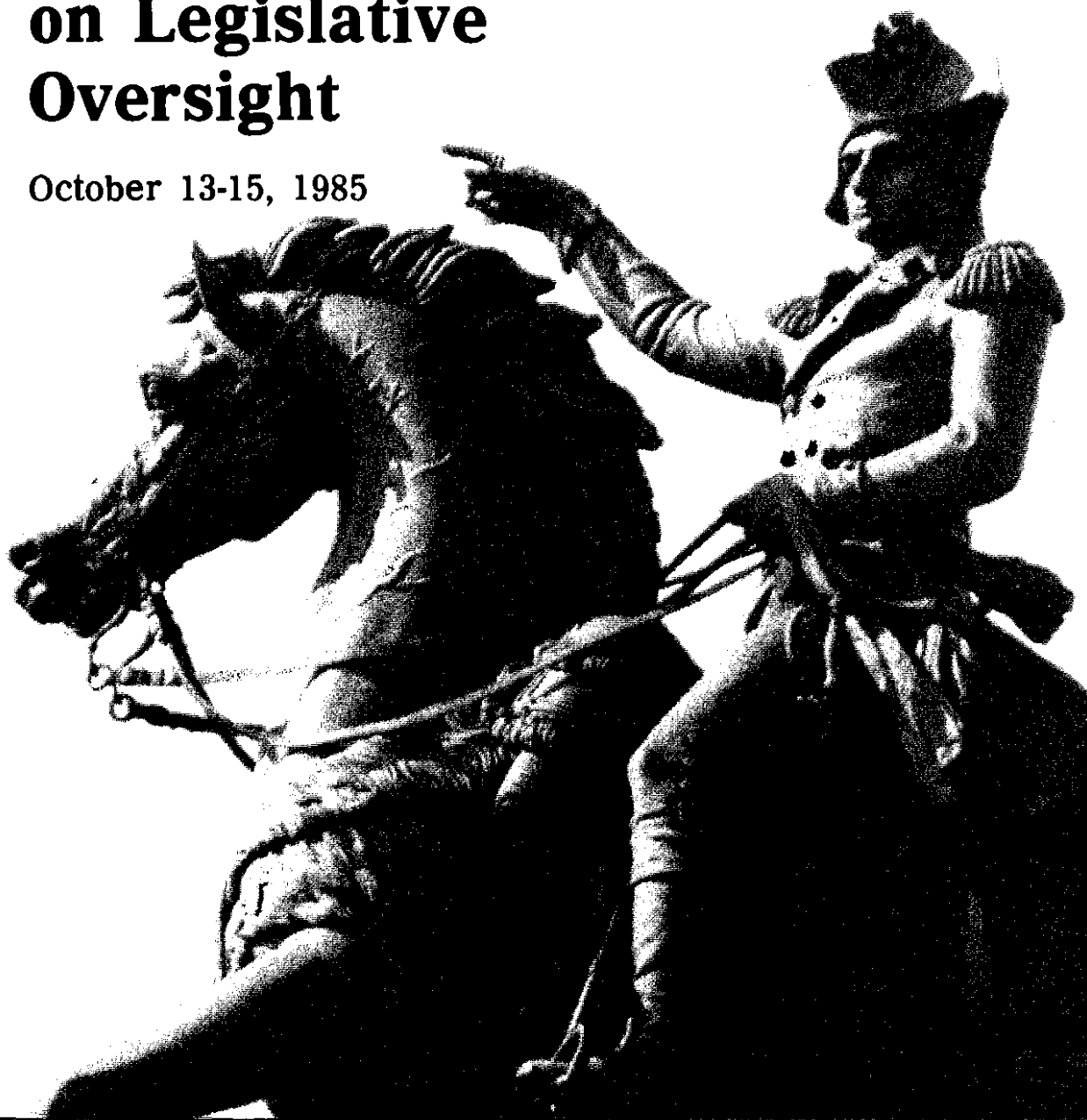


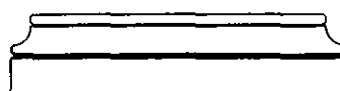
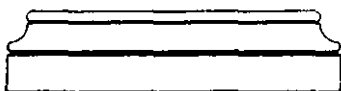
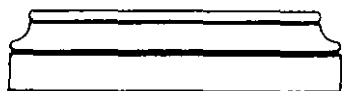


Proceedings of the
**Conference
on Legislative
Oversight**

October 13-15, 1985



**The Joint Legislative
Audit and Review Commission
of the Virginia General Assembly**



The Honorable Members
of the Virginia General Assembly
State Capitol
Richmond, Virginia

June 1, 1986

My Dear Colleagues:

When the Legislative Program Review and Evaluation Act was designed and enacted in 1978, its creators felt strongly that the Act itself should be subject to review after an appropriate period. A provision of the Act stipulated that "in 1985 a Conference on Legislative Oversight will be held by the Joint Legislative Audit and Review Commission to assess and evaluate the accomplishments of this act."



To comply with this requirement, JLARC sponsored the Conference in October 1985. The event was co-hosted by Speaker of the House A. L. Philpott, Delegate L. Cleaves Manning, and myself. The Conference provided a useful forum for surveying the last seven years of JLARC's work, placing that work in the larger context of legislative oversight across the country, and proposing improvements to the Evaluation Act based on actual experience with it in the legislature.

Subsequent to the Conference, a number of significant changes occurred. The legislature approved most of the changes to the Evaluation Act that grew out of the Conference. JLARC's staff director of 12 years, Ray D. Pethtel, accepted the Governor's appointment as Virginia's new Commissioner of Highways and Transportation. The former Deputy Director, Philip A. Leone, was appointed to the directorship and confirmed by the 1986 Session of the General Assembly. Two new members, Delegate Alson H. Smith, Jr., and Delegate William T. Wilson, were appointed to the Commission. I was elected Chairman and Delegate Theodore V. Morrison was elected Vice-Chairman for the biennium.

The publication of these Conference proceedings, which was also required under the Evaluation Act, is an opportunity for me to thank those who have contributed so much to the success of legislative oversight in the Commonwealth. My thanks go to all my legislative colleagues who sponsored and participated in the conference, served on the Commission and its many subcommittees over the years, and supported JLARC's work on the floor of the House and Senate. And to my predecessor as Chairman, Cleaves Manning, I know I speak for the entire Commission when I express our gratitude for his leadership and commitment.

Respectfully,

Edward E. Willey

Edward E. Willey
Chairman
JLARC

Members of the Joint Legislative Audit and Review Commission

Chairman

Senator Edward E. Willey

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Delegate Ford C. Quillen

Delegate Alson H. Smith, Jr.

Delegate William T. Wilson

Mr. Walter S. Kucharski, Auditor of Public Accounts

Preface

On October 13-15, 1985, the Joint Legislative Audit and Review Commission (JLARC) held a Conference on Legislative Oversight at the Hotel John Marshall in Richmond. The Conference was required under provisions of Chapter 388 of the 1978 Acts of Assembly, which established the Legislative Program Review and Evaluation Act. Speaker A. L. Philpott, Senator Edward E. Willey, and Delegate L. Cleaves Manning co-hosted the event.

In addition to members of the General Assembly and the staff of JLARC, legislators and oversight staff from around the country were invited to the Conference. More than 125 persons, representing 32 states and Canada, took part in the forum. Panelists and speakers discussed a number of important issues and trends in legislative oversight. The third day was devoted to a regional meeting of the Legislative Program Evaluation Section of the National Conference of State Legislatures.

Thus, the purpose of the conference was two-fold. First, it provided interested members of the General Assembly with an opportunity to examine the accomplishments of the Evaluation Act, as intended by provisions of the Act itself. Second, it provided a international forum for addressing oversight issues and sharing insights.

This document serves as the proceedings of the Oversight Conference. As such, it provides a broad range of information that should appeal to the wide spectrum of participants in legislative oversight: oversight commission members, other legislators, management and research staff working for oversight groups, and others in the private and academic sectors who are interested in this aspect of government.

It should be noted that the panel discussions and invited remarks that comprised much of the Conference varied not only in content, but also in format. Some of the presentations included in these proceedings are formal papers; others are transcripts of informal remarks.

The specific Conference recommendations regarding Virginia's Evaluation Act are found in the section entitled "Directions for Oversight in Virginia." A more detailed discussion of these recommendations was presented in an earlier publication, JLARC's *1985 Report to the General Assembly*. The amended form of the Act which was passed by the 1986 General Assembly is included as an appendix to the proceedings, along with the complete agenda of the Conference.

Finally, I would like to express my sincere appreciation to all of the speakers and panel members for contributing to the success of the JLARC Conference on Legislative Oversight.



Philip A. Leone
Director

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Dr. Alan Rosenthal

Eagleton Institute of Politics
Rutgers University



As a student of state legislatures, I have watched legislative oversight take root in representative assemblies throughout the nation. Nowhere has it taken firmer, healthier root than here in Virginia.

For me this "Conference on Legislative Oversight" is a celebration of JLARC's achievements. The function of performance auditing, program evaluation, or program review -- it's called different things in different places -- is the major form of legislative oversight. It has been institutionalized in Virginia. By "institutionalized," I do not mean that those who engage in the enterprise are like inmates in a mental home! I mean rather that

oversight has become a regular and vital part of the legislative process.

The Development of Oversight

The struggle has not been an easy one, for legislatures do not take naturally to oversight.

Legislators delight in the business of lawmaking. They like sponsoring bills, pushing them through, and claiming credit if they are enacted. They take to all this like ducks take to water.

Legislators also have little trouble with their job of servicing constituents. They appreciate the benefits from communicating to folks in the district, helping them with their problems, holding their hands, and intervening when they run afoul of the state's impersonal bureaucratic apparatus.

At least a number of legislators are also attracted to budget review and appropriations, another major legislative function. In this arena there is the lure of real power, in having a say on how the state's resources are allocated among competing needs and demands -- and also among districts.

Not many legislators, however, make themselves available for the arduous tasks

of reviewing agency performance and program effects or are willing to adopt the tough and critical posture required by oversight. Few people want to confront others and tell them that they should be doing a better job or that what they're about is not really working.

My involvement with Virginia goes back a ways. I was invited to visit when JLARC was only a glimmer in the eye of the General Assembly. In 1972 a special committee had been appointed to look into the possibility of an oversight process, and within a year JLARC was established.

It was not the first such agency in the country. Similar operations had already been started in Hawaii, New York, and Connecticut. But in the 12 years since its establishment, JLARC has become the foremost; today it stands as a model for the rest of the nation. This is not to say that other states have not made progress of their own; they have. Performance auditing and program evaluation agencies are now operating in about two-thirds of the states. They are hard at work, and their efforts make a considerable difference to the conduct of state government. I doubt, however that any other enterprise has been as effective and as successful as JLARC.

Why is this so? What accounts for JLARC's success? The credit belongs to JLARC's staff, the General Assembly, and to the Commonwealth itself.

Permit me to comment on the factors or conditions that promote legislative oversight and to assess the extent to which these factors or conditions are found in Virginia. I'll mention only those I consider to be the most significant ones, leaving a number -- and particularly those associated with the conduct of performance audits and program evaluations -- to legislators and staff on other conference panels.

The Political Environment

The first factor has to do with the political environment. Certain environments are more conducive to legislative oversight than others.

A tradition, an ethos of fiscal responsibility -- or fiscal conservatism -- in the legislature helps. Such a tradition in part accounts for the effectiveness of JLARC in Virginia. It is important in Colorado, too. The lack of such a tradition, I suspect, makes it more difficult, although not impossible, for the folks who want to do oversight in Minnesota and New York.

The balance of power between the legislative and executive branches also counts. A strong, independent legislature, such as Colorado's or Florida's, makes for a more effective enterprise. A more submissive legislature, such as Connecticut's has tended to be over the years, makes it difficult to follow through on criticism of administrative performance -- especially if the Governor is unhappy with such criticism. Here, too, Virginia measures up. Its legislature is an independent one, and has been at least for the last decade or so, if not in more distant history.

Partisan control of state government can also make a difference. There is more incentive, in competitive party states in particular, for the legislature to be critical of the executive branch when control of government is divided. Indeed, the establishment of a number of legislative audit or evaluation agencies occurred when one party had the office of governor and the other party had the legislature. This is what happened in Connecticut, Florida, Kentucky, and Virginia. But does this mean that JLARC has been more diligent in pursuit of agencies under Republican Governors Mills Godwin and John Dalton than of agencies under Democratic Governor Charles Robb? I doubt it. Partisan politics doesn't influence legislative oversight in Virginia, and JLARC is tough -- but fair -- regardless of the Governor's party.

Leadership Commitment

The second major factor is the commitment to the oversight enterprise of the legislature's leadership.

Legislative leaders are under extraordinary pressure today. The priorities

of most of them do not include oversight. That is because leaders are up to their ears in politics, trying to win or hold onto legislative majorities. They are naturally involved in policy, and they are forced to deal with the pressing matters of management and administration. There is more on their menu than they can possibly swallow, and much more than they could ever digest. No wonder that many leaders have little time for oversight!

But leaders do not need to devote an inordinate amount of time to oversight. What's required is their concern and support, on a continuing basis. They must signal to members that oversight is a significant function of the legislature and an important responsibility of legislators.

Leaders can do this first by encouraging able and respected members to serve on the oversight committee or commission, and then by appointing the best people and not the ones who are left over when the major committees are filled. Leaders can do this also by serving on the committee or commission themselves, and not only by serving but by actually participating. In some states leaders serve, but only nominally; they rarely attend meetings and send staff surrogates in their place.

In some states the commitment of legislative leadership is questionable. Mississippi's Speaker of the House has never been comfortable with the Committee on Performance Evaluation and Expenditure Review. New York's leaders have been involved in so much that they had little left over for oversight. Connecticut's leaders, who were heavily engaged at the outset, lately have lost interest, I am sorry to say.

In other states, like Virginia, several leaders not only serve but they truly lead the committee or commission, as have Senator Edward E. Willey, the President Pro Tem, Senator Hunter B. Andrews, the Majority Leader, and Delegate Richard M. Bagley, the Chairman of the House Appropriations Committee. Other Virginia leaders, especially Speakers John W. Cooke, and A.L. Philpott, not only have been

supportive of the enterprise but have also called on JLARC for particular studies. The leadership of the Virginia General Assembly is committed today, and it has been committed from the very beginning.

Committee Membership

The third major factor is the oversight committee or commission itself. This factor may be the most critical of all.

A number of standing committees will make use of oversight studies, and executive agencies will take heed of oversight recommendations, but there should be a principal and immediate client. That client, of course, is the committee or commission of legislators that directs the oversight staff. JLARC is such a body.

The composition and structure of the committee or commission can vary. There is no one way to skin a cat. The only requirement is that the body have reputation and prestige in the legislature -- that is, some clout. Colorado's Legislative Audit Committee has it. Connecticut's Program Review and Investigations Committee used to have it, but has it no longer. JLARC has as much clout as anyone might wish, with the President Pro Tem and Majority Leader of the Senate, the Chairman of House Appropriations, and other influential legislators as members.

The continuity of membership makes a tremendous difference. I was impressed several years ago while attending a JLARC meeting. Members, in reviewing a report presented to them by staff, recalled related studies and events that had occurred years before. They remembered. They had memories as individuals and, thus, the Commission had a collective memory.

During a period when turnover in legislatures and on committees has been rather high, JLARC has been extraordinary as far as continuity is concerned. Since its establishment in 1973 only 17 members have filled the 11 legislator positions on the Commission. If I'm not mistaken, Senator Willey and Delegates Cleaves Manning, Ford Quillen, Lacey Putney, and Ted Morrison have been members since the very

beginning. Senator Andrews and Delegate Bagley came on shortly thereafter. What a difference continuity makes, particularly when the members are committed and talented to begin with!

Leadership by the chairman also counts, and counts heavily on committees and commissions across the country. Usually the chairmanship rotates -- the senate holds it one year, the house the next; the majority has it for a session, and then the minority may take over. The chairmanship rotates in Virginia so that five individuals have guided JLARC since its creation. They have given the commission excellent leadership. There is no legislature, in my opinion, where leadership and membership of the oversight group have been as impressive over an extended period of time as in Virginia. Leaders and members deserve much of the credit for JLARC's achievements.

Professional Staff

The fourth major factor is professional staff. I must say that the staffing of legislative performance auditing and program evaluation agencies is outstanding throughout the states. Wherever I go -- Mississippi in the South, Colorado in the West, Kansas, Minnesota and Wisconsin in the Midwest, and Connecticut in the East -- I am impressed by the quality of the professional staff.

In this admirable field, the staff of JLARC is second to none. A former student at the Eagleton Institute of Politics at Rutgers University, where I teach, serves on the staff of JLARC. I would not have permitted her to work there, if I didn't believe the operation was a good one. Indeed, I'd rather she were unemployed than working for a shop that did not rank at the very top. We simply could not afford that type of embarrassment at Eagleton!

One reason JLARC's staff is so good is that the leadership given it by the Director, Ray Pethel, and the Deputy Director, Phil Leone, has been remarkably skillful. These talented administrators know how to operate as evaluation experts in a highly

political environment. They know how to respond to the legislature's needs without sacrificing their professional integrity. They know where to go and where not to go, and just how far to go. Pethel and Leone are by no means the only such staff leaders in this business, but they are among the very best.

What Virginia Demonstrates

When it comes to legislative oversight -- that is, performance auditing and program evaluation -- Virginia stands as a model for all the states. JLARC is probably in a class by itself. It is blessed.

JLARC is blessed because it operates in a political environment that is conducive to legislative oversight. It is blessed because the General Assembly's leadership has been so supportive from the very beginning. It is blessed because its members care, continue, and contribute mightily to the enterprise. It is blessed because its staff is absolutely first-rate.

Not every legislature is in as enviable a position. Nor can every state emulate the structure and process that exist in Virginia. It cannot be done by imitation. Nor need it be. Other states have unique cultures, peculiar strengths, and their own ways of doing things.

Virginia demonstrates not the particular way legislative oversight should be done (for there is not one way). Virginia demonstrates that it can be done. It can be done, and it is being done. And it is by no means rare that it is well done -- not only here in Virginia but in other states as well. Virginia is a model, but there are also other models.

Legislative oversight will have its ups and its downs, but it will not go away. It will keep on making a difference to the effectiveness of programs and performance in the states. Right now it is alive and kicking, as Virginia so wonderfully demonstrates.



In reviewing the status of sunset in the states and the effectiveness of Virginia's Program Review and Evaluation Act, I will cover three major topics:

- a review of the states that have adopted sunset and their experiences with it,
- a comparison of the Program Review and Evaluation Act with the sunset processes used by other states, and
- observations about the effectiveness of sunset nationwide and the success of Virginia's Program Review and Evaluation Act.

Rich Jones

Program Director
Legislative Management
National Conference
of State Legislatures



Current Status of Sunset In the States

When considering the current status of sunset, it is important to place it in its historical context. We need to briefly review the political climate existing when it was adopted and the ills it was intended to cure. Such an historical vantage point provides us with a better understanding of sunset's evolution.

