate to your specific work?

3. What were the successes from your perspective?

4. What were the challenges?

5. Were there attempts to institutionalize efforts across administrations?

6. Are these performance-related activities well known and understood throughout the department?

7. What advice and best practices for others undertaking performance improvement initiatives do you have?

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

The team recorded and transcribed the interviews, which averaged 39 minutes in length.

Following best practices for 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.

We did not specifically ask each interviewee about the SMART Government Act, but noted when it was mentioned, in what context, and representative quotations.

Employee Engagement Surveys

The Hickenlooper administration instituted a biennial employee engagement survey beginning in 2011.

All employee engagement survey results come from the following sources: OrgVitality, LLC. (October 2011 & February 2014). *Results Report Employee Engagement Survey: Report for Overall State of Colorado* (001); The Gelfond Group. (November 2015). *Employee Engagement Survey Briefing Report: Report for*

Total State of Colorado; PwC. (n.d.). *2017 State of Colorado Employee Engagement Survey: Executive Results Report.*

Survey respondents averaged 17,680 in each wave. Responses totaled 20,466 for the 2011 survey; 16,061 for the 2013 survey; 16,902 for the 2015 survey; and 17,291 for the 2017 survey. Reported survey response rates were 48% in 2015 and 63% in 2017 (response rates for 2011 and 2013 were unavailable). The scale used for survey responses includes the following categories: 'Strongly Favorable', 'Favorable', 'Neutral', 'Unfavorable', and 'Strongly Unfavorable.' Reporting combines the 'Strongly Favorable' and 'Favorable' responses to represent 'Favorable' responses. The percentage shares reported in the aggregated survey results are rounded to whole percentage points, so the calculated differences presented in this report are approximate amounts.

Other Secondary Sources

The interview content informs our discussion of the SMART Government Act, but we also use a number of secondary data sources, including:

- SMART Government Act hearings (audio files)
- Joint Budget Committee hearings (audio files)
- Annual department performance plans

Appendix B: Share of Favorable Responses by Employee Survey Year

Table 1: Share of Favorable Responses by Employee Survey Year

Survey Question	2011	2013	2015	2017	Change since 2011 in Percentage Points
I am held accountable for achieving results.	83%	84%	82%	82%	-1
In my work group, we have the processes and systems to provide consistent customer or public service.	64%	66%	63%	65%	-1
My immediate supervisor addresses performance problems in my work group.	61%	64%	62%	64%	+3
In my work group, we have effective processes that enable me to get my job done well.	58%	60%	59%	61%	+3
I feel encouraged to come up with new and better ways of doing things.	60%	61%	62%	60%	-
I have the resources and equipment I need to do my job well.	56%	58%	57%	59%	+3
In my department/campus, we make it easy for citizens to use the services we offer (e.g., customer-friendly policies, procedures).	67%	64%	59%	57%	-10
Over the past year, our efforts to improve our customers' experience have been working.	55%	55%	54%	50%	-5
When employees have good ideas, management makes use of them.	42%	42%	44%	43%	+1
Compared to one year ago, in my work group, we get work done more efficiently, with less waste of money or other resources.	40%	42%	41%	41%	+1
My department/higher education institution leaders visibly support Lean and process improvement initiatives.	-	49%	44%	39%	-10
In my work group, we have the capacity (people, time, resources) to act on promising new/innovative ideas.	30%	34%	36%	35%	+5
My department/work unit is currently working on a Lean (Process Improvement) Project.	-	45%	38%	32%	-13

Note: The percentages reflect the average share of employees who responded to the underlying questions with 'Strongly Favorable' or 'Favorable' responses. The percentage shares reported in the aggregated survey results are rounded to whole percentage points, so the calculated differences are approximate amounts. Survey respondents

averaged 17,680 in each wave. Reported survey response rates were 48% in 2015 and 63% in 2017 (response rates for 2011 and 2013 were unavailable). Questions are ordered by share of favorable responses in the 2017 survey. All survey data come from the following sources: OrgVitality, LLC. (October 2011 & February 2014). *Results Report Employee Engagement Survey: Report for Overall State of Colorado* (001); The Gelfond Group. (November 2015). *Employee Engagement Survey Briefing Report: Report for Total State of Colorado*; PwC. (n.d.). *2017 State of Colorado Employee Engagement Survey: Executive Results Report*.

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