

GOVERNMENT REFORM

Less Is More: Progressive Approaches to Governmental Accountability

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Progressive, public leaders can demonstrate executive excellence by aggressively implementing better, smarter ways to deliver services, and by using innovative regulatory approaches focused on compliance.

Progressives need to be the most responsible with public resources, ensuring that the best possible results are achieved for every public dollar spent.

One alternative is to find savings by identifying and implementing better and smarter ways to deliver services. By focusing on government through a practical rather than an ideological lens, many state and local leaders are finding creative ways to identify performance improvements that save money or bring in additional non-tax revenues from the federal government.

Such “performance reviews”, which systematically identify ways to save money and move government in the right direction, originated in Texas under Democratic Gov. Ann Richards and State Comptroller John Sharp. Sharp undertook the first review with a staff specifically dedicated to questioning the premises of every agency and program in Texas. The effort produced 1,000 recommendations and resulted in \$4 billion in savings in its first budget. Since then, the Texas Performance Review has been institutionalized, and has produced total savings of \$13 billion during the last decade. These savings have ranged from lowering electricity costs by unscrewing the light bulbs in the display panels of soda machines (a suggestion that came in on a citizen telephone hotline) to the elimination of an entire state constitutional office.

This methodology was brought to Washington under President Clinton and Vice President Gore in the form of the National Performance Review, which produced 385 recommendations saving \$108 billion its first year. In 2003, New Mexico Gov. Bill Richardson initiated a top-to-bottom performance review of state programs; all agencies are now expected to report their performance on an annual basis, and 15 have been singled out for quarterly reporting. The Review produced recommendations to save New Mexico taxpayers over \$100 million per year. Similar results were recently achieved in West Virginia by Gov. Joe Manchin’s Performance Review; agency heads were required to sign “contracts” to implement the savings already incorporated into the state budget.

What sort of recommendations come out of a performance review initiative? The New Mexico effort produced proposals that ranged from combining the state's several different mining commissions and workforce programs, to requiring state copiers to use double-sided printing as the default setting. The state reduced internal costs by standardizing state employment applications. And the allotment of state-provided postage stamps to

prisoners was reduced when it was found that 60 percent of mail going through the prison mailrooms was not directed to family members at home but to gang members at other state prison facilities. In West Virginia, one recommendation received widespread media attention because it so simply summed up what a performance review does: The state will be saving \$5 million each winter from now on by properly calibrating the salt-spreading machines on its snow ploughs so that unnecessary salt does not continue to be dumped on the highways.

Another approach is “reinventing regulation” – lightening governmental “drag” on the economy (and political opposition to government oversight) and making public regulatory resources go further by refocusing on achieving compliance rather than enforcement. This school of thought grew out of academic work originally undertaken by Malcolm Sparrow, a British police officer turned Kennedy School professor; Sparrow took the insights of community policing and realized that they could be applied to a good deal of government enforcement activities.

Developments in several states – and even more so in Canada, Britain, and Australia – have documented that governments can achieve higher levels of desired public goods not simply by increasing the force and enforcement of government sanctions, but rather by expanding the government’s focus on attainment of the law’s ultimate objective - *compliance with* and not *enforcement of* the standards in question in areas including workplace safety, labor standards, and environmental quality (not to mention reduction of prostitution).

State governments do not have unlimited resources to monitor and prosecute offenders – and a free society could not function if the government treated everyone as a potential offender: We do not put police on every corner and keep every citizen under 24-hour surveillance; we cannot and should not try to do that with government regulation of business. Enforcement resources need to be concentrated on the worst offenders, and marginal offenders need to be brought into compliance through use of both sticks *and* carrots (at least, in the form of education and guidance). That would get the most bang for the taxpayers’ bucks in terms of actual results – and would free most conscientious and law-abiding businesses from unnecessary regulatory “drag,” even allowing rewards and recognition for model performers. But the flip side of this is that lessening regulatory oversight and enforcement only truly works if there is a “fist in the velvet glove” to impose pain for non-compliance. In sum, a lightened regulatory burden and cooperative approach to good actors in the business community can achieve better results more efficiently *if* accompanied by a targeting of enforcement and punishment on the worst actors and a concerted use of resources to get offenders into compliance.

“Reinventing Regulation” and “Beyond Compliance” initiatives have included California’s successful refocusing of enforcement efforts on the worst abusers of illegal aliens when the enforcement budget fell in relative terms by about two-thirds; Wisconsin’s program (modeled on the Netherlands’ approach) of environmental recognition and reduced oversight for employers who made specific commitments to exceed legal requirements; and Washington state’s program that produced lower workers

comp rates by identifying the biggest source of the state's workplace injuries as tree branches causing eye damage to apple-pickers – and working with employers to provide low-cost goggles.

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