When sunset was first proposed in the mid 1970s, the nation was recovering from the Watergate scandal. There was a great deal of cynicism about government, politics, and politicians. Many of the reforms adopted after Watergate involved making government more accessible and accountable to the average citizen. This was the age of disclosure. Candidates had to disclose the amounts and sources of campaign contributions. Sunshine laws opened meetings of government officials to public view. And, open records laws allowed the public to see previously secret government files.

In addition to the concern about the propriety of government operations, this period saw the beginnings of what was to become a tax revolt. People objected to the growth in the size and cost of state government and supported mechanisms for reducing government's growth.

A third factor that shaped sunset's adoption was the continuing renaissance of state legislatures that began in the mid-1960s. By the mid-1970s, legislatures had added staff, reformed their procedures, and exerted greater control over state budgets. During this period, the first legislative program evaluation units were formed.

These factors combined to make sunset an extremely popular concept. Sunset was viewed as another mechanism to open state government to public scrutiny. It provided the means to eliminate state agencies if they did not measure up, thus saving tax dollars and reducing the size of state government. Sunset was also seen as the latest in a series of reforms that would further strengthen the legislatures' policy-making role. Sunset was also a very simple concept to explain, making it easy to understand by the general public.

Sunset's popularity is clearly evident from the number of states that enacted sunset provisions and the speed with which it swept the nation. In 1976, 22 states adopted sunset. The pace slowed after 1977, with 11 states embracing it between 1978 and 1981. In addition to the states which adopted comprehensive sunset review programs, several states added termination clauses to specific legislation.

Sunset has traveled a path marked by continuous adaptation and change since its inception in 1976. Several states that enacted sunset have abandoned the process. North Carolina repealed sunset in 1981, and Arkansas, Connecticut, Illinois, Mississippi, Montana, and Nebraska have discontinued sunset. Pilot sunset projects in Nevada and South Dakota were not reauthorized after 1979.

In addition, since 1980, all but five of the states that had sunset have changed

their laws. The most frequent changes involved the timing of the review cycle, reducing the number of agencies reviewed, and the types of agencies reviewed. These changes will be discussed in more detail in a comparison of Virginia's Program Review and Evaluation Act, but essentially these changes were made to reduce the workload and to make sunset more cost effective.

In summary, sunset in some form was adopted by 36 states, with at least nine states having either repealed or discontinued their sunset processes. The remaining states that have continued sunset have changed their processes in a variety of ways. In many cases, they moved their sunset processes closer to the approach currently used by Virginia.

Virginia's Approach to Sunset, or "I Told You So"

In 1977 when sunset was sweeping the nation, the Virginia General Assembly created a task force to study the various sunset proposals. The Advisory Task Force on Sunset of the Joint Legislative Audit and Review Commission worked for over one year and issued a report on the various policy options available to the General Assembly. The Task Force went against both the conventional and political wisdom of the time and recommended that the legislature not adopt a sunset proposal similar to those enacted by their colleagues in other states. The test of time has demonstrated the wisdom of the Task Force's judgement and a number of states are adopting provisions similar to those contained in the Virginia Act. The Task Force's final report listed several concerns about sunset and offered recommendations to address them. I will touch on only three of them tonight.

Termination. Sunset is distinguished from other types of oversight by the automatic termination provision. If the legislature fails to enact legislation reauthorizing an agency, the agency automatically terminates. This provision,

while making the sunset concept easy to grasp and sell politically, also raised unrealistic expectations. The Task Force stated in its final report, "It will build false hopes of curtailed government activity and substantial savings where more modest accomplishments are likely. The purpose of sunset should be viewed as a periodic review, not automatic termination." The states' experience with sunset is just as the Virginia Task Force stated.

In a national survey conducted for the Indiana Legislature in 1983, the National Conference of State Legislatures determined that only about 16 percent of those agencies subjected to sunset reviews between 1980 and 1983 were terminated. Although I do not have a list of all of the agencies terminated, I would be willing to wager a significant sum that the vast majority were small, obscure, and relatively insignificant agencies.

The Indiana study also pointed out the effect that the termination provision has had on expectations. When asked about the effectiveness of the sunset process in Indiana, legislators who were unfamiliar with the process said that it was ineffective because of the lack of terminations. Those legislators who were more familiar with the sunset process stated it was effective and pointed to cost savings and other improvements resulting from sunset. It is evident from our work in Indiana that those legislators who viewed sunset as a means for terminating large numbers of state agencies were disappointed with its results.

Workload and Flexibility in Scheduling Reviews. Again, the Virginia Task Force was right on the mark when it identified the impact on legislators' and staff workloads as being critical to sunset's success. The Task Force stated, "Any sunset or oversight proposal must provide for realistic coverage and appropriate scheduling so that the citizen legislature can accommodate the workload within its present time frame."

Most states that adopted sunset did so without adequate consideration of the time constraints and staffing needs associated

with it. Since 1980, 13 states have made changes in their termination schedules to allow for more time to conduct the performance reviews and to consider the effectiveness of agency operations. This has involved lengthening the review cycles, delaying the start of a second review cycle, and allowing legislative discretion in determining which programs are to be reviewed and in setting the schedule for reviews. One of the recommendations that NCSL made to the Indiana Legislature, which it enacted, was to lengthen the review cycle to allow for a more manageable workload. Many of these changes to provide a more manageable workload are similar to the provisions of Virginia's Program Review and Evaluation Act.

Numerous states have also shifted the emphasis of their sunset reviews away from an exclusive focus on regulatory agencies to include other programs and agencies. Utah currently subjects all agencies to sunset review. West Virginia emphasizes larger agencies, and Kansas dropped all the regulatory agencies from its sunset cycle to concentrate on major program areas. The inclusion of larger agencies and an emphasis on cost effectiveness is also a key component of Virginia's Program Review and Evaluation Act which other states are now embracing.

Legislative Involvement in the Sunset Process. A third observation of the Sunset Task Force was the need to involve the entire legislature for the sunset process to be successful. The states use a variety of approaches for integrating the sunset process with the legislative process. Some assign the sunset responsibility to standing committees and do not use a special sunset committee. Others use a special committee to conduct sunset. Some states, such as Pennsylvania and New Hampshire, use a combination of standing and special sunset committees.

Developing a better integration between the sunset process and the broader legislative process is something that many

states are trying to achieve. The work of the Joint Legislative Audit and Review Commission and its central role in the legislative and budget processes helps accomplish this integration in Virginia.

The Program Review and Evaluation Act has been successful in overcoming many of the problems encountered by other legislatures when they implemented sunset. It has provided a comprehensive review of state government on a schedule that meets the needs of the Virginia General Assembly. It avoids the pitfalls and the unrealistic expectations associated with the automatic termination provisions of sunset statutes and instead focuses on periodic review and improvement in agency programs. As evidence of its success, other states with sunset are adopting mechanisms that are similar to the Virginia approach.

The Future of Sunset

In conclusion, I would like to briefly discuss the future of sunset in the states and to review its effectiveness.

It is unlikely that additional states will adopt sunset. In fact, as more states complete their review cycles, it is likely that more will abandon the concept. The key test for sunset's viability will come when the majority of states complete their sunset review cycles. I see two things happening.

First, even if the sunset process with its automatic termination and scheduled reviews is abandoned, most states will keep the evaluation function. Arizona, Indiana, and Tennessee are examples of states that use sunset as a means of conducting program evaluation. In states such as these, the evaluation function will continue.

Secondly, as larger agencies are added to the sunset schedules, the number of terminations will decline and the emphasis will shift toward periodic reviews and improvements in agency operations. In many states, this shift has already occurred.

Overall, sunset has been a positive innovation. It has not done everything its proponents said it would but, for the reasons identified by the Sunset Task Force, I don't think it could have. Sunset has, however, helped to develop the capacity for evaluation and oversight in a number of states where this did not exist. In addition, sunset has increased legislators' awareness and involvement in the evaluation and oversight process. Even if sunset is abandoned, the legislators' appetite and demand for the type of information provided by program evaluation will continue. Finally, as a result of sunset, numerous changes and improvements in agency programs have been enacted, resulting in more efficient operations and cost savings. Those states that have calculated the costs and savings associated with sunset have found it to be a cost effective process.

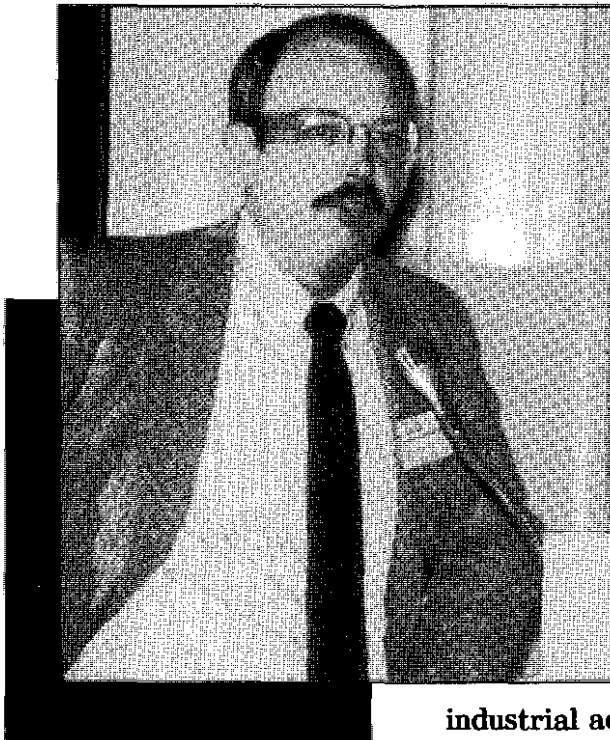
In my view, the wisdom of the Virginia General Assembly in establishing the Program Review and Evaluation Act has been and will continue to be demonstrated, as additional states change their sunset processes to more closely mirror the Virginia approach. Not only has this proved a successful process in Virginia, but it is also providing a beacon for other states to follow.



Need for Legislative Oversight & Legislator Expectations of Evaluation Staff

Wayne Fawbush

Representative
Oregon State Legislature



We have all seen "before and after" commercials; well, I am here representing the "before" part. The Oregon legislative system does not yet incorporate any type of program evaluation. I would like to take a few minutes to tell you exactly what we are trying to evolve into, and what our limitations are. Let me just mention a couple of the important questions: why we felt this type of operation is needed in Oregon, exactly how we're organized to do this, and what we expect to get out of it.

The Need for Program Evaluation

Why is it needed in Oregon? There are basically three reasons: First, we have suffered from a lack of independent investigation capability on the part of the legislature. We found that nobody is going to look after us, as far as gathering information and trying to make intelligent decisions.

The classic example for our state was in the early 1980s, when we were going through severe budget shortfalls and we found a pot of money. That pot of money was held by our state industrial accident fund, which we had set up several years before as a semi-autonomous public corporation. They had about 120 million dollars in a slush fund, and we took 80 million of that. That helped enormously, because we didn't have to raise taxes.

You can imagine the furor that action caused. We found ourselves trying to justify why that was still a legislatively controlled body to the general public, the Governor, the Secretary of State, and the Commissioner of Insurance.

I found myself an interested participant, because I was chair of the committee that had to justify what we were doing. I found myself at a real disadvantage

in trying to work through the process and justify our actions, because frankly we had no independent capability to either research our legislative history for intent, or to come up with viable alternatives that were backed with facts.

That was the seed that began to germinate in the back of my mind. As I watched the legislative process for ten years, it became very clear we were going to have to develop a more professional staff capable of independent evaluation, if we were to ever stand on an equal footing with the other branches of state government.

Establishing Legislative Intent

The second reason program evaluation is needed, besides independent capability, is to try and establish clearer legislative intent. This is perhaps a little more esoteric on the part of the legislative process, but if you have ever tried to go back in history and determine legislative intent, and were successful at that, it was probably a minor issue that didn't have much consequence. A clear statement of legislative intent in the beginning is one of the more difficult practices to establish. As politicians, we like to have a maximum amount of flexibility in our decisions. The result is too often a muddled, unmeasurable intent. One of the things that we see good program evaluation doing is pointing out when we have failed to clearly establish legislative intent. Hopefully such a constant reminder will encourage us to be more specific.

Making Better Use of Staff

The third reason is to keep our staff fully productive. We meet once every two years, starting January of the odd years, and on the average run about six months. We have built up a very good staff in the legislature. We have a fiscal office that works for the Joint Ways and Means Committee. We have a revenue staff of ten individuals. They have developed over the last 13 years very sophisticated computer modeling, and can provide a detailed printout of any suggested tax alternative.

We have a research staff of 12 professionals who are basically generalists. The office was expanded in the late 1970s when they were given the responsibility for Sunset review, which is sputtering to a stop in our state as well as others. And we also have intermittent committee staff, where we build up high levels of people during sessions and then run those down to about eight people in the interim. We have just moved into an objective hiring process and have essentially gotten rid of all of our political "dead wood" that used to be held over in those patronage spots.

So we have the core of a good professional staff, but they are occupied basically only one out of two years during a two-year biennium. There's a preparation time before the session, but not a lot. They are never sure what we are going to do, and neither are we, so it's hard to prepare. After the session, of course, it takes a while to put out the new laws and grind down.

If we are going to continue to be able to justify that type of expenditure for staff, I think we need to help make them more productive. Those of you who have had the misfortune of working in a state where you have large amounts of slack time -- if you are interested in your profession and your own peace of mind -- would probably agree with me that one of the worst things that you can run into is a six- or eight-month "dead" period when you have to look busy but aren't. We would like to help you through that situation, at least if you decide to come to Oregon to work.

Those are the three reasons as to why we are attempting to establish program evaluation.

Dealing With a Structure in Place

I think every state is probably a little unique in the way they organize, basically because of what they have inherited in the past. Virginia in many ways was an ideal situation. When you began your reorganization in the early 1970s, you were taking a legislature from the early 1900s into the late 1900s in one quantum jump as far as building a professional staff

and upgrading your ability to make decisions. And you did that without having to overlay or compete with an existing professional staff already in place that had carved out their niche and were protective of that.

Oregon unfortunately is not in that situation. The route we are choosing we are taking for two reasons. First, we have severe monetary limitations, and we cannot spend any money on a large new staff at this time. In fact, I don't know if we will ever be able to do so. Second, the existing staff is well entrenched, with well-justified positions, and we are going to have to deal with the structure in place and hope that we can evolve into something that makes more sense.

Two essentials are necessary: (1) The leadership must be actively on board, and (2) the staff has to be convinced that this is in their best interest in order to proceed. Fortunately, we have been able to reach a successful conclusion on both those points.

The time line that we're following will give you an idea of what we've been through. In 1983 some of us came up with an idea that we needed to look at how the legislature was running, and we set up a task force on legislative operations and oversight. We did that on the House side because at that time the Senate leadership quite frankly was not interested in looking at any staff improvements.

We began by giving the staff a test question. The staff was asked to work together to develop questions, and to try a rudimentary program evaluation to see if it could be done with existing staff. We found very good cooperation, and the staff found that they were actually interested in stepping outside of the narrow confines they had worked in before.

The report was short on a couple of points. It was long on history and short on alternatives, quite frankly because we just did not have the methodology that would enable us to work logically through to the conclusions that you are used to in Virginia. Going through that rudimentary process pointed out the need for a couple of things.

Obviously you have to have the legislative leadership interested, and secondly you need the capability to form the question correctly and then proceed in a logical manner, which we at that point did not have.

The Question of Legislative Intent

This session we tried to introduce some reforms of the legislative process to give us a better intent statement. We tried to begin to set up a better and more clear legislative intent with the bills that we passed, in order to set the stage for later evaluation. I am sorry to say that those bills all died in committee. We are going to have to try coming at it from the back door: setting up an evaluation function that will illuminate shortcomings in legislative intent.

So we are back to the position where both House and Senate leadership have designated a special task force of leadership individuals. One important matter decided was that we had to have professional capability to form questions and work through the methodology. So, we are now looking for a methodologist to staff this task force and coordinate, with the existing staff in the building, the formulation and execution of these issues.

Identifying Appropriate Issues

The second thing we are going to do is develop a list of questions. We have found that to be one of the most difficult things to do in this whole process. If you don't quite know how to get where you are going, or what you want, it is very hard to ask an intelligent question. As a task force, we will work to develop several questions that have four criteria:

First, it has to be something we can do. Second, it's got to be nonpartisan. Third, it has to have a relatively short time frame to be executed. And fourth, it has to have a positive payoff. Now once we find a question that fits those criteria, we are going to be in business! Actually, if we get two out of the four, I'll be happy.

That's the process that we are involved in -- to utilize an already existing, high-level professional staff for a part-time legislature; for us to ask semi-intelligent questions; and for the staff to give us back intelligent alternatives.

Expectations

What we expect is essentially to make this committee on oversight a permanent committee composed of leadership individuals who will have some tenure. If we've learned anything from Virginia, it is that you have to have secure, tenured individuals on that committee for continuity.

The other thing that we're interested in is having good policy alternatives lined up. For example, we have probably passed more anti-drunk driving legislation than any three states combined. We've done just about everything I can think of to discourage drunk driving, and we're not quite sure what works and what doesn't work. We would like to know, or at least have some idea of, the consequences of the multitude of actions we've taken in the last seven years.

I think the same goes for the catch phrase of "economic development." I don't know how many of you are caught up in the rush to develop economically and to prove that the legislative body can lead the state in economic development. We need to step back and ask a question: are we leading, or are we getting in the way of a natural process that maybe would be better off without us?

Frankly, those types of questions we ask, legislators don't have the capability to analyze adequately. Sound alternatives would also lead to less risk-taking through legislative action, and hopefully more evaluation of those issues. Rather than saying, "Aw! shucks let's try it and see what happens; after all, we only have to wait two years to see if it works and then we can change it," we could say, "Well, this may be a good idea; let's evaluate this and come back next session with concrete proposal."

Also, I think we need the independence from the other two branches of our government. We need the independence to ask questions in *our* way and get the answers from *our* staff for *our* use, and not be dependent upon either the Governor or Secretary of State and their audit functions to provide that information for us.

Lastly, and I think most importantly, I think it will make our staff in the building much more productive, for a couple of reasons. First of all, rather than simply reacting to problems, hopefully we will be able to take the initiative. People work better if they're taking the initiative and working through something rather than simply having to react. And we can say, "Yes, we do use our staff 24 months out of the biennium," and "Yes, our staff are much happier because they are now productive," and "By gosh, we actually use what they produce." That is hopefully what we will achieve at the end of this process.



Mordecai Lee

**Senator
Wisconsin State Legislature**



I would like to discuss what we as legislators ought to want from the auditing and staff evaluation function -- an answer to the "what is it that you people really want?" question. Sometimes legislators need to take a step back, because legislators themselves need to think through what it is they really do want from a legislative auditing or evaluation function. Sometimes what, at initial blush, they might think they want is not necessarily in their own best interest in terms of their long-term role as legislators and the long-term role of a legislative evaluation staff.

Perhaps what we are dealing with can best be described as a clash between different cultures. Think of politicians

as members of a tribe that is incomprehensible to outsiders. We as politicians need a Margaret Mead to come in, wear her grass skirt, and try to understand what our culture is. Then she could go back to the world on the outside and try to explain what we need, how we operate, how we make our decisions, and what is the best way to serve us.

I suggest that the best way for a legislative evaluation staff and structure to function within the legislature is not to be integrated into the legislature but rather to be separate from it. And, that the way to help

the legislature is not be coopted by it, but rather to be autonomous from the legislature. Now that is a very difficult, tricky, and tough way to accomplish a good relationship. But I suggest that, in the long run, that is the way to best serve legislators, even though we might not think so.

Defining the Relationship

A good example of the relationship I'm describing can be found in a biblical phrase. The Bible describes how Eve was created

from a rib of Adam. The way the original Hebrew was translated was that God created Eve to be a "help meet." I think nobody was ever quite sure what that means. Well, since I am Jewish, my parents forced me to go to Hebrew school for what seemed to be an interminable number of years. Luckily, I'm able to understand that phrase in the original Hebrew, and I don't think it's translated very clearly. Interestingly, in the original Hebrew, the role that God gave Eve when He created her out of Adam's rib can be translated as "a helper against him."

Now what does that mean? I suggest that it might indeed summarize what a good marital relationship is. It's a relationship of helping somebody, of being intimately tied with them or connected to them, inexorably tied. But at the same time the two are separate and apart from each other, having a sometimes contentious and conflictual relationship. There are times when the way to help one's spouse is by being apart from them and at times even against them. I suggest that this is the way a good legislative evaluation staff can help the legislature, even if the legislature isn't quite sure that's really what it wants.

Perhaps what I am describing is impossible to accomplish. Nor am I suggesting that we in Wisconsin have accomplished paradise on earth. Rather, we in Wisconsin have accepted as a premise what the relationship ought to be, and we try constantly to work towards that goal.

Objectivity vs. Timeliness

I suggest that there are seven conflicting principles, or pairs of principles, that a legislature and its evaluation staff ought to hope to accomplish in their relationship. The first pair of principles that ought to exist between a legislature and its evaluation staff has to do with objectivity. One wants a nonpartisan and objective evaluation function to occur -- one which is separate and apart from the partisanship of the legislature, separate and apart from the agenda of the individual legislators, and separate and apart from the

agenda or conflicts between the legislative branch and the executive branch.

You want that kind of nonpartisan objectivity, but at the same time you want timeliness. What is it that most helps the legislature: timely information, timely reports, ones that fit into the legislative cycle. We don't want a study of a subject to come out a month after the bill is finally signed by the governor. We want that study to be issued one month before the legislative process begins working on that issue.

So at the same time that we want the legislative audit function to be independent, objective, and nonpartisan, we also want it to be sensitive to the realities of the legislature, and to try to time its work to fit into the timing of the legislature.

Responsiveness vs. Initiative

The second pair of conflicting principles that I suggest we need in a good relationship between the legislature and its evaluation staff is that, on the one hand, we as legislators want that staff to be responsive to us. We want them to do what we are interested in. But at the same time, in total contradiction, we don't want to be handcuffing them and preventing them from doing other things -- things which politically we may not want them to do, but in terms of the policy process would be relevant. In other words, even though we want them to be responsive to us, we also want them to be able to initiate, on their own accord, that which would be helpful even if it is politically sticky, touchy, and sensitive. We want them to have the autonomy to initiate those studies which are in the public interest.

Disinterest vs. Advocacy

The third pair of principles is that on the one hand we as legislators want to be sure that the information that we get from the legislative audit staff is definitely disinterested. On my desk in the state capitol I am constantly getting reports that are interesting to read, but the first thing I do is to check where they're from. And if I

will quickly ascertain what group mailed it to me, I often don't have to read the report, because I can guess the ending. There is so much self-interested information in the political process, so many people with axes to grind, so much selective information, so much manipulation and number-crunching to accomplish a preconceived conclusion. All of that is predictable and not very useful in the legislative process. How few sources of information we as legislators have that are truly disinterested, that do not have an ax to grind. That is why in Wisconsin it is a pleasure to get an Audit Bureau report, because I know that it is disinterested information.

Yet even though I want to be sure that the Wisconsin Legislative Audit Bureau, or any other legislative evaluation staff, is a disinterested observer of the legislative process, at the same time I don't want them to be merely passive observers. We don't want a good legislative evaluation process to be so disinterested that the staff is sitting in a glass booth, and is unconnected to the process itself. Even though we don't want the staff to have an ax to grind, even though we want them to be disinterested, at the same time we want them to be advocates for their own disinterested information.

Many times an audit or evaluation will be submitted to the state legislature, and a special interest group or an individual legislator with a self-interest will selectively package the results of that audit, citing it to prove a point that the audit actually doesn't prove. As much as I don't want the legislative audit bureau to be involved in the political process, I do want them to be involved in the legislative process to prevent the manipulation of their information. I want them to be advocates for their own disinterested position, which again is an internal contradiction and difficult to accomplish.

Relevant vs. Long-Range

The fourth set of principles that embody an internal contradiction is that, on the one hand as a legislator, I want a

legislative evaluation staff to be relevant to what is going on at that time in the legislature. I want a sense of immediacy about what they are doing. After all we, as legislators, don't benefit from their doing something which is not relevant to what we are worried about that day, or week, or month, or biennial session.

Yet on the other hand, we don't want a legislative evaluation staff to be so focused on immediacy that what we are getting from them is short-term information, as opposed to information that embodies long-term trends and gives long-term policy advice to the legislature. So, once again the internal contradiction: we want the immediacy, yet at the same time we want the long-term trend information.

Quantifiable vs. Nonquantifiable

Another pair of contradictions: On the one hand, we as legislators want to maximize objective information by getting a lot of quantifiable data from the legislative audit bureau. After all, "numbers don't lie," right? But at the same time we want that legislative evaluation staff and our colleagues to understand that numbers aren't everything, that what you can quantify isn't necessarily the whole picture. So at the same time that we want objective, quantifiable information from the legislative evaluation staff, we also want the opposite. We want them to try to evaluate that which is not quantifiable. We don't want them to become enamored with numbers to the point that they lose focus on the big picture, or that they're only looking at half of the problem. So we want both quantifiable and nonquantifiable evaluations.

Geocentricity vs. Nongeocentricity

The sixth pair of conflicting principles concerns geography. On the one hand we want to avoid any kind of geocentricity. We don't want an exclusive study of how things are going in our state, under the presumption that our state is always doing things right, or that we can't learn from

other states. Yet, on the other hand, we don't want to get on a treadmill with other states -- doing something just because other states are doing it. Just because we are 49th in the poll on the XYZ problem doesn't mean that we ought to be competing with Mississippi so we can be number one. So we want both the benefit of nongeocentricity as well the benefit of geocentricity. Go try to solve that paradox!

Comprehensive vs. Usable

The final pair of conflicting principles in a good relationship between an evaluation staff and the legislature is that on one hand we want comprehensive information, yet on the other hand we want usable information. There is too much of a possibility that a comprehensive report will overwhelm the policy and legislative process, and become so "cosmic" that it is not usable within the legislature. Again, we want a balance between two principles. On one hand we want comprehensive information, but on the other hand we want it to be usable in the legislative process. After all, in the legislature we deal with very specific questions. We vote "yea" or "nay" on very specific bills and very specific issues.

What I've suggested is that every state needs to try to accomplish a delicate balance between an evaluation staff and the legislature. Perhaps like the relationship between two spouses, this is a goal one never quite accomplishes, but rather always works towards. After all, the perfect marriage is not one that stops. The perfect marriage is one that continues working towards the goal of a perfect marriage.

As tempting as it may be to politicize or handcuff an evaluation staff, it is in the long-term best interest of the legislature to accomplish the kind of autonomous and independent relationship I've tried to outline.

Reidentifying the "Client"

In Wisconsin, in the environmental protection function, we have a very interesting analogy for what I am prescribing for auditing. In the area of environmental protection, we have something known as the "public intervenor." The public intervenor is an assistant attorney general who is answerable to no one, is appointed by an advisory committee of environmentalists, and whose only "client" is that one participant in the policy process that is not organizable: the long-term interests of the environment itself. The job of the public intervenor is to fight the executive branch, the legislative branch, and the judicial branch for the goal of environmental protection.

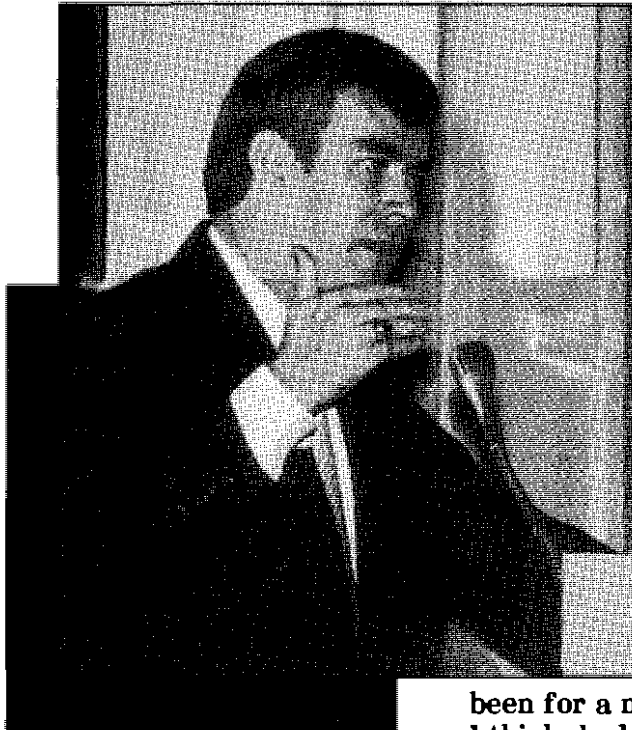
As you can imagine, she frequently is in conflict with those more organizable interests in the policy process, whether they be business interests, local governments, or even state government itself. These groups are very often unhappy about some of the lawsuits she brings or some of the testimony she makes. But she is representing the only interest of the public policy process that is not organizable, and that's the long-term interest of society-at-large.

I suggest that the legislative evaluation staff, even though its immediate boss is the legislature, should think of its other boss as the one participant which is not active in the policy process: the public interest. And if, indeed, we are to be able to develop an understanding that a legislature is best served not by having the evaluation staff supinely subservient to it, but by having a high quality professional evaluation staff which views its client as including the long-term public interest, then I think the whole legislative process will benefit in the long run.



Herbert F. Morgan

**Representative
Florida State Legislature**



My purpose is to share with you a few thoughts about Florida and the development of our auditing process and our performance review process. Hopefully I can help you understand how it is an integral and a very important part of the Florida oversight process, which involves not only this function but a variety of other functions that are a part of the legislative process itself.

An Unusual Beginning

First of all, you may find interesting and somewhat humorous the actual development of our present Auditor General in the State of Florida. Until 1967 the Auditor General was known as the State

Auditor. He reported to the Governor and cabinet in the executive branch, and he audited the executive branch. Of course, for purists there were the traditional complaints about the executive branch auditing itself. But despite that, there was a considerable amount of credibility because of the people who occupied the function.

However, in 1966 Florida elected its first modern-day Republican governor, Claude Kirk. This was the first in many years in Florida, a state that is dominated at the present time by the Democratic Party and has been for a number of years. The legislature, I think, had its attention drawn to the fact that perhaps now there was a need to understand better the importance of the true separation of powers between the executive and the legislative. As a result, they passed an innocuous little bill in 1967 led by Representative Lou Wolfson of Dade County, and of course with the full support of the Speaker of the House at that time, Ralph Turlington, and the President of the Senate, Verle Pope, Jr., that was known as "a bill creating the office of legislative auditor."

Believe it or not, the Governor and everyone else -- since there was no testimony, no real presentation, no flamboyant speeches on the floor -- thought this meant the legislature itself was going to be audited by this person. So the bill became law and went by the governor without having to even override his veto. Shortly thereafter, however, as soon as the act took effect, the State Auditor at that time, Ernest Ellison, resigned his executive branch post to assume the duties of legislative auditor. Shortly after that he was successful in enticing away most of the staff, most of the records, and all of the information. We then had a legislative auditor of Florida who had everything and was now a part of the legislative branch.

That in itself could create a bad impression in your mind. The humor of it draws attention to the fact that the existing situation was not perhaps the best way to have an audit function set up, that is, housed in the executive side. But by the same token, the method of accomplishing the change might lead you to think that the function is dominated by the legislative side and is therefore still not independent -- one of the tests that ought to be a very integral part of a good audit effort.

That is not true, however, because shortly thereafter the name was changed to the Auditor General of Florida to avoid any confusion and to make it clear that the function of the office was to be a totally independent and totally capable entity, designed to look at the operations of state government in Florida. It was to do so in a truly independent manner from the executive branch, which is obviously where the primary effort would be directed. And it would be directly responsive to the legislature without being dominated by that body, and without the legislature dictating the political aspects of the results. That perhaps gives you some idea of the placement within the legislative branch.

Oversight in the Larger Process

In Florida we believe we have a very strong legislature. We have been

categorized by many as one of the most independent legislatures in the country -- perhaps the most independent -- because of our ability to call ourselves into session and to meet in the interim. We organize immediately after elections in November, and we are totally and completely staffed at the substantive committee level and at the appropriations and finance tax committee level. And we have the fully staffed and very competent Auditor General's office assisting in our oversight function, as well.

To understand how that works in the oversight function in the State of Florida, it would be important, I think, to see in capsule a little of how our process works as it relates to our state budgeting and spending, because obviously a good portion of what an audit function does is look at that. But you also have to look in the performance area -- at the actual operations and how the agencies and the various entities of government are accomplishing the objectives of the task that we set for them.

The appropriations process in Florida depends upon the work of the two appropriation committees, one in each house. We do have a recommended bill from the Governor, but we do not introduce a governor's bill in the legislative process. Instead, we develop the committee bill through the legislative process itself. The governor's document is only an advisory document and represents his best suggestions on how we should develop the state's budget and spending effort.

The legislature, being competently staffed at that appropriations staff level, is able to analyze those documents and those needs of state agencies for spending priorities and develop what we believe is a true priority spending document that appropriates federal funds and grant funds, as well as general revenue funds. And we audit all of those various programs, as well.

Oversight in Florida involves a number of entities. First of all, Florida believes that any state needs an adequate and strong oversight function, and, as a major element in that function, there must be a strong

audit process with particular emphasis upon performance as well as financial and compliance auditing. Both houses of the Florida legislature have oversight functions that involve several committees: the appropriations committee itself, regulatory committees of several types, governmental operations committees in both houses, and oversight subcommittees of every substantive committee of the Florida House of Representatives. This has been the norm for the last four to six years.

However, the major actor in this process is the largest organization within the legislative process for oversight: the Office of the Auditor General. There have been some 4,000-plus financial compliance audits completed since 1970, and these audits have found a number of ways to save money, to reduce spending in some instances, and to deter fraud and abuse where it has been found.

An Increasing Role

A lack of analytical information has led to a real interest on the part of the legislature in Florida over the last six to eight years for an increased effort in what we call our performance auditing function. That increased effort has led to an increased emphasis on the role of the Joint Legislative Auditing Committee.

The committee is composed of five members from the Senate and five from the House, and the chairmanship rotates annually. The House has the chair the first year of the biennium, the senate the second year, and we are about to make that transition shortly. The five members from each house, however, serve for the full two-year term. Those appointments are made by the Speaker and by the President.

The Joint Audit Committee is staffed by a staff director and a committee secretary and calls upon the talents of the Auditor General's office in coordinating the work of this committee as we look at the needs for audits. The office of the Auditor General of Florida currently has almost 600 positions authorized; 344 of these are in the auditing division, and 68 are located in the

division of performance auditing.

So the emphasis within Florida has gone from almost nothing to one of the largest performance auditing capabilities in the country. And the reason for that is, very simply, the desire of the Florida legislature to have the kind of objective, independently arrived-at information, in-depth and yet in a form the legislature can understand and utilize in a timely manner.

The staffing for the performance audit capability, unlike the rest of the audit function in Florida, uses the backgrounds of a number of different professions. For instance, economists, statisticians, public administrators, accountants, MBAs, educators, engineers, and others are utilized to staff that particular function and ensure that we have the expertise to make the reviews that are necessary.

The auditing committee in Florida is the primary policy regulator of that process, keeping in mind, however, that our Auditor General is independent. The Auditor General's office can initiate audits on its own, does not have to wait for direction from the Committee, and has an on-going level of operation at all times. But the role of the Committee is to provide policy direction through control of the budgetary process for the Auditor General. The budget of that audit activity is approved through this committee as an annual activity each year. The Committee's role also mandates adoption of the personnel job classification and the pay plan for the Office of the Auditor General and, of course, direction in audit topics that the legislature is interested in.

Key Processes

We have formalized the process for requesting audits by other parties, including other legislators, so that Office of the Auditor General is not overwhelmed with requests for audits or performance reviews of one kind or another. Otherwise, it would be impossible to meet the test of timeliness. Topics not really appropriate for audits but needing attention can be

directed by the Joint Auditing Committee to other areas, perhaps to appropriate legislative staff or even to areas within the executive branch where they might be appropriate.

The primary role of follow-up coordination of audits and performance reviews is the responsibility of the Joint Auditing Committee. And the primary duty of this committee through our staff director is to ensure the processes work to do that. We might take up an investigation of any matter within the scope of an audit, either completed or being conducted. The committee can refer an issue to either the Speaker of the House or the President of the Senate. Also, we have referred issues to substantive committees and are in the process of formalizing more directly a process for including a "sureness of review" of what we call "adverse findings" in audits by our substantive committee processes and by the legislature itself. This process is particularly objective over historical time periods, where we can see if there are repetitive patterns -- issues that arise first at one agency, then at another.

This adverse findings tracking system, as we call it, is being computerized at the present time. We will have the ability shortly to access this kind of information in a very timely manner and see if we have properly followed up. When that is developed and coordinated with a portion of our budget work through the appropriations committee, the appropriations staff itself will be able to easily access the information. They will be better able to scrutinize and analyze each agency's budget request and the governor's recommendations to understand what it is we need to fund, and where our priorities should be.

Legislative Expectations

What does a legislature expect of the performance review function or audit function? In Florida we are committed, number one, to an independent auditing function. Although the Auditor General is reviewed through this committee, the Auditor General's appointment is through

both houses of the legislature, and his removal would require the action of both houses. Therefore, he is insulated from the political interference of any individual legislator, and even of this committee.

Yet he is not autonomous to the point that he feels he is another branch of government. He must keep in mind that his work product is not a game that he is playing but an integral part of the overall process, designed to make Florida government function better, and to make the legislative process able to really set the priorities for spending where there are limited revenues and unlimited needs.

We expect excellent, sound, well-researched management information. We want to know if programs are operating efficiently and effectively. We want to know if the underlying assumptions for programs are appropriate. And we want to know if program staffing is consistent with goals and objectives.

Let me give you just two or three examples of where we found these particular items to be especially useful to us. In many instances they have been equally controversial, even in their utilization. In fact, the work of this audit staff has been attacked by outside forces, not just agency people, but others that felt they had something to lose from the process.

In early 1980 there was a performance audit of the administrative structure of the community mental health service delivery system. If you don't believe that can get hot politically, you need to know something about community mental health in Florida. And I am sure most states are the same, and it does get hot politically!

The audit found that there were two distinct administrative structures. They had identical functions, and this led -- finally, after gnashing of teeth -- to the enactment of legislation eliminating the duplication and budget savings of some \$700,000-plus per year. And, since government tends to grow from year to year incrementally, that \$700,000 would have grown in the future. That's one example in a particular area that I think is important, and the document

behind that was the report of the Auditor General.

One that drew equal controversy was a performance audit of the state insurance regulatory program. In this instance we looked at an operation under one of our elected officials, and therefore drew the ire of that official because it criticized the operation within that agency. One of the most significant findings was that most of the Department of Insurance's consumer services resources were allocated to operating 21 field offices to handle consumer complaints. You need to understand that those field offices each were staffed with several people, and they were located strategically around the state for an elected cabinet official. I am sure you are beginning to develop a picture, and you can see how important that consumer complaint function was through those 21 complaint field offices from a political viewpoint.

The audit noted, however, that the Department of Insurance complaint-handling activities could be centralized in order to reduce cost without affecting service. It noted that 21 offices were not totally necessary, and that the toll-free phone lines, some advanced consumer education activities on a more limited scale, and some other activities could accomplish the same results.

As the direct result of the audit, 38 positions and almost a million dollars were eliminated from the Department of Insurance's budget over a two-year period. The Bureau of Field Operations was reorganized from 21 field offices to six, and has implemented what we believe is a better load of services.

The last example that I would like to mention is perhaps the most controversial, and may have led the way in utilization by the legislature. It relates to trucking deregulation in Florida. An audit and a performance review were done. It was very controversial; it was attacked by the trucking industry itself; it was attacked by many legislators; it was attacked by major business interests, and lots of other people.

But the performance review by the Auditor General was the basis on which the House of Representatives provided the leadership to essentially deregulate trucking in the State of Florida as it relates to in-state trucking activities. And now we find that none of the "horribles" that were forecast have developed, and in fact the consumer is very adequately served in Florida.

But you can understand the controversy associated with that and the difficulties in even getting the legislature itself, without the independence of that Auditor General, to focus its attention on that. The legislature was willing to say "go and look at it." When the information came back it was unbiased, it was available, and it was a matter of record to be utilized in a good process.

The Linkage With Appropriations

I want to mention the tie between the appropriations process that I alluded to earlier and the Joint Auditing Committee. First of all, the appropriations process is essentially future-oriented; that is, the first order of business is to complete the next year's budget. We do annual budgets, and I was Chairman of that committee for six years. Also the budget process is limited usually to a one- or two-year time span. It's often more incremental than we like to admit, and it uses the existing government structures as a base.

So the appropriations process, as good as it is -- from a former appropriations chairman who loves it and has a great deal of pride in it -- cannot provide that kind of objective, stand-off review that an audit-type performance review function can provide. I don't see how the state could operate without it. I don't see how the State of Virginia could operate without what I know to be one of the finest processes of this kind anywhere in the states. Virginia is a state that has a reputation nationally, and certainly we have learned a lot there, as we all learn from each other.

But the Auditor General's performance review process complements that appropriation process, because it grants

what we call "formal status" to program evaluation as a function. It also insulates the program evaluation from both executive and legislative politics. Budget committee staff can expect to receive what we call nonpolitical audit reports -- objective, timely, carefully arrived at and documented.

We are not obligated -- and I don't want you to think that I believe as a legislator I am obligated -- to accept everything the Auditor General tells us. I don't. Sometimes I think he's wrong. Sometimes I think he may be right but it is politically impossible to do what is recommended at the time. Those are the practical realities of the political world that we live in. And then sometimes he is right and time is not on his side. It may take a few years to accomplish the objective, or the system may have to run it through a cycle.

But the point is that we can have that kind of document and we can have specially trained staff who can focus their full-time efforts on that kind of evaluation, rather than being pulled off, perhaps, to develop budgets during the 60-day period. It strengthens the budget process. And as I mentioned, when we fully coordinate and bring together the adverse findings tracking system, and a few other activities of the budget process, I think we are going to find that the system will work even more effectively. As our joint auditing committee matures even more in the new role that we have cut out for ourselves with

the support of the Speaker and the President and the leadership of both houses, I think we are going to find that our function is that much better as well.

The Legislature's Rightful Role

Is it important for the legislative process and strength? I think that it is absolutely essential. I am a great believer and a strong proponent of the legislature exercising its rightful constitutional place in the process. The erosion of the powers of any branch of government is a serious constitutional question at the national level and at the state level. And the failure of the legislative branch to properly exercise the powers that it has constitutionally is in my estimation a usurping of our duties as elected officials, because we are the only people in Florida -- and I think this is true in most states -- that are charged with taxing and spending policy decisions. No other branch of government is given the latitude to determine those particular policy initiatives.

To me a strong performance review and an audit function are a major, integral part of our process, so that we can be that true co-equal branch of government that we should be. It protects that co-equal status, and protects our ability to make the kinds of policy decisions that must be made only by the legislature.



Eleanor Chelimsky

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When Ray Pethtel first asked me to talk about issues and trends in evaluation these days in Washington, I was reminded of that old New Yorker cartoon some of you may remember that shows a sign saying: Entering Hillsdale, Founded 1802, Altitude 620, Population 3,700, Total 6,122. In other words, I'm not sure the evaluators' data are always used as we'd like them to be.

On the other hand, I do want to report progress -- indeed, considerable encouraging progress -- in many areas of evaluation. So, to tell you about that, I thought I'd concentrate on two things today. First, I want to draw a general picture of program evaluation as I see it

being practiced today in this country, and, in particular, of legislative program evaluation at the federal level (that is, evaluations performed to serve policymakers in the Congress). Second, I want to tell you of the ways in which I've seen evaluation used by the Congress, and the effects of that use of the executive branch of government.

To do this, I'd like to linger a little bit over the origins and development of program evaluation to give you a bit of context (after all, it's hard to know where we are if we don't know where we've been) -- to say what I mean by the term "program evaluation",

and then talk about its purposes, uses, and importance. In the process, I'll be commenting on the GAO role in meeting congressional evaluation needs, and summarizing the findings of three GAO evaluations so as to trace their effects on legislative and executive branch policymaking.

Origins and Development of Program Evaluation

As everyone knows, I think, program evaluation is neither very new nor is it very revolutionary. In fact, it's been around for

a long time, developing slowly under many different guises and disguises. Some people trace its origins to the Age of Reform in England and the year 1870. In that year, evaluations of educational achievement brought some pretty contemporary recommendations for "incentives" to teachers in the form of -- guess what? -- pay for performance, or "payment according to results."¹ Other people think history's first evaluation took place a little bit earlier, in the days of Nebuchadnezzar, when one of the King's stewards conducted a controlled experiment to test the effects of a vegetable diet on the "fairness" and "fatness" of Daniel, Shadrak, Meshak, and Abednego.²

Whatever the actual origins of program evaluation, it's clear that interest in the effects of government programs and policies goes back a long way in the United States. But the ability of evaluators to respond to that interest is what's new. The state of the art has developed remarkably over the past 20 years or so, and I think this is the result of two quite disparate and independent paths of inquiry.

One of these paths was the 1950-ish effort to rationalize the management and resource allocation of defense missions and programs. We used to call that PPBS, or the Department of Defense's Planning, Programming, and Budgeting System. But only one component of PPBS involved the retrospective activities of program evaluation; the main thrust of the effort was really on planning, so that the techniques PPBS fostered (like policy analysis)³ were tailored more to establish likely future effects than to identify the actual, observed effects of implemented, existing programs or policies. The question was "what'll happen if we implement this program?" rather than "now that the program is implemented, what happened as a result?" The PPBS techniques -- policy analysis, cost-benefit analysis, cost-effectiveness analysis, systems analysis, operations research -- were all developed by economists and all had economics as their core.⁴

The second path was different in that it involved fields like education, public health, or crime and delinquency (rather than defense), and it antedated the first path since, already by the 1950s, large-scale retrospective evaluations were being commonly performed, using methods of applied social research such as the survey, or computer-assisted statistical analysis.⁵ Also, this path didn't belong to any one discipline; instead it received major methodological contributions from a broad array of fields including psychology, sociology, economics, political science, applied statistics, and anthropology.

Little by little over time, of course, the two paths have become much less distinct, and today it's the most ordinary thing in the world to find a mixture of techniques from both paths used together in a single study.⁶ So the yield for modern evaluators has been an increasingly rich repertoire of methods that we can use to answer different types of questions about government policies and programs.

The patterns of evolution have also been different for the two evaluative paths. The applied social research path developed slowly but surely and steadily, driven first by the expanding Great Society and its "War on Poverty," which generated a need to find out what effects these unprecedented social programs were having, and later by a developing concern about the costs and effectiveness of these programs, which triggered efforts under Presidents Nixon and Carter to gain improved efficiency through evaluative information.

PPBS, on the other hand, didn't develop slowly and steadily. It exploded on the horizon, full-bodied, you might say, from the head of McNamara. It was barely a glimmer on the national consciousness in 1960. But by 1965, its success -- or at least its proclaimed success in DOD -- was such that President Johnson ordered it implemented in all agencies of government. Now he did this despite the fact (and here I quote Aaron Wildavsky) that "not a single study of this important experiment was undertaken before the decision was made to

spread it around the land."⁷

By 1970, only 5 years later, much of the excitement had faded as people began to recognize the technical prematurity of some of their efforts and the remarkable optimism of some of their expectations. What happened was that once again, as with performance budgeting before it, the assumption had been made that the needed data systems and measures with which to evaluate program outcomes could be quickly and easily developed.

Now, of course, with the benefits of 20-20 hindsight, and with the knowledge brought by 20 additional years of technical experience, it seems almost staggeringly obvious that the size of the data base and measurement infrastructure that were needed for something as big as "government--wide PPBS" called for lengthy research and development. The fact that there had been little, if any, prior development and testing of measures that could validly represent program outputs was an obstacle to planning and evaluation that PPBS just could not overcome. Even more importantly, I think, the lack of an evaluative information base that could speak to actual experience with existing programs terribly weakened the credibility of estimates for the future made by PPBS' various analytical techniques. In effect, measuring future costs and benefits of alternative policies and programs requires at least some knowledge of current effects.

I think the slower growth of the use of applied social research helped its development in comparison to what happened to PPBS. Also, there was a tendency toward small rather than gigantic applications (I mean projects or programs, rather than systems), and there were infinitely less lofty expectations. So this allowed the applied social research path more time to develop an understanding of which initiatives could and couldn't yet be undertaken, time to increase the development of needed support systems (such as data bases), and time to sharpen its focus on the professional needs and training of the developing interdisciplinary field.

Now I don't say this to belittle the considerable growth that did occur, simply to note a difference in the type of growth from that experienced by PPBS. The fact is, with regard to the growth of applied social research-type evaluation, that over the single decade spanning the late sixties to the late seventies, the federal funds spent on non-defense program evaluation rose from about \$20 million annually to about \$180 million. That number moves to over a billion when you count in defense evaluations. The number of people who used to be able to lay reasonable claim to the title of program evaluator went from a handful to several thousands over the same period. "The number of studies, the number of evaluation units in government agencies, the number of private research firms, the academic departments having programs in evaluation, the number of legislatively mandated requirements for evaluation, and the actual use of evaluation findings by legislators and managers all increased dramatically during this brief period."⁸

I think it's important to note that while the problems of PPBS did end in the system's decline, they nonetheless helped the development of program evaluation in that they confirmed and clarified for many policymakers and analysts the basic, enduring, governmental need for a program evaluation information base. You know, people often say that one of the lessons from PPBS was that perfect scientific rationality may not be achievable in government. Well, I'd say that that was no startling revelation. Some of us, in fact, had already suspected that.

What was really crucial was the discovery that the ordinary "muddling through" of the political process also benefits from sound information, especially empirical information about past program performance, as a regular part of normal, incremental policymaking. So PPBS demonstrated both the need for an evaluative information base and the fact that it didn't exist. At the same time, the progress being made in applied social research showed that such an information

base could be developed -- slowly and piecemeal, perhaps, but steadily and cumulatively -- over time.

The fact that many policymakers had become aware of this is reflected in the numbers of administrative data bases that were developed in the executive branch over the 1965-1975 period. The most important purpose of these data bases, of course, was to allow the monitoring and evaluation of government programs. They include such topical areas as education, employment, health, energy, the environment, public assistance, and crime and delinquency, to name only those. Then there was Title VII of the 1974 Congressional Budget and Impoundment Control Act, which gave great impetus to legislative program evaluations, making as it did a very strong statement about the importance and utility of program evaluation to legislative policymakers. This was the legislation that directed the General Accounting Office to develop its activities in this area.

So, to make a long story short, I think that two parallel paths of inquiry have contributed powerfully to the development of program evaluation as we know it today. One path proceeded rather gradually, across the multidisciplinary fields and methods of applied social research. The other had more of a bell-shaped curve. Both paths pioneered or used and diffused methods (for example, surveys, case studies, controlled experiments, statistical research and analysis, longitudinal design, meta-evaluation) which have become part of the everyday language of program evaluation. More and more people are now trained in the use of quantitative techniques generally and social science research methods in particular. As time passes, consensus has been building in the field in many areas. This is especially true with regard to the definition and purposes of evaluation, but also with the recognition of its usefulness for both executive and legislative branch policymaking and management needs.

Definition, Purposes, and Importance Of Program Evaluation

How then do we define program evaluation today? The definition we use at GAO is that evaluation is the application of systematic research methods to the assessment of program design, implementation, and effectiveness. That is, it gives information on program design for the purpose of policy formulation -- and by that I mean assessing or justifying the need for a new program. It can provide information on program implementation for the purpose of policy execution -- and there I mean ensuring that a program is operated in the most cost effective way. And, finally, evaluation develops information on program effectiveness for the purpose of accountability in public decision-making -- and there what I mean is determining the effectiveness of an operating program and establishing whether it should be continued, modified, or terminated. So evaluation can address itself to all three purposes.

Now you can see right away that these purposes -- policy formulation, policy execution, and accountability -- have definite implications for the kinds of questions evaluations may be asked to answer. For example, let's look at the purpose of policy formulation. It applies essentially to new programs and it may need answers from evaluation that include:

- Information in the problem addressed by the program. (How big is it? Do we have four anecdotes about the problem or do we have information about its frequency and direction? How is it changing? Do we really need a new program or new legislation to solve this problem? If we do, how likely is it to succeed?)

- Information on the results of past programs that attempted to deal with the problem. (Were those programs feasible? Did they work? What difficulties did they encounter?)
- Information that tells us how to select one alternative program over another. (What are the likely comparative costs and benefits of going one way versus another? What kinds of growth records were experienced by different alternatives in the past?)
- Information on program outcomes. (What happened as a result of designing the program and implementing it?)
- Information on the degree to which the program made, or is making, a difference. (That is, what favorable change in the problem occurred that can be directly attributed to the program?)
- Information on the unexpected (as well as the expected) effects of the program. (E.g., was a program of drug education to combat drug abuse accompanied by an increase in the use of drugs?)

When you move to the purpose of policy execution, you get entirely different kinds of evaluation questions. Here people are looking for:

- Information on program implementation. (For example, the degree to which the program is operational, how similar it is across sites, whether it conforms to people's expectations about it, how much it costs, how stakeholders feel about it.)
- Information on program management. (Here the typical questions are: the degree of control there is over expenditures, the qualifications and credentials of personnel, the way resources are allocated, whether there are major problems of service delivery or of error, fraud and abuse, etc.)
- Ongoing information on the current state of the problem addressed by the program now that the program is implemented. (Is the problem growing? Is it diminishing? Is it diminishing enough so that the program is no longer needed? Is it changing in terms of its significant characteristics?)

Finally, with respect to accountability, the questions are again different from those of the other two purposes. Here policymakers want:

The point I want to make here is that these three purposes of evaluation produce information that's useful across the program acquisition cycle, either within a single executive agency at different levels of responsibility, or across executive and legislative branches of government.

The Role of The General Accounting Office

So, with this definition in hand and having outlined three policy purposes that evaluation can serve, how does the evaluation process work? How are its effects felt in public management? Let me illustrate that process by looking first at how evaluation works in the legislative branch at the federal level, taking the example of the General Accounting Office. As you know, the GAO has the responsibility of assisting the United States Congress in its legislative activities and in its oversight of the executive branch. It's charged with providing wide-ranging, independent, objective information as a contribution to congressional decision-making. Now this may involve policy formulation (e.g., legislating, budgeting for, and critiquing new programs), or policy execution (e.g., overseeing that program management and

operations are efficient), or accountability (knowing whether or not programs and policies have been working), or sometimes even all three together on the same program.

There are seven divisions in the GAO. I direct one of these, the Program Evaluation and Methodology Division (PEMD), and the primary function of that division is to conduct program evaluations for the Congress. The scope of our work involves all the topical areas of the GAO, on a continuum ranging from employment, health, welfare, and education through energy and the environment to defense.

Three recent examples of our work can show you how the Congress uses program evaluation at the national level for each of the three policy purposes I've been talking about: to judge new programs (or policy formulation); to examine the integrity of ongoing programs (or policy execution); and finally accountability -- to establish the effectiveness of a program about which conflicting claims may have been made.

Policy Formulation. Here I want to discuss our work on chemical warfare. In 1983, we published a program evaluation assessing the executive branch request to break the moratorium on chemical weapons and to establish a new binary weapons program.⁹ The Congress had asked that we examine the nature, extent, and quality of the information brought by the executive branch to support their request for new weapons. We used a meta-evaluation or synthesis design and our findings were that:

- Most of the assertions made by the Administration were based on belief, not on empirical evidence, and were therefore quite possibly inaccurate.
- Many advantages ascribed to binary weapons (principally, the Bigeye bomb) had not been demonstrated.
- Possible disadvantages of the Bigeye bomb (such as problems of mixing and arming during battle, or weapons

toxicity) had not been confronted. Disadvantages attributed to unitary weapons had not been established.

- Doctrine was inadequately developed.
- The problem of protecting civilian populations hadn't even been addressed, much less solved.

The debates on chemical weapons in both houses of Congress that year were centered on our report. Senators and Representatives cited large numbers of points taken from the GAO text; more than 100 pages of the Congressional Record were devoted to the parliamentary discussion of what should be considered acceptable evidence for and against binary weapons. After about six months of debate, the Congress decided against the Administration request.

Policy Execution. Here, I think a good example is the Runaway and Homeless Youth Program. In 1982, the Congress asked us to evaluate a program developed under President Carter and designed to deal with the immediate crisis needs of runaway or homeless adolescents and their families.¹⁰ The program was a very small one, but had come under attack from critics who questioned whether it was really useful. Some thought its scope was too small to affect the problem. Others felt it might be overstepping its authority, that is, not working within the constraints laid down by the Congress. So the requesting committee wanted us to develop empirical information about what was in fact happening in the program.

We examined the operations of 17 of the program's 69 centers, using a survey design. Our findings were: (1) that the program was working almost exactly as intended, and (2) that the groups involved -- parents, practitioners, referring agencies and the youths themselves -- were in general agreement that the program was important and its services useful. As a

result, instead of cutting the program by half as its critics had requested, the Congress increased its funds by half.

Accountability. A good example is our evaluation of the effects of the 1981 legislative changes to the AFDC public assistance program. Here the Congress asked us to evaluate the effects of its own legislative changes to the AFDC program. What the Committee on Ways and Means wanted was the most conclusive information possible on what had happened to earner families in the program as a result of the legislation. Here we used a combined evaluation approach: an interrupted time-series design at the national level, and retrospective before-after designs involving individual data collection in each of five urban counties. This was a complex, lengthy evaluation. Our most important findings were:

- 493,000 welfare families had been cut from the assistance rolls as a result of the legislation.
- About \$93 million had been cut from monthly AFDC outlays.

But these achievements wrought major hardships on earners in the program:

- Although their earnings increased on average, they generally experienced significant income losses that they couldn't make up through working.
- Many of these families remained entirely without health insurance.

Yet, despite these hardships, we found that most working recipients did not quit their jobs, and did not return to public assistance.

The Congress then acted, on the basis of our findings, to provide greater transitional protection -- such as health care coverage and food stamps -- for families leaving the welfare rolls.

Now what influence can we say that legislative evaluation is having on public

management in the executive branch?

The studies I've mentioned are, of course, just three examples among many of program evaluations we've performed for the Congress, and I've noted their specific uses by legislative policymakers. All three of these evaluations were brought into national debates on the issues raised, and all three have had tangible results: funds deleted for binary chemical weapons, funds increased for services to runaway children, and improved legislation to make AFDC provisions both more humane and more congruent with the findings that AFDC earners did not want to remain in the program and were making great efforts to stay off the rolls.

But in addition, I believe these evaluations and others like them are having a general effect on the nature of public deliberations. I think this is because they bring neutral information to bear on some highly charged, emotional issues in national political debates. I'd like to point out that in each of the three cases I've mentioned (and in others as well), our findings were not only utilized in almost agonizing detail, they were also acted upon, even though they were often attacked by the executive branch. I think the reason for this is that attacks which are not based on contrary evaluation results -- but are instead built on beliefs, on anecdotes, or on war stories -- just don't weight very heavily against existential, empirical findings. So when the time came to look at the facts, those attacks couldn't change the orientation of the debate that the evaluations had brought about: that is, the debate had shifted from emotional assertions that nobody could either confirm or deny, to highly specific discussion about the evidence, its quality, and what it showed.

As a result, it seems likely to me that over the next 10 years or so, we should be seeing a strong development of evaluation units in the legislative branches of government in this country. Here I refer not only to the work of the GAO but also to that of the legislative evaluation units at state levels, such as the outstanding

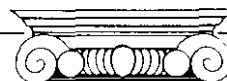
organization you've developed here in Virginia -- the Joint Legislative Audit and Review Commission -- and some of the others that I know of which are springing up under the sponsorship of the National Conference of State Legislators. I think also that if this strong development of legislative evaluation continues, and if the work that is done maintains its credibility and its power, then we should also be seeing a concomitant development of evaluation in our executive branch agencies, at both state and federal levels.

Why do I think this? Well, the logic behind it is that, all things being equal, if program evaluation is proving itself useful to legislatures across the country, then that success will be translated into a bigger legislative demand for evaluations of executive branch programs. But if the legislative use of evaluation should continue to rise, then the balance of analytical power -- as between the executive and legislative branches of government -- could eventually be transformed, unless there were a strong development of similar evaluative resources in the executive branch. But since a power

transformation of the sort I'm talking about would leave the executive branches of this country at some disadvantage, I don't think they're going to let that happen.

So it seems reasonable to me to expect that the long-term impact of growing evaluation use by the legislative branch of government in this country should be, first, more evaluation production and use in the executive branch; second, improved policy formulation, stronger program execution, and increased accountability in public affairs generally; and third and perhaps most important over the long term, greater belief on the part of Americans in the capabilities of their government to address public needs efficiently, equitably, and with vision.

[Note: The views and opinions expressed by the author are her own and should not be construed to be the policy or position of the General Accounting Office.]



Notes

- (1) George F. Madaus, Scriven, Michael and Stufflebeam, Daniel L., *Evaluation Models: Viewpoints on Educational and Human Services Evaluation*, Kluwer-Nijhoff Publishing Co., Boston, 1983, page 4.
- (2) Old Testament, Daniel 1:12-17, cited in David C. Hoaglin, Light, Richard J., McPeak, Bucknam, Mosteller, Frederick, and Stoto, Michael A., *Data for Decisions*, Abt Books, 1982, page 7.
- (3) See the discussion by Aaron Wildavsky in "The Political Economy of Efficiency: Cost-Benefit Analysis, Systems Analysis, and Program Budgeting," in *Public Administration Review*, December 1966, pages 293-302, and by the same author in "Rescuing Policy Analysis from PPBS" in *Public Administration Review*, March/April 1969, page 190.
- (4) Steven E. Rhoads, "Economists and Policy Analysis," in *Public Administration Review*, March/April 1978, pages 114; and E.S. Quade, *Analysis for Public Decisions*, Elsevier, New York, 1975, page 22.
- (5) Peter H. Rossi, Freeman, Howard E. and Wright, Sonia R., *Evaluation: A Systematic Approach*, Sage Publications, 1979, page 24.
- (6) For example, Donald T. Campbell, "Factors Relevant to the Validity of Experiments in Social Settings," *Psychological Bulletin*, 1957, 54 pages 297-312; or "From Description to Experimentation: Interpreting Trends as Quasi-Experiments," in C. W. Harris (Ed.), *Problems in Measuring Change*, University of Wisconsin Press, 1963; or, with Julian C. Stanley, "Experimental and Quasi-Experimental Designs for Research," in N. L. Gage (Ed.), *Handbook of Research on Teaching*, Chicago, Rand McNally, 1963.
- (7) See especially, Lee J. Cronbach, "Course Improvement Through Evaluation," *Teachers College Record*, 64 (1963) Columbia University, New York; and (with A. L. Edwards) "Experimental Design for Research in Psychotherapy," *Journal of Clinical Psychology*, Vol. 8., January 1952, pages 51-59.
- (8) Note the discussions of measurement problems (reliability and validity) and statistical analysis interpretation in Paul F. Lazarsfeld, "Interpretation of Statistical Relations as a Research Operation" in *The Language of Social Research*, Free Press, Glencoe, Ill., 1955, pp. 115-125; and especially Lazarsfeld's evaluation of voting behavior, using a longitudinal study design, in Paul F. Lazarsfeld, Berelson, Bernard, and Gaudet, Hazel, *The People's Choice*, Columbia University Press, New York, 1948.
- (9) See, for example, John F. Holahan's application of cost-benefit techniques to evaluate a rehabilitation program in *A Benefit-Cost Analysis of Project Crossroads* (Washington, D.C.), National Committee for Children and Youth, 1970; or the General Accounting Office's recent use of an applied social research model for evaluating the DOD's joint test and evaluation program (United States General Accounting Office: *How Well Do the Military Services Perform Jointly in Combat: DOD's Joint Test and Evaluation Program Provides Few Credible Answers*, PEMD-84-3).
- (10) Aaron Wildavsky, "The Political Economy of Efficiency: Cost-Benefit Analysis, Systems, Analysis, and Program Budgeting" in *Public Administration Review*, December 1966, page 306.
- (11) John Evans, "Is Educational Evaluation Dying?" paper presented at the 1984 annual meeting of the American Educational Research Association (AERA) in New Orleans as part of Session No. 9.33, "Whither Evaluation—Life, Death, or Reincarnation?"
- (12) U.S. General Accounting Office, *Chemical Warfare: Many Unanswered Questions*, GAO/IPE-83-6, April 29, 1983.
- (13) U.S. General Accounting Office, *Federally Supported Centers Provide Needed Services for Runaways and Homeless Youths*, GAO/IPE-83-7, September 26, 1983.
- (14) U.S. General Accounting Office, *An Evaluation of the 1981 AFDC Changes: Initial Analysis*, GAO/PEMD-84-6, April 2, 1984.
- (15) Auditor General of Canada, *Program Evaluation: Report of the Auditor General*, 1983, Chapter 3, Section 3, 27, Ottawa, Ontario.

Dale Cattanach

State Auditor
Wisconsin



The Wisconsin Legislative Audit Bureau has about 70 nonpartisan, professional staff, and we release about 40 reports each year. In addition to doing program evaluation, we are the State's financial auditors. I am appointed by a joint bipartisan committee composed of the legislative leadership. Our reports are submitted to the Joint Audit Committee.

In general, I think the slogan for program evaluators in state legislatures around the country has to be the Avis slogan, "We try harder." Program evaluation does not have the natural constituency among legislators which some legislative staff functions have. Fiscal staff are important because the budget is the

largest single task facing the legislature each year or each biennium. Leadership staff are there day in and day out helping in many ways. Research and substantive staff help keep their standing committees moving ahead. Therefore, evaluators have to assume responsibility for making sure their work is useful to the legislature, if they want it to be used.

What are the ingredients of an effective oversight function? Several of the key factors have already been mentioned: interested and committed leadership; a favorable environment, including a tradition of fiscal conservatism, a strong sense of legislative independence, and an absence of partisan bickering; a strong audit or evaluation committee; and good staff. I do not intend to elaborate too much on these points, but I would like to reinforce them with one or two comments.

Legislative Commitment

First, the need for a commitment among the leadership to program evaluation cannot be overstated. The nature of the oversight function means that leadership

will, at times, have to make some appointments which do not represent a legislator's first choice. Legislators do not typically seek assignment to the Audit Committee for several reasons. First, they know it's no place for those legislators who want to be advocates for certain programs, because auditors tell it like it is, not like advocates might hope that it is. Second, the Audit Committee deals with some very controversial issues; many legislators would prefer to avoid controversy or at least control which controversies they become involved in. This reluctance to serve on the Audit Committee among many legislators means that the support of the leadership for auditing and program evaluation is crucial.

Relations With Other Committees

Another crucial factor in the success of the program evaluation is the Audit Committee's success in working with other committees, particularly the Appropriations Committee. Our Audit Committee receives our reports, typically holds public hearings on them, and may introduce legislation to implement recommendations. Frequently, since our reports deal with fiscal and policy issues, the Audit Committee will turn over a problem with recommendations for changes to our Appropriations Committee for inclusion in the budget. Good relations are essential if these recommendations are to be considered and accepted by the Appropriations Committee.

The current ties between our Audit Committee and Appropriations Committee are excellent. The co-chairs of the Appropriations Committee this past year were the co-chairs of the Audit Committee the year before. Five of the 16 members of the Appropriations Committee are former Audit Committee members. Our staff also has a good relationship with the fiscal staff.

Scope of Authority

There are at least two other structural factors which are important to effective program evaluation. First, the scope of the audit agency's authority and responsibility must be carefully defined. On the one

hand, the authority should be restricted to a manageable level. In Wisconsin, the Legislative Audit Bureau's authority is generally restricted to state agencies or agencies receiving substantial state support. In this way, we are not spread thin by trying to audit every local entity.

On the other hand, for those agencies we audit there are few limits on what we can audit within those agencies. The only significant exception is within the University of Wisconsin, where we are prohibited by law from auditing issues involving academic freedom. Since some within the University would argue that everything is related to academic freedom, we have, at times, practiced "brinksmanship" with the University, although we have avoided outright confrontations. Recently, our authority has been expanded to include a number of quasi-governmental operations as well.

Access to Records

A second important structural requirement for effective program evaluation is access to records. We have only a few limits on our access to records, notably individual income tax returns. I also have the statutory power to subpoena records when necessary, though I have used this power only once or twice in the last seven years.

Topic Selection

In addition to structural factors affecting the success of program evaluation, I believe the methods used to select evaluation topics are also important. Our evaluation topics can be (1) statutorily mandated, (2) directed by the Joint Audit Committee, or (3) initiated by staff. This is a good mix. If a legislator is interested in a subject and our audit produces findings and recommendations he or she finds useful, the chances of legislative follow-through are increased. I have seen situations where a single legislator has taken an issue and almost single-handedly guided it through the legislature.

On the other hand, allowing staff the freedom to select topics is also useful. In the course of doing one evaluation, staff may run across another, or staff, like legislators, sometimes have a "nose" for an issue. They can anticipate what will be of interest to the legislature.

Timing

Another factor in success is timing. Not only must the evaluation report be there when the legislature needs it, but its success can be enhanced if it arrives at a crucial moment in the debate. This year the University of Wisconsin requested a significant amount of funding for faculty "catch-up" pay to bring salaries in line with those of its peer institutions. In the heat of this debate, we reported that the University had accumulated substantial unneeded reserves in the accounts used to build and maintain student-financed facilities, such as student unions and dormitories. Our major recommendation in the student report, that \$22.5 million be taken from the reserve accounts and used for other purposes, received immediate and, I think, more concentrated attention than it would have received if the other university issue had not been on the legislative agenda.

The Question of Advocacy

Finally, let me say a word about the need for marketing in order to ensure the success of evaluation. It seems to me that

there is a substantial lack of agreement on this point, both among legislators and staff. We all recognize the need for autonomy, independence, objectivity, and nonpartisanship in our work. We recognize the danger of "advocacy." Excessive advocacy quickly leads to loss of credibility, and that is fatal.

In my view, however, there needs to be a balance between independence and advocacy. Just as advocacy can lead to loss of credibility and effectiveness -- to say nothing of the loss of job -- so too can excessive autonomy or independence lead to isolation. I suspect the single biggest complaint from legislative program evaluation staff throughout the country is that legislatures, Virginia excepted, do little or nothing with the findings and recommendations in program evaluation reports. To overcome this, I think we need to: (1) work closely with interested legislators; (2) suggest or ask for a public hearing on our reports; (3) work with the media so our story is told; and (4) try to be a part of meetings in which legislators are discussing the issues and will find our information useful. Representative Morgan's point is excellent: legitimate advocacy is professional defense of the work.

Beyond these factors, I believe success in program evaluation requires luck, realism, and patience.



George Schroeder

**Executive Director
South Carolina
Legislative Audit Council**



We have a unique setup in South Carolina. We are the only state of the Union with an oversight organization that does not exactly report directly to the General Assembly.

Our organization by law is made up of three citizens, elected by the legislature after a merit selection nomination process. They are elected to staggered, six-year terms. Six *ex officio* members, who are leadership people from the House and Senate, also serve on the council. But only the three citizens vote on questions of audit or on questions of personnel. They are the only ones who vote on my appointment, for instance.

These three citizens cannot have been members of the General Assembly for at least two years prior to their election to the Legislative Audit Council. And they are not paid, except for *per diem* expenses on the days we meet, which is usually about once a month.

They always have been people who are very intensely interested in the work of the Legislative Audit Council. We have had continuity over the ten years we have been in operation in that one member has served all ten years. And we have another member who has served most of that time. In fact, our least-tenured

member, who is currently our chairman, has been with us for six years. This continuity is very important, I think, in the success we've enjoyed in South Carolina.

As legislators or others working directly with legislative committees and audit committees, you probably question how effective we could be under that kind of an operation. You might think we would be somewhat insulated from the legislature. That, to a degree, could have been true, but it did not work out that way. It allowed us to set up an independent, professional operation in a state where that was not the

norm. And, it allowed us to sell that organization to the legislature. They, after all, had put the law together that created us, and they'd done that because they wanted this independence. They probably got more independence than they wanted, but I think they learned to live with it, because of the kinds of things we could do for them.

Proving Ourselves to the Legislature

Early in our work we did an audit of the Department of Social Services. During the course of that audit we found that there was a way in South Carolina for government agencies to accrue funds and keep them in banks outside of the treasury. It would not be "known" in the general fund that these funds existed. Then, if the legislature voted to fund a program, and later Congress also voted for that program, the state agency could spend federal money to fund the program and bank the state money in a private bank account.

We came upon this in the course of an agency audit. The Audit Council had only been in existence for three years at that time, and we hadn't quite proven ourselves to the legislature yet. The following year we decided to do an audit of this problem statewide, to see what kinds of funds existed, in what places, and so on. That year South Carolina ran a 16.5 million dollar deficit in July. In September, we collected 40 million dollars, and we were in business!

For success, you also have to have a very good staff. We've put a strong stress on education and training with our staff. None of our staff are political appointees, in the sense that they serve because they were suggested to us by someone in the political arena. In fact, a good number of them are people who have come from other states, although the majority are from South Carolina.

We do all the kinds of work that our sister agencies do: compliance audits, broad scope auditing, performance auditing. What we're trying to do, of course, is find that bottom line. What is the government

producing? Is it efficient and effective? Does what it is doing help the general public?

In essence, we report to the taxpayers. We look at the state as a corporation, the taxpayers as the shareholders, and the legislature as the board of directors. The different government agencies that we audit are really divisions inside that corporation. That's the way we see our responsibility.

We have full subpoena authority. Recently we got, through a court order, access to all the tax records of the tax commissioner in our state. That's been a unique experience: to know that we have that authority. It just passed the legislature in the last couple of years. You must have a pretty broad authority to get at records and do the type of work that we all do.

Becoming Institutionalized

How do our organizations become institutionalized? How do they become something that the legislature thinks of as necessary and permanent? In the early years, I didn't know whether we were going to continue to exist or not. We had very powerful enemies. We *made* very powerful enemies because we audited agencies that had been adopted by certain Senators and certain members of the House. And we crippled those agencies, and in so doing we put at risk our own existence.

That's no longer the case in South Carolina. But how did we get to that point? I think we got to that point because, first, we have been very careful to be *right* when we produce an audit. We have a very strong internal review process that we go through. We must have good, solid documentation behind every statement we make in an audit report, or that report will not go out. As I mentioned, we have a well-trained, well-educated, and aggressive staff.

Ingredients for Integrity

You've got to have moral courage -- the courage to say what you found, no matter what, and no matter whom it might

hurt. If you don't have moral courage, if you try to play political games with audit reports, you're going to have problems. Some people are not going to believe you, and when some people start not believing in you, they're going to convince everybody else not to believe in you. And in a few years the thing is going to deteriorate, and you'll be gone.

You can't be afraid of what people say they're going to do to you. We've had many lobbyists come in over the years and say, "I'll have you taken care of," because we were going to bother their programs. We have legislators who have publicly said, "That agency is going to go," meaning the Legislative Audit Council. You can't be afraid of them. You have to make them afraid of you, eventually, and we've been able to do that in South Carolina.

You must develop good relations with the press. It's dangerous to deal with the press, because sometimes they don't get things right. They sometimes write things up in unusual ways. But you must not be critical of them. Never pick a fight with anyone who buys ink by the barrel!

We try to maintain a very close relationship with the media. When we issue

an audit report we do it at a press conference, and we always have overflow problems. Over the years we've provided many good stories through our audit reports to the media. I personally make it a part of my job to work with the media on any long article or feature story they want to do. And they have been most helpful, I think, in establishing the Audit Council, in making the legislature and, most importantly, the public aware of our work, and therefore in making sure that our work means something and that something comes out of it.

You've got to tell the legislature, when they're wrong, that they're wrong. When they're right, you've got to tell them that they're right. You've got to be honest with everybody. You have to have integrity. If you don't have that, if you play politics in this business, eventually you're going to run out of the major thing that really makes a legislative audit organization -- and that's luck! You've got to have lots of good luck, and we've had very good luck in South Carolina.



William Thomson

**Director
Performance Audit Division
Office of the Auditor General
Arizona**



I feel there are three primary ingredients necessary for effective legislative oversight. They involve the staff, the statutory framework and the performance of the organization.

Staff

One of the factors we most often take for granted, but the most critical factor of all in effective legislative oversight, is the staff assembled to do the job. The staff has to be professional. We see many cases in which the staff is assembled from patronage, part-time sources or borrowed from other staffs. When you ask a staff to do a job that's difficult, a job that is highly specialized, you need a professional staff.

Of equal importance is the talent level of that staff. This is exciting work, work that is very interesting, challenging, varied, and fulfilling. The nature of the work is such that we can and should get the best talent possible. We find we are able to attract people from the top 10% of their class; as a matter of fact, it would be unusual for us not to get someone out of the top 10% of their class. We also find there is a growing interest in a career in this profession.

When we first started our office, many of the people we got were interested in administration - being a city manager or a department head - and they saw this field as a stepping stone. We are now attracting people who have studied and had course work in program evaluation or performance auditing; people who come out of school interested in this field as a career. They are interested in rising within the organization and/or moving to another organization doing this same work. You have to have an excellent staff and I think you can get such a staff.

Another important factor is that the legislature recognize and be exposed to

the quality of the staff. In the past, the previous director was the primary source of contact for the legislature. They had no idea of the staffing below him, and the fate of the division rode heavily on their reaction to his personality, whether positive or negative. We try in all instances to give our legislature as great an exposure as possible to our staff so that they are aware of the Division's talent.

You not only need a talented staff, I think you also need a certain level of experience in your staff. This is a somewhat specialized business, a business in which most of the training has to be done on the job. We believe it takes from one to two years to train and get full productivity from a person. We find it takes up to three years' experience before a person is able to run a project for us. We have people who move into those positions in less time, but frankly the more experience they have the better they are able to run the audits for us.

If we have turnover it affects both quality and productivity. We have learned from sad experience that when we lose staff, even staff not considered our strongest staff, we see a noticeable drop in the amount of work that can be performed. We also find that if our turnover rate is too high, our quality of work also declines.

By quality of work, I mean the ability to take on the more complicated, the more difficult issues that require more insight. Most staff can take on the more straightforward issues, but the issues of real importance to the legislature, that often takes experience to do. We also find we can't replace this experience by hiring people from the outside. We have tried it with mixed results. There are simply so few organizations engaged in this work that experienced people usually aren't available.

When you get your talented and experienced staff, they still have to have the tools; for instance, one of the hottest things in our field right now is computers. Our experience shows computers increase productivity, increase analytical capabilities and improve staff morale. If you want staff to perform, give them the tools. They

must also be provided adequate opportunities for training, workshops, and exposure to publications.

There is also a need to express to staff a sense of purpose, and a sense of appreciation. Legislative appreciation is very important. We were fortunate to receive recognition from NCSL last year. After we did, we received letters of congratulation from the Speaker and other legislative leaders. These letters have had a very positive effect on our staff. Staff also need to feel they are in a professional organization, that the salary, the offices, the job titles, all reflect a sense of worth and professionalism.

Statutory Framework

The second primary ingredient involved in the effectiveness of legislative oversight is the statutory framework of the statutory powers involved in the oversight. One of the more important things that I see needed is statutory provisions establishing independence. I'm talking about an independence in which we may be told the questions to ask but are not given the answers we are to find, the type of independence in which staff reports are not rewritten, the type in which staff have the ability and professional responsibility to report based on their best professional judgment.

In those states in which there has been some lack of that type of independence alleged I believe we have seen a decline in the effectiveness of those states' oversight functions. Parties change, powers change within parties, as well as within or between houses. If a function is known as being political, as being part of the partisan process, a lack of confidence and eventually a lack of use of that staff will be seen.

The staff needs broad powers for access to confidential records. When we establish oversight we are giving people a charge to be working in data. I see many cases in other states where there are questions on access to data. What can't be seen can't be audited. The access powers have to be strong, broad, and far-reaching.

We have been fortunate in our state to have had few statutes in which we have been shut out of records. In every instance where those statutes existed we've gone to the legislature, and it has revised the statutes to give us that authority.

We find that an important element in the statutory framework is how the linkage is established with the legislature. A lot has been said about Sunset. One thing good Sunset did do was establish a linkage with the legislature. Sunset established a list of audits to be conducted (including legislative hearings) and provided that the legislature must take specific actions.

However, there are many changes going on in Sunset. We are now finding a different kind of linkage being established. Two sessions ago our legislature passed statutory changes that require the Oversight Committee (which had a perfunctory job before) to prioritize which audits on the Sunset cycle will actually be audited. The Oversight Committee may also add audits to the cycle or may ask for follow-ups. This linkage with the legislature is going to help us be even more effective. We still have the legislative linkage (all the statutory requirements for hearings, etc.) encompassed in the Sunset statutes, plus we are now being assigned to do work of more interest to the legislature.

For instance, we are currently completing three audits of the Department of Corrections and will have issued a total of six audits before we are done. Corrections is one of the most critical issues facing our state. The legislature is extremely concerned, and I think they will find these reports of far more interest and use than reports on many of the obscure agencies found in the Sunset law.

An important statutory power needed in effective legislative oversight is follow-up. There is clearly a need to follow-up to the legislature as to what is occurring after a report is out.

Performance of the Organization

The third of my primary ingredients for effective legislative oversight is

performance of the staff. I am speaking of project control and management. There is a great need for staff to be able to respond to the legislature, to meet deadlines, to be able to project when information can be provided, and then meet that commitment.

It is particularly critical when trying to report either ahead of or very early in a legislative session. We found that in some cases in the past we were not given special assignments from the legislature because they did not think we could meet the time frames needed. If they perceive that an organization is too slow or not timely, they will reach to other sources for information.

On the other hand, we were able earlier this year to perform the first of our audits in the Department of Corrections. We were originally asked if we could do the audit in two weeks. We suggested that that was impossible and were able to negotiate 10 weeks. Eight staff were assigned and we put in about 3000 hours (with some staff working 40 hours overtime in some weeks), and we met our commitment. We provided the legislature a service by providing the information; we did ourselves a service by establishing that we could respond to legislative needs.

Another thing an organization has to be concerned with in performance is producing a consistent product. I think you often hear the phrase "You can't afford to be wrong." One mistake can discredit an entire report; one bad report can discredit a whole audit organization. We must always be right. We can never afford to be wrong. We have to be consistently right. We also need to do the same depth of research on all reports.

We can also never duck tough issues, even if we know they are going nowhere. For instance, many states can give horror stories of doing Sunset audits of the barbers and cosmetologists. We took a political beating when we stated that cosmetologists did not need to be licensed. Four or five hearings were held, and 200-300 cosmetologists were at each hearing. The cosmetologists raised money, formed a political action committee (PAC) and hired

the former President of the Senate to lobby for them. (A friend of mine who is the director of the Arizona Chapter of Common Cause liked to refer to that PAC as the mud-PAC.) The cosmetologists generated thousands of signatures on petitions and postcards, and the licensing of cosmetologists was never seriously in question.

As nearly as we can tell, however, that report had important long-range ramifications for us as an organization. The legislature and all concerned parties knew that we could have ducked that issue, but we did not. We took it on, knowing it would be a political beating for us, and established that we don't pull punches and don't duck tough issues.

The final thing on staff performance is learning to find the critical issues. This work is unlike many other works. The scope is quite flexible, and there is often great need for staff discretion, understanding, and

insight to find the issues of concern to the legislature. When we begin an audit, we attempt to obtain all legislative input possible. There is often no specific legislative reason for the audit other than a general sense that the agency needs an overview. (Occasionally the legislature may provide us with two or three questions.) Staff must be able to understand and recognize what is valuable to the legislature and that which has little materiality.

In summary, the three primary ingredients for legislative oversight are: The staff, the statutory framework, and project control and management. Of these, the staff is the most critical. If you don't have good staff, it does not matter what else you assemble.



John W. Turcotte

**Executive Director
Joint Committee
on Performance Evaluation
and Expenditure Review
Mississippi State Legislature**



Legislative performance auditing in Mississippi began in 1973 when the Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER). The PEER statute abolished the General Legislative Investigating Committee which had performed the permanent oversight function from 1946 until 1973.

Organization and Staffing

PEER is composed of five senators appointed by the Lieutenant Governor and five representatives appointed by the Speaker, one each from the five U.S. Congressional districts. The Committee elects officers annually, with the

chairmanship and vice-chairmanship rotating between the houses.

The PEER Committee appoints an executive director who is responsible for selecting and managing a staff of 27. Committee rules forbid individual members from engaging in any independent investigations or attempting to influence staff during projects. All committee contacts with the staff must be cleared through the director.

Relationships With Budget and Standing Committees

The PEER Committee actively shares its work products with the Joint Budget Committee and the Appropriations Committees. As a result of an informal agreement between the PEER Director and the Director of the Legislative Budget Office (LBO), the two offices share a central reception and message center, copying facilities, a hearing room, and freely exchange working papers. LBO staff use the PEER reference library, and PEER staff have access to LBO's extensive files on state fiscal operations. Although there is no formal arrangement for

interaction with any standing committee, including the budget committees, it has been PEER's policy to share PEER information and staff with all standing committees. PEER's staff attorney, a former legislative draftsman, has maintained his contacts with the drafting offices. PEER's publication coordinator communicates on a daily basis with the librarians employed by the Legislative Reference Bureau. These networks keep PEER alert to legislative interests and expedite interaction.

Contact with the standing committees is steadily increasing -- attributable to a 1983 Mississippi Supreme Court decision (*Alexandar v State*, 441 S 2d 1329) which removed legislators from service as members of executive boards and commissions. Consequently, committee chairmen and senior members who once performed direct oversight of executive operations and had immediate access to executive information through service on key executive control boards (e.g., Budget Commission, Personnel Board, Building Commission, Medicaid Commission, Retirement Board, and Central Data Processing Authority) are beginning to rely more heavily on PEER's performance audit staff.

PEER's philosophy on interaction is that the legislative audit function cannot be effective without integration with all other legislative processes and that the function is a failure unless the legislative institution is the primary beneficiary.

Support from the Legislature and Review Committee

Speaking as a staff director who must frequently assume a contentious posture toward recalcitrant agency heads and client groups, there are times when legislators can be most helpful. Accountability, at least in Mississippi public administration, is still rare. PEER members perform a vital role of defending the staff when an irresponsible executive "circles the wagons" and attacks

the professional competence or character of the staff.

An irresponsible executive will typically contact client groups, the news media, and influential public officials, and (with varying degrees of subtlety) accuse the evaluation staff of using "gestapo tactics" or of being incompetent or otherwise incapable of understanding agency programs or management practices. What usually provokes such contacts is an analyst's pointed questions or discovery of questionable agency procedures.

I am not suggesting that performance audit staff do not make tactical mistakes during projects or always have pleasing personalities. PEER has learned to anticipate contentious scenarios and makes every effort to train staff in appropriate behavior. However, when members of my committee or influential legislators are contacted during projects and told of PEER staff "atrocities," fortunately most of the time they do not side with the accusing agency. Instead, they consider the plausibility that such accusations are likely to arise when auditors are keen and effective.

There are other actions which are very supportive. I would strongly encourage legislators to use legislative audit findings during appropriation or executive confirmation hearings as a basis of interrogation. Also, if the audit report does not contain the specific information needed and it is available, request that the staff provide it. Often much information is omitted or summarized in the report while available in project working papers. Oddly enough, many legislators hesitate to ask for briefings or other assistance from our staff. Our staff, and I know the staffs in other states, will go to great lengths to make audit projects useful to legislators. If a legislator does not have the time to read the document, legislators should ask for a personal briefing or a shorter version of the executive summary.

Topic suggestions are extremely helpful, and the narrower the scope, the better.

Other Factors for Effective Oversight

(1.) A well-disciplined and highly qualified staff is essential. Staff cannot afford to make mistakes. Generally, the most successful staff have strong communications skills coupled with a background in quantitative research methods. Success often hinges on one's ability to adapt to the legislative environment without losing objectivity and independence. In order to establish sufficient credibility, an oversight staff has to perform research that is far more difficult than that which could be performed by a legislator's personal aide. Most legislators expect methodological rigor and sophistication from performance auditors.

(2.) Legislative audit committee members should understand that reports cannot always be summarized in one paragraph or during a ten-minute briefing. (Please overlook the fact that PEER provides a one-paragraph synopsis on the cover of our reports!) Membership on such a committee requires considerable reading and listening. This does not mean that staff should be permitted to be obtuse, wordy, or monotonous -- the point is that an oversight committee assignment is different from regular legislative work, where the focus is more narrow and the pace, by necessity, faster.

(3.) "Savvy" by legislators when dealing with boilerplate executive "fend offs" to oversight findings tends to strengthen the process. There is a lack of originality in public responses offered by executive agencies to critical audit findings. Legislators should be wary of such overworked responses and require the agencies to offer better answers. Some of my favorites include:

"It takes a physician to evaluate a public health program, an engineer to evaluate highway administration, a teacher to evaluate education, etc. Our program is run by (profession X). It takes an X to evaluate our program. The auditors were simply not qualified."

"We were aware of the deficiencies and were in the process of correcting them before the report."

"The staff took tidbits and blew them out of proportion, made mountains out of mole hills -- its just a tempest in a teapot."

"Federal regulations required us to do it this way."

"There is no state money in this public program. We fund it through user fees and the proceeds of a trust fund. Therefore, the criticisms in the audit were uncalled for."

"The tone of the report is too negative. Instead of saying we did not 'meet' our objectives, the report said we 'failed' to meet our objectives. This is editorial language. Why didn't the audit bring out all of the good things the agency does?"



Ray D. Pethtel

**Staff Director
Joint Legislative
Audit and Review Commission
of the Virginia
General Assembly**



Judy Frye, of the National Conference of State Legislatures, presents Ray Pethtel with an award for his professional contributions to legislative program evaluation.

One of the obvious values of a conference of this kind is that we are exposed to a whole range of perspectives. When we put them all together we have a composite picture of legislative oversight and its current status across the nation. It's an encouraging picture, I think. It seems to me that if there has been one single message underlying each presentation, it's that oversight is alive, healthy, and steadily evolving to meet legislative needs.

The cornerstone of evaluation and oversight in Virginia is the systematic, comprehensive, and rigorous review of agency programs. That is, much of our work is concerned with broad program areas or is done in a series that sweeps across performance at the program level regardless of the artificial limitations of agency boundaries. And, as a staff, we are committed to rigorous quantification and analysis of data to establish credibility and maintain objectivity.

Program review and evaluation itself, of course, is not new. It is, or at least it should be, part and parcel of any program, in any field of endeavor. It has been the subject of much scholarly writing and has long been an accepted field of study in universities. But its successful implementation in our particular setting -- within state legislatures -- is still a recent phenomenon. For it to work and endure in this setting, we have had to learn to deal with challenges that weren't always foreseen in the textbooks. Those are the realities that inevitably come into play when dealing with public policy considerations in the legislature.

As we came head to head with the enormous range and diversity of government programs and the intricacies of the political arena, some things became clear to us as staff. We had to explore and devise

new linkages to mesh professional, objective staff research with the volatile, political environment -- without compromising either partner. We had to learn how to use a wide range of sophisticated and technical methodologies, yet make sure we translated our findings into a language that the legislature found useful. We had to recruit staff with a high degree of analytical ability and then give them the precise kind of program and policy exposure that made them prime candidates for jobs in the executive branch. And we had to develop costly in-house resources for data processing and computer analysis.

I like to think that in Virginia we have been successful in each of these areas. In large part, our success has been due to the support given this enterprise by the leadership of the General Assembly and by the members of the Commission. We must also credit the vision of the General Assembly in designing our enabling legislation and the Legislative Program Review and Evaluation Act.

Accomplishments of the Evaluation Act

When the Evaluation Act was being drafted some eight years ago, the committee wanted to promote four primary goals: to expand the evaluation of public programs and agencies using existing oversight processes, to encourage greater participation by standing committees, to ensure systematic scheduling of evaluations, and to encourage greater use of evaluation findings.

This Conference was required by statute as one means of gauging how well those goals were accomplished. In making that assessment, I think it's helpful to set forth the record and look at a few cumulative statistics.

A lot of evaluation has been carried out. Forty-one projects have been completed or are in process under the Act. Five health related projects were completed under the initial pilot provisions. They dealt with in-patient and out-patient health care,

long-term care in nursing homes, and the certificate of need law. Those reports have served as a good part of the health planning base now in place in Virginia. Five additional projects were completed within the Individual and Family Services functional area of state government. One report in that series was a rigorous assessment of the quality of resident life in the State's homes for adults. Our recommendations were used to make major legislative changes to fund adult home care, to improve some deplorable conditions, and to enhance State-level supervision.

Seven projects were completed within the Transportation function. Reports ranged from an evaluation of the organizational structure of the Department of Highways and Transportation to consideration of highway financing needs based on requirements for new construction and maintenance. Our studies and recommendations on vehicle tax equity and highway construction needs were used extensively by the legislature in considering two major motor fuel tax bills that produced over \$150 million in new revenue. An unanticipated outcome of that series, but a most significant one, was a mandate for us to examine the equity of highway construction and maintenance fund distribution -- a very technical staff study that resulted in a significant legislative overhaul of the existing distribution statutes and formulas.

Two projects were in the Resources and Economic development function. Those studies reviewed the performance of 29 regulatory boards and assessed the regulatory system as a whole. Those reports continue to serve as a primary information base for the modernization of our regulatory system.

Fourteen projects were incorporated under the General Government function. One of those projects assessed the structure of the executive branch of State government and resulted in a substantial overhaul of cabinet-level and agency-level organization, and devised a rational system of agency and board classifications.

Seven projects have been completed or are in process in the Administration of Justice function dealing specifically with the State's correctional system. Topics range from security procedure and staff needs at major prisons to inmate projections for the next decade. One ongoing study deals with the capacity and population of the State's local jails -- a matter of considerable controversy that should capture legislative attention.

Finally, we are beginning an education series which is to focus first on Elementary and Secondary Education and then on Higher Education. Our first assignment is to prepare an objective and rigorous assessment of what it will cost to fully fund the State's share of the educational standards of quality -- a contingency that has been estimated by the education department to require over \$515 million in new state appropriations.

These projects have comprised 75% of the workload of JLARC, and as you can see many of them are the "big ticket" items that have been squarely on the legislature's high priority agenda.

With regard to the goal of increasing the interaction between JLARC and the standing committees, the record is equally good. In addition to the statutory linkages JLARC has with the House Appropriations and Senate Finance Committees, many important *ad hoc* linkages have been established with the standing committees. These include coordinated work efforts with the House of Delegates committees on Health, Welfare, and Institutions; Roads and Internal Navigation, Counties, Cities, and Towns; General Laws; and Finance; and the Senate committees on Education and Health; Social Services and Rehabilitation; Transportation; General Laws; and Local Government.

In terms of legislator participation, the numbers speak for themselves. Over the years, a total of 17 legislators have served on the Commission itself. Prior to adoption of the Evaluation Act, there was little interaction with other members. Since 1978, however, 70 other individual

legislators have worked with JLARC on various subcommittees. Of those, 52 served on projects directly associated with the Evaluation Act -- 29 members of the House of Delegates, and 23 members of the Senate. Seventeen legislators served on two or more projects.

Turning to the record on utilization, I refer you to our *1985 Report to the General Assembly*, which has been prepared to bring that record to your attention. In general terms I can say our reports have been heavily used. Many public hearings have been held on reports and on specific recommendations. Oversight findings have been discussed at numerous committee meetings during the last seven legislative sessions. Dozens of bills have been passed by the General Assembly and signed into law by the Governor, and literally hundreds of administrative recommendations have been adopted by executive agencies as a result of legislative endorsement of our reports.

In somewhat more dramatic terms, of the \$166 million we can identify as one-time savings or new revenues achieved as a result of the adoption of recommendations contained in our reports, \$126 million can be directly attributed to studies carried out under the Evaluation Act.

I believe that's a record of accomplishment that would be judged very acceptable by the members who drafted the Evaluation Act. It is a record that the General Assembly can take pride in.

Ongoing Review of the Evaluation Act

But those statistics alone do not constitute our full assessment of the accomplishments of the Act. In fact, the members who designed this statutory vehicle -- some of whom are here with us today -- required that the Act receive regular review. And the Act has been assessed almost continuously since its passage in 1978.

A special study committee reviewed the accomplishments of our first series of

studies in the health care area in 1979. As a result of that formal critique, a legislative committee concluded that evaluation procedures were sound, but recommended several refinements. Changes were made in how topics were selected for review, in the amount of time agencies were given to review draft reports, in report tone and format, and in report follow-up.

In addition to that "in-house" assessment, we participated in a broader comparative assessment conducted by the Eagleton Institute under the direction of Dr. Alan Rosenthal. According to the criteria he used to measure success, Dr. Rosenthal concluded that the JLARC model has worked very well.

Further assessment is accomplished periodically through the status-of-action reports required of agencies. These status reports permit us to assess on a continuing basis whether or not agencies have taken action on report recommendations and legislative direction.

Taken as a whole, these multiple assessments clearly indicate to me that the Act has worked well. Virginia has in place a viable process for legislative oversight. The metal of that process has been tested over the course of several years. It is enduring, and it has fulfilled the expectations of those who proposed the Evaluation Act in 1978.

Proposed Refinements to the Evaluation Act

This is not to say that there is no room for improvement. After eight years of experience, we have identified several areas where refinements can be suggested. These areas are outlined in the final article of the 1985 Report to the General Assembly in detail. Each suggested change would recognize that the legislature often uses a variety of mechanisms to accomplish the same objectives intended by provisions of the Evaluation Act. I will comment briefly on the more important ones.

First, some refinement can be suggested with regard to how work projects are scheduled. I believe this provision can

be amended to accomplish an important objective for staff -- to improve our ability to plan our work on a longer-range basis. Staff work planning needs to be done for at least a two-year period, possibly longer. This will help in scheduling staff assignments and in recruiting and training staff with relevant skills. It will also provide sufficient lead time to establish meaningful contact with the standing committees. Given current demands on the time of Virginia's citizen legislators, a longer lead time is necessary.

Here's how the process currently works. The *Code of Virginia* directs the Commission to prepare periodic evaluation schedules. The statute states that the functional areas of State government will be scheduled for review and evaluation on a seven-year cycle, and that from time to time as required, the Senate and House of Delegates will establish the schedule by joint resolution.

For the most part, this provision of the Act has been carried out. However, neither the Commission nor the General Assembly deemed it necessary to schedule the functional areas on a full, seven-year cycle. In 1979, a majority of the Commission believed it was not in the legislature's best interest to establish a long-range schedule, because it would provide agencies advance notice that oversight was scheduled. Consistent with that belief, the content and specificity of each scheduling resolution has varied, thus providing the Commission greater scheduling flexibility. For example, since the legislature has had a continuing interest in transportation issues and programs which required nearly four years of staff work, what was originally conceived as a seven-year cycle will now take nine or ten years to complete.

But two additional lessons have been learned as a result of experience. First, while the long-range schedule may signal the functional area for review, it does not signal the specific topics. Thus, earlier concerns about signaling agencies about impending review are largely moot. Second,

a longer schedule (as actually was adopted in the last resolution) has helped staff better plan and sequence work and balance that work under the Evaluation Act with other oversight mandates. There seems to be little reason, therefore, not to adopt a schedule for the full cycle of functional areas in a single resolution.

A second area in which we suggest a change is in the mechanism used to specify evaluation topics. An important objective of the original committee in drafting the Evaluation Act was to increase the participation of standing committees in identifying topics for evaluation. But the Act envisioned only one mechanism for topic selection, and the General Assembly has used many.

In several instances, JLARC has been directed to make specific studies by statute. JLARC is required by law to make periodic performance reviews of 29 occupational and professional regulatory boards, for example. And when the Commission began its work in the functional area dealing with the Department of Corrections, the legislature used still another variation to specify evaluation topics. In that case, the specific subjects to be studied were listed in the Appropriations Act. And even though Transportation topics were specified by resolution, mandates contained in the Appropriations Act supplemented our study agenda.

My point here is that the legislature has a number of ways to specify the kinds of studies it wants and the questions it wants addressed. Thus, while the Evaluation Act offers one mechanism to use for that purpose, a variety of other mechanisms are also used. Given that several alternatives are used, and each achieves the objective of expanding legislative oversight, the General Assembly may wish to modify this specific provision to recognize the alternative practices.

A third amendment that will be suggested recognizes that the General Assembly uses oversight studies based on its interest in a subject and consistent with its own work schedule.

Although the Evaluation Act did not mandate program terminations as do typical "sunset" laws because of the unreasonable time demands that would place on Virginia's citizen legislators, it does have a hearing requirement as an action forcing device. The statute requires that a standing committee hold hearings on reports transmitted to them within 120 days of the transmittal date.

To a great extent, the hearing provision has been used -- but not in the way originally conceived. Public hearings have been held on practically every report issued under the Evaluation Act. For example, public hearings were held on each separate report of the health pilot series. Staff presentations were made at a specially convened hearing, and interested agencies and citizens commented on report findings and recommendations.

A single hearing was held on the series of reports on Individual and Family Services. Dealing with several reports at once reduced the time demands on legislators and kept hearing costs to a minimum. The committees that received the reports on the Division for Children and the Division of Volunteerism each held separate hearings which focused specifically on staff recommendations contained in the reports and on the issue of whether or not to "sunset" those agencies. A package of legislation resulted from each hearing which advanced recommendations contained in the reports.

The hearing provision was implemented somewhat differently for the reports in the Transportation series. In that case, the reports were made available just prior to the legislative session. Two major items of motor fuel tax legislation, Senate Bill 99 and House Bill 532, had been introduced and were under consideration. The substance of those reports was conveyed to House and Senate budget and finance committees concurrent with hearings on the tax bills. The House Finance Committee also held a hearing on the report dealing with the administration of the Department of Highways and

Transportation. Since the substance of each of the reports had been heard extensively by the members of the legislature (and legislation had been passed dealing with each report) further hearings would have been duplicative.

In a similar way, hearings were held on the corrections reports during the legislative session; because the reports were issued just prior to the session and legislation relevant to the reports was under consideration.

Thus, the timing of a report and the conditions associated with the subject are more important to report utilization than the public hearing requirement. Those reports that are issued before the legislature convenes are frequently heard as a routine part of the legislative process. Reports that are released during the interim may require special hearings.

In reenacting the Evaluation Act, therefore, we believe it is appropriate to make the hearing provision permissive rather than mandatory and recognize that report utilization is a result of legislative commitment to the oversight process -- not because of either a "sunset" provision or a "public hearing" requirement.

As a last item in this review of the Evaluation Act, I must also note that the sunset provision contained in the Act needs

to be addressed. The law will terminate on July 1, 1987 unless reestablished by prior act of the General Assembly. Because of its accomplishments, I trust it will be the pleasure of the General Assembly to reenact the statute at the next legislative session.

Renewing the Commitment to Legislative Oversight

In closing my portion of this panel, I would like to observe that the Evaluation Act has provided the means and the momentum, that has kept Virginia on the cutting edge of the legislative oversight in this country. As we move into the future, it is my belief that we can continue to hone and sharpen that edge through periodic assessments. This conference has provided us a forum to review our goals, to measure what we have achieved, and to reflect on where we wish to go. By reenacting the Evaluation Act, we will renew our commitment to an aggressive legislative oversight process for the future. And when that occurs, this conference can be viewed not as the ending of a process, but as a beginning.



I believe that we have had an exceptional conference. We have learned a lot about the status of legislative oversight and sunset in the states, the need for legislative oversight, what legislators expect from their staffs, oversight in the Congress, and what is needed for an effective oversight function.

L. Cleaves Manning

Delegate,
Virginia General Assembly
Chairman, Joint Legislative
Audit and Review Commission



The General Assembly's System of Oversight

In reflecting on the conference proceedings and on my 18 years as a member of the General Assembly, I am convinced that we have one of the finest *systems* of legislative oversight in the country. Let me clarify what I mean by *system of oversight*. We have established:

- the Division of Legislative Services to provide much needed staff assistance to committees and members.
- the Appropriations and Senate Finance Committee staffs to provide the professional expertise necessary to examine the State's \$16 billion biennial budget.
- the Auditor of Public Accounts' office to test the adequacy of internal controls, the appropriateness of computer systems, and the integrity of financial records.
- the Division of Legislative Automated Systems to maintain an innovative and up-to-date, computer-supported legislative information and bill drafting system.
- JLARC, which was created in 1974 and has become an important part of this comprehensive system of legislative oversight.

I would like to look back at my 12 years on the Commission and share with you what I think are some of the most significant accomplishments of JLARC. I would also like to offer a few comments about the direction legislative oversight may take in Virginia to ensure its continued success.

JLARC's Accomplishments

Informing Legislators About the Workings and Business of State Government. Since the creation of JLARC, over 100 reports have been released by the Commission and submitted to the members of the General Assembly for action. An important objective of JLARC is to collect, evaluate, and report information and recommendations that can be used in legislative decisionmaking. Reports provide information that may be useful to legislators during deliberations on legislation, during committee hearings, and in responding to constituent questions or requests for assistance.

Ensuring Compliance With Legislative Intent. Writing and enacting legislation is the lawmaking function of the General Assembly. This establishes legislative intent. JLARC has helped ensure that laws are being carried out as the legislature intended. JLARC has informed the legislature on several occasions when intent was not clearly understood by program administrators and when statements of intent seemed to have been ignored.

Improving Agency Efficiency and Effectiveness. JLARC is required by statute to make recommendations on ways State agencies can operate more efficiently and effectively. Many significant changes have been made in agency efficiency and effectiveness in response to JLARC recommendations.

Saving the Commonwealth Money. From a legislator's standpoint, cost savings are the most visible outcome of JLARC studies. The *1985 Report to the General*

Assembly documents over \$160 million in savings and new revenues resulting from JLARC recommendations since the Commission's inception.

These are just a few of the many accomplishments of JLARC. These accomplishments would not be possible without the support of the General Assembly and its leadership.

Future Directions and Needs

The future success of JLARC depends on a number of factors. Let me just highlight a few.

The Independence of JLARC. JLARC's strength is its independence from the political activities and pressures of the legislative process. The only way to guarantee JLARC's credibility as a fact-finding organization is to keep politics out of the study process. Factual material must remain objective and non-political. There is a lot of room for politics after the staff findings and recommendations have been released.

A Study Agenda Which Relates to the Business of the General Assembly. Those of us who serve in the legislature know that the greatest problem is not doing evaluations but using them. JLARC's record of report utilization has been very high, especially since the enactment of the Legislative Program Review and Evaluation Act in 1978.

To have an audience with the General Assembly, with its committees, and with its members, the Commission must have a study agenda which relates to the important business of the legislature. You can evaluate education all you want, for example but unless the General Assembly is called upon to make decisions for which the evaluation is relevant, the study will be ruled out as not germane to its business.

To ensure report utilization, study priorities of JLARC can be better integrated with the study needs of the General Assembly in several ways. First, I

believe the Legislative Program Review and Evaluation Act should be reenacted. It has provided JLARC with a means for scheduling its work and for coordinating its studies with the standing committees of the General Assembly.

Second, I believe that the General Assembly should provide JLARC with a longer-term (but flexible) study plan -- at least four years. Standing committees with jurisdiction in a functional area should be involved in topic selection.

Third, I believe that JLARC should continue to be assigned "big ticket" study topics that have a high degree of legislative and public interest as well as more routine oversight topics. Recent "big ticket" studies have included highway funding, correctional staffing, and educational standards of quality. JLARC is an ideal forum to study such politically sensitive areas because of the staff's objectivity and rigorous research methodology, and because the Commission has no particular advocacy role in the legislature -- except to advocate legislative oversight.

Linkages with the Standing Committees. An important objective of the Evaluation Act is to coordinate the Commission's topic selection and report development activities with the standing committees of the General Assembly. By involving the standing committees in selecting and constructing study topics, and by coordination with committees, specific legislators who are the logical users of oversight information have most direct access to it. Here are some examples of linkages that have worked well in the past:

- Substantive committee involvement in selecting topics for review and in making recommendations. Senate Transportation and House Roads and Internal Navigation were frequently called upon to react to JLARC findings and recommendations related to highway programs and financing.

- The House Appropriations and Senate Finance Committees frequently direct JLARC to study agencies and programs that receive a great deal of interest during budget deliberations. JLARC staff are periodically asked to brief the committees at the conclusion of studies.
- Technical support to special study task forces and study commissions like the recently created Commission on Deinstitutionalization.
- Joint subcommittees like the ones established to review the Division for Children and Division of Volunteerism.

Adequate Time and Resources for the Staff to Get the Job Done. The General Assembly has been very supportive of JLARC studies over the years. In the future, the General Assembly will have to continue to provide JLARC with an appropriate level of resources to get the job done properly.

Timing and scheduling of projects is a critical factor in using the reports produced by JLARC. Because of the complexity of JLARC studies, the General Assembly should provide staff with the necessary time to adequately plan and research topics. Evaluations of the State's highway programs and educational standards of quality cannot be accomplished in weeks or months. They may take a year or more because of the technical complexity associated with the topics. When legislators are asked to make an important public policy decision that affects all areas and citizens of the Commonwealth, they should have confidence in the information that is given to them.

One of the most dramatic changes in the legislature over the past 10 years has been the introduction of computers to expedite legislative business. We rely on computers to draft bills, to inform the public of our actions, to prepare and analyze

the budget, and to write letters to constituents. In recent years, JLARC staff have made extensive use of computers to analyze the State's highway and education funding formulas.

What used to be impossible to analyze no matter how much time you had available now can be accomplished. In some cases, data that may have taken months to analyze can now be assessed in hours -- given appropriate data collection and storage. Legislators were able to assess the impact of changes in the road funding formula on their districts in a matter of a few hours.

Computers make our job easier and provide precise information for decision-making. But they also cost money. The General Assembly will have to support JLARC's growing computer needs for oversight purposes if it wants to match the sophisticated technology being used by

executive agencies for program operations.

Finally, we will have to continue to offer political support so that we can continue to attract talented and skilled professionals trained in the areas of evaluation and public policy research. I believe that the General Assembly has set the pace in the last 10 years in attracting some of the most able public servants in the Commonwealth. In the last four years, JLARC has become a supplier of top-level staff for the executive branch of government in Virginia. The Governor has drawn heavily on JLARC, the House Appropriations Committee, and Senate Finance Committee for cabinet-level staff. I guess we are doing something right over here. Let's continue to do it.



Jacques Goyer

Principal
Office of the
Auditor General of Canada



I would like to thank JLARC for the opportunity to participate in your activities and discussions about what I consider to be a, if not the, major issue for all organizations in the public sector, as well as in the private sector: professional and work ethics.

In recent years we have given importance to the improvement of productivity in our organization. But the emergence of ethics issues now forces us to return to basics and reexamine the reasons for the existence of institutions such as yours and mine, the way we approach the work we're asked to perform, and what we expect of people working in our organization. You will agree with me that this is indeed

serious business, and I sincerely hope that my modest contribution will be of some assistance to you.

For the sake of clarity, I've divided my presentation into three parts. Because I suspect that most of you are not familiar with the Office of the Auditor General of Canada, I will first describe the roles and responsibilities of the Auditor General and give you some other key characteristics to enable you to understand the context in which our Code of Professional Conduct was developed. The second part of my presentation will deal with the conception, development,

and application of the Code. I will conclude with my own personal views as to the major issues faced by the audit office and their potential impact on the Code.

The Office of the Auditor General

The Office of the Auditor General has been in existence for more than 107 years, and for most of those years, its main responsibility has been to post-audit expenditures for compliance and to express

an opinion on financial statements of the government of Canada.

Back in the late 1950s and early 1960s, we started to investigate what were then called "non-productive payments". These were transactions that conformed to legislation and regulation, but provided no apparent benefit to taxpayers. Because this activity was not formally in the mandate of the office and because, of course, the government questioned the propriety of reporting such transactions, a committee of legal and accounting experts (referred to as the Wilson Committee) was set up to examine the role and responsibilities of the office. Recommendations of the Wilson Committee were for the most part incorporated in legislation which was enacted in 1977.

According to the Auditor General's Act of 1977, the Auditor General is now required, among other things, to call to the attention of the Canadian Parliament cases or instances where money has been expended without due regard to economy or efficiency, or where "satisfactory procedures" have not been established to measure and report on the effectiveness of programs.

Now what does that mean in plain English? That means that we do not do program evaluations. We evaluate measures in place to measure program effectiveness. That's a subtlety, but a very important one.

The assessment of whether value has been obtained for money spent, combined with the more traditional audit responsibility led to what is currently known in Canada as "comprehensive auditing".

The Office of the Auditor General is part of the legislative branch and is not a part of the government. Safeguards have been included by Parliament through legislation to ensure that the office is free of government control, notably in the areas of budget approval and allocation, and human resources management. For example, classification and hiring is independent from government policies and procedures.

The Office reports annually, that is, we have one report to Parliament. We report through the Public Accounts Committee of the House of Commons, which is somewhat akin to the House of Representatives in the U.S. Congress. The Public Accounts Committee is composed of elected members of Parliament from all parties, and is chaired by members of the opposition. So it is not the government member who sits and chairs the Public Accounts Committee, but a member of the opposition.

The Auditor General is appointed for a ten-year (or age 65, whichever comes first) non-renewable term of office. We have a staff of approximately 600 people, 80 percent in the capital, Ottawa. Some of our staff, including professionals, are covered by collective bargaining. The office has a high profile, and very often the media will refer to us as a "friend of the taxpayer."

Reasons for Developing a Code of Conduct

You may wonder why after 104 years a code was deemed to be required. We managed for 104 without anything in writing, and suddenly we had to have it. Basically there were three reasons.

The first reason was related to the change in mandate. You have to understand that before 1975-77, the office was a relatively homogeneous and stable organization. Staff members were for the most part accountants by profession and auditors by training, and their careers were spent in the office. In this sheltered environment, professional and work values were well defined, known to all, accepted and adhered to, and there was no need to put them in writing. New staff members had no choice: they either had to adapt or they would be ejected from the office, literally.

From 1977 on, the office had to recruit a large number of staff members to carry out the new responsibilities. Most of these new staff members were non-

accountants and had little exposure to auditing. We are talking here about management experts, lawyers, economists, engineers, computer specialists, and human resource specialists. In order to manage all these people, we also needed a new breed of managers. The net result was an organization more than twice its original size, managed by people coming from the public or private sector but with absolutely no career roots in the office.

During the same period the office started to use contract personnel heavily. About 30 percent of our budget was allocated to contract personnel. You can understand what this massive transfusion of new blood did to destabilize some of the work and professional values of an organization. And it led to an increase in the number of real or potential conflicts of interest and other questionable conduct.

To give you some examples:

- A Department tells the Audit Office: "Mr. Auditor, we have a consultant doing some audit work on our computer systems. By the way did you know that his firm just obtained a contract to do improvements to the same computer system?" Answer: "No I didn't know that."
- "Mr. Auditor, I'm XYZ from accounting firm So&So. Do you know that one of our former employees now working for you has a business on the side and, by the way, is taking clients, and is charging low rates? We think it is absolutely disgusting, unfair, and we may go to the profession for a ruling on that."
- A preliminary audit report is released inadvertently by a new employee before it gets cleared by the office. You can imagine the embarrassment.
- A management consultant now working for the office in charge of an audit is considering entering into a contract with his former firm. Should he be allowed to proceed?

I don't want to give you the impression that we had a lot of those problems. They were irritants, like the fly that is six inches from your face, even though there is a thousand cubic feet of space in the room. And basically managers, the seniors ones, began to worry about the increase in them and lack of guidelines. They worried even more seriously about the potential implications and impacts of such incidents on the creditability of the office as a whole. What should we do? Should we be reactive, proactive, should we continue to rely to the judgement of our employees? That was the first reason, and definitely a key one.

The second one, also important, was the appointment of a new Auditor General and a change in tenure. Before 1977, the Auditor General was appointed for an indefinite period of time. It was not rare to see an Auditor General stay at the helm for 15 or 20 years. This was an additional element of stability. As I mentioned earlier, legislation has changed that. In 1980, the Auditor General at the time had to step down and was replaced by the current Auditor General, Mr. Kenneth Dye.

I don't have to tell you the impact of a change in the chief executive officer in a large corporation. Now imagine that impact on a very small organization, highly centralized, particularly when there is no limit to his authority. Mr. Dye did rock the boat, and starting asking a lot of questions. And we did not have the answers to those questions. I'll come to that a little bit later.

The third element, which was somewhat more minor, was the inadequacies of former guidelines and policies. The Code was not our first effort to crystalize them. There were some elements before, but they were contained in various documents, were difficult to access or apply, and were not specific. Furthermore, some of the policies and guidelines were applicable only to a very specific group of employees.

For example, the Canadian Criminal Code contained references to breach of trust by public officials and public servants. Our Public Services Employment

Act contained restrictions on the political activities of public servants. Our audit manual certainly had a few paragraphs on the need for objectivity and due care. Members of the accounting profession were subjected to their own profession's code of ethics, but the new employees were not, because they were not truly traditional professionals.

Conflict of interest guidelines applied to executives, but not to other employees. Such fragmentation and the lack of specificity led naturally to ignorance, confusion, and lack of credence. It was for those reasons that office decided to take the initiative, and I, Director of Personnel at the time, was given the responsibility of trying to develop an appropriate code of ethics. I was assisted in that task by colleagues in the personnel division and an advisory committee composed of professionals and managers of our office.

Developing the Code

As to the development of the code, we started with a review of literature of all the cases on unethical conduct or behavior that we were aware of. We soon concluded that the core of the question -- and the key issue -- was the question of trust.

What I mean by this is that organizations such as yours or mine will not be able to exist or perform a useful function if legislators, taxpayers, and others do not trust or have confidence in what we do or what we say. Since trust can only be earned, and can never be taken for granted, we felt that it was of the utmost importance that we protect that treasure.

We became convinced that it is not sufficient to have highly competent people. The highest standard of conduct is also required because, in the final analysis, the decision as to how well we are fulfilling or discharging the public trust that is bestowed on us belongs to those who are on the receiving end of our work.

This led us to the conclusion that we needed a code not because we were having problems, but because we had an obligation

to indicate to Parliament, to departments, and to taxpayers the standards that govern the work that we do and the behavior we expect from our employees. And the higher the visibility, the greater the need.

This line of reasoning had two important implications for the development of the Code. First, we had to identify all the different actors and players in the audit game, and we had to write the Code using their point of view as a perspective. The problem became one of finding out what they expected of us rather than what we thought we should be doing.

Secondly, we were led to believe that because the stakes are so high, employees cannot be left alone in making the decision as to whether they are in a real, apparent, or potential conflict of interest, or when they run into unethical behavior.

For this reason you'll find that the Code now requires from our employees and other personnel disclosure of some of their activities. For example, we require disclosure of any secondary employment; same thing for previous work experience. The underlying principle is that while the onus is on the employee to disclose a situation where the problem might occur, the responsibility for making the decision as to what effectively constitutes inappropriate behavior or a real conflict of interest rests squarely with the office.

This was confirmed by our finding that when employees are requested to divulge situations where they think they might be in a conflict of interest, they often fail to do so. The reason is that they genuinely believe that their conduct is well within acceptable norms, and they simply do not see the problem. It is others who see a problem. I found that even the most blatant conflict of interest situation was very often not seen by the person who had two feet in it. We also had to recognize that management has the responsibility of informing employees as to the values and attitudes expected.

We also faced another problem, the impossibility of identifying and describing all the situations, conditions, and circum-

stances where inappropriate behavior might occur. We started listing the dos and don'ts, and it didn't work. Every time we had all the angles covered, or we thought we had, someone would come and point out something that wasn't covered.

So we had to revert to another approach, and that was a positive approach, recognizing there was some risk involved in this. Instead of describing what not to do, we would identify the basic principle behind a "pro-ethical" behavior. By doing so, we would lose some precision, but the coverage would be better.

The Basic Principals

The two fundamental principles were determined to be professionalism and integrity. I am not talking about professionalism in the traditional sense. For us, professionalism means we expect all our employees to behave like professionals, to be competent, to look for excellence, and at the same time to be responsible for their self-development. These two principles, professionalism and integrity, constitute the rock basis on which the whole code rests.

While working on the code, we found that the main benefit and the most interesting byproduct of the code was not the document produced. It was the discussion that took place, at the advisory committee level first, and then at the executive committee. Even on what we thought were very simple and safe issues, it was just like an iceberg: we could see the visible parts, but we knew that underneath there was a lot more.

If you look at the Code, it is only 18 pages. You should have seen the drafts! You should have seen the discussions! I think the Code now represents a consensus -- I would say in some cases a compromise reached at the end. What is not seen is the process, and I think in these cases it is probably as important, if not more important, than what you see as a result.

If your organization wanted to take our Code and try to apply it, I think it probably wouldn't work, because you'd miss

the mix, the cement that put the pieces together, and there was a lot of that. I'll give you some examples.

(1) Who are the clients? When he joined, Mr. Dye was coming from the private sector. He said that he recognized that Parliament is our client with a capital "C," but departments also are clients. They are small "c" clients. We started with that, but it didn't work. There was not agreement on this. In the Code we used a rather unsatisfactory expression called "audit entities," which is much less controversial.

(2) Another debate, and it was a major one, was over the question of balanced reporting and constructiveness. Some people in our office believe that implicit in the notion of comprehensive auditing is the notion of balanced reporting and overall assessment. Their view is that, after all, when you go and see the doctor for a physical, you expect him not only to report deficiencies but to give you an assessment of your health:

"You have two big warts," he might say, "and they are big and when I look through the magnifying glass." "Yes, doctor, but what about my heart and my lungs?" "Well I don't know about that, but these warts you should looked after!"

The problem, according to others, is that comprehensive auditing is not defined in legislation. What we are in fact requested to do is report on deficiencies. If you read our mandate, we have to report on cases where there has been no regard for the value of money, where public money has not been fully accounted for, and so on. It's very negative if you read the legislation.

The debate heated constantly over the question of recommendations. There is a view that because auditors can only make very general recommendations, they are considered not very helpful by management,

and therefore maybe they should restrict their activities to recording deficiencies. Of course, others would express the opposite view, and in the Code we have been unable to find a very precise way of looking at that question.

Departments were clear about it: "Listen, you either make intelligent recommendations, or you shut up!" But if you start making recommendations that are very precise, then you are in conflict of interest when you go back and audit.

Overall, we have to say that our Code of Conduct is far from being perfect. But it represents considerable effort from our people to try to achieve a reasonable consensus as to the essence of our work and the basic principles governing the way it should be carried out. From that point of view, I think it's a major achievement.

Major Components of the Code

As it now stands the Code has four major components, in addition to the two principles mentioned before: (1) We have a responsibility to Parliament and must operate within the Auditor General's mandate, with impartiality and with due regard to economy and efficiency and effectiveness. (2) We also have a responsibility to audit entities: to carry out audit work competently, with objectivity, in a constructive perspective, with concern about confidentiality and the need for substantiation. (3) We have a responsibility to the public, which is basically communication to the public. And (4) We have a responsibility to the office regarding all questions of conflict of interest, contract arrangements, acceptance of gifts, post-employment activities, and so on.

The Code applies to all personnel, employees and contract support alike. Abiding by its principles is a condition of employment, as well as a condition to every contract the office signs. It's part of the training; it's part of the audit manual.

It stipulates that employees are required to sign statements that neither they nor their families have interests that

could jeopardize or call into question their judgement or the work of the office, and it also requests that they disclose any future situation that might lead to criticism. The Auditor General, assisted by the executive committee, is the ultimate decision maker, and if employees don't agree with that, they can go through normal grievance procedures.

Does It Work?

Three years after its publication, I can say that generally speaking the Code has permitted us to solve the problems brought to our attention. Employees have benefited considerably from the application. For example, the office decided to pay professional membership fees. This was decided on two bases. First, we wanted them to remain members in good standing with their professional associations, and second, we felt that we could control moonlighting because employees are forced to disclose. So that was one advantage.

The Code has also facilitated the career development of some of our staff, because now departments and agencies are ready to take on some of our employees. They know the standards that we apply. They know that if we send an employee to learn about how government operates, we won't use that against them. It's in our Code.

We have some difficulty with implementation of the clause calling for disclosure of contract work in audit entities, because there is no accepted definition of what an audit entity is, and partially also because the firms do not keep an inventory of the work performed by them locally or nationally.

We have never gone to court on the Code, so we don't know how good it would be there. Generally speaking I think we are satisfied.

We now have some major issues before us in regard to the Code. For example, recently the office has decided to take the government to court. We've done so because we feel that we have no other choice. We are asked to audit whether the

value of money has been obtained, and the government has denied us access to a major acquisition that was made several years ago -- a Canadian oil company -- for which Parliament approved a very specific amount of money. We are suspicious that they overspent, and that they didn't have any regard for economy. Prices are reported to be very high compared to what the market would normally pay.

I was talking about integrity in the beginning. I think that's integrity: when

you feel that you have to take the government to court. You need a lot of "guts," and you've got to make sure you know what you are doing. I think that integrity is not about making friends; it's not about taking the easy way. Integrity is about doing the job you are asked to do, even though sometimes it's lonely at the top.



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There is a famous recipe for rabbit stew that begins with the instruction, "First, catch the rabbit." Too often in reflecting upon ethical behavior in the public service and trying to develop appropriate behavioral standards and codes, we have assumed the presence of the rabbit, only to discover that we did not have it. And, thus we found that we had to settle for watery soup rather than tasty stew.

The "rabbit" in this strained analogy is an understanding of the complexity and relativity of ethics within the public arena. In building the rabbit trap, which is even prior to catching the rabbit, the first myth we must dispose of is the common assumption that either we "have ethics" or we "do not."

As we enter professions, get elected to legislatures, pursue public purposes through career governmental services, accept political appointments, and in other ways become involved in professional citizenship, we encounter not one but many new universes of behaviors that our upbringing did not prepare us for. We "learn" what is proper professional behavior; we "learn" the etiquettes and conventions of our peers and colleagues. In some cases we learn professional ethics so well that we develop a trained incapacity to view behavior in any way except what we find in our discipline or calling.

This "learning" really has unfortunate consequences for the public service, for it tends to result in the enactment of minimum standards of official behavior that can accommodate all of the activities of governmental actors, or it results in impossible general standards of ethical behavior that admit to no guidelines and examples that could be discretely identified. In the former case we are stuck with lists of prohibited behaviors; in the latter with the ethical standards of angels.

Defining the Problem

The problem is to fit the standards to professional behavior in such a way that they reflect the values of the nation as these have been established in our Constitution and laws, and, more importantly, to be able to relate professional activities to them in such a way that everyday professional applications are relevant to the standards that are set.

During the past seven years I have been engaged in systematic research into the behavior of public officials and the relationship of this behavior to laws, rules, regulations, and professional standards of conduct. From this investigation I can isolate at least five major ethical environments that contain, in some of these general classes, hundreds of sub-groups of ethically-different behaviors. They are: (1) legislators, (2) elected executives and politically-appointed officials, (3) professionally-educated public administrators, (4) other professionals who are in public careers, and (5) governmental operatives. Because of the roles each play, the obligations and ethical constraints differ. Because of these differences and the necessary interaction of each in the governance process there is a tremendous amount of ethical relativity within a system of government in which there are 16 million public employees, 81,000 units of government, and almost one-half million elected officials.

For the professionals who are under the legislative umbrella, as most of you are, problems of understanding your own roles and professional obligations are compounded by the necessity of understanding every other professional obligation. For example, the program evaluator has been professionally socialized not to utilize improper analytical techniques in reaching evaluative conclusions. What is proper or improper differs by the nature of the problem. The accountant should not "cook the figures," for this is a violation of professional honesty. In either case, though rarely, there have been suggestions by elected officials that certain conclusions

ought to be reached, regardless of what the data and analysis suggest. In some other cases, as evaluation moves to implementation, processes and procedures that violate the professional's standards of conduct are imposed without due consideration of what is workable, leading to evasion on the part of the implementors. In cases of these kinds, and they are all too frequent, neither public nor professional values are served. The result is poor governance.

Another common problem arises when evaluators and accountants fail to understand the general rules of conduct that govern all public employees, and which are the special province of the general administrators. Usually these standards relate to various conflicts of interest that are not immediate to technical work. An example is the so-called "revolving door." Here two examples should suffice. Within the administrative branch of government, agencies regularly entice budget professionals away from budget divisions because of their knowledge of the budget process and the experience that budget professionals bring to certain subject-matter fields. Budget divisions will also hire subject-matter specialists away from agencies. There is no conflict of interest in this activity. It is done frequently and for the public can result in better public policy.

However, an immediate ethical problem arises if a legislative program analyst is offered employment by an agency that is undergoing a legislative evaluation, regardless of whether or not the individual who is offered other employment is evaluating that agency. Analysts who are in that position may have the notion that their brilliance has finally been recognized. However, the action itself can be interpreted as an employment bribe, unethical, and totally private-regarding in nature. Also, the administrator who makes that kind of offer is in ethical jeopardy. Thus, where the practice is common and without penalty in one situation, it is seen as sleazy and as a conflict of interest

(without even examining individual motives) in another situation.

If situations like this were the only problems that we encounter with ethics in the public service, we could deal with them through training, education, and the enactment of rules. Unfortunately, this example is only one of a vast universe that hits us randomly. Since we are beginning to recognize the complexity of the values environment of government, the next question is how to deal with it.

The Agency Response

A common reaction is for agencies to develop agency-specific ethical codes of conduct, or to fall back upon a professional code and provide more training in that code. Another approach has been to attempt to take the duties of the agency apart and develop behavioral rules for each of the specific problem situations. None of these approaches are very productive as incentives to change behaviors, or even to educate new professionals. They also fall very short of providing the operatives of government -- clerks, secretaries and other technicians -- with a sense of public and agency values. And this is another ignored dimension of agency ethics which can be crucial to both the public's image of the agency and the efficiency of internal office procedures.

If we are really serious about the incorporation of values and ethics into the everyday professional environment, we will begin immediately to develop "working philosophies" and training programs that relate professional values to the development of public policy and the delivery of public services.

The "working philosophy" has been noted as an integral part of the operations of those companies who were cited in Waterman and Peter's, *In Search of Excellence*, and even more importantly in William Ouchi's *Theory Z*. A working philosophy is a statement that relates the values of doing things to the ways in which things are done. For a governmental

organization the main elements of a working philosophy include references to the:

- goals and values served by government;
- relationship of the mission of the agency to the goals and values of government;
- values of the ways in which agency missions are carried out;
- values inherent in the technical processes of the agency;
- relationship between professional standards and the goals of the agency;
- values that are associated with the ways in which citizens, clients, employees, and relevant others are treated by the organization; and
- other factors that are important to the agency.

The advantage of a working philosophy over a code of ethics or a set of regulations is that it incorporates a system of values into the everyday decision-making activities of the agency. Each professional, operative, and executive knows that professional activities have a direct relationship to the goals of the agency, and that the goals of the agency have a direct relationship to the values of government. It is this everyday relevance of values to performance that will provide a sense of mission and importance to governmental service.

As an instrument, the working philosophy is very sensitive. It must be constantly cared for and adapted to changing responsibilities, procedural advances, technical improvements, and a host of other elements that we tend to treat as "mere mechanics," but which in the long run can impact upon public values and the ways in which public values are served by you.

A working philosophy is also a stern supervisor. If you develop one, advertise it,

and then ignore it, you look like a hypocrite or worse. One can justify most behaviors under a general, idealistic code. Working philosophies, however, are very sensitive to a wide range of professional behaviors.

The development of a working philosophy will not take you any longer than the development of an agency code of ethics. In governmental agencies it tends to be a cooperative effort that can include all of the employees, even the operatives, who can develop a sense of mission in understanding that they are participating in an effort that incorporates the ideals of governance, not merely serving time in employment. Also, as you begin to use your working philosophy and relate your actions to it, there will be an easing of the sense of frustration that one encounters when challenged to justify what it is you do.

I have long been greatly amused by the goals of agencies that relate only to enforcing the law (I hope so, and wish I could assume it) and operating in an

"efficient and economical manner" (I hope everybody is doing that, too). What we need is a reply to the citizen who doesn't care how economical and efficient the operations of your agency are. What we need, and what a working philosophy can provide, is an honest response to the citizen who says "I don't care how economically and efficiently you are providing that service. Why are you doing it at all?" Blaming it on the legislature or your boss will not get you out of that one. Nor will reference to your code, be it an agency code or a professional statement of values. Only when you can relate what you do to the basic value statements of government, can you respond adequately to that question. A working philosophy will enable you to do that. And, when it has been accomplished, you will have caught that rabbit.



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The discussion relating to the roles of a program evaluator fits snugly, in this writer's opinion, into the ongoing debate about whether public administration is, or should be, a profession and the use of a code of ethics by a profession.

In this paper, we will concentrate on three questions: (a) Is public administration a profession? (b) If it is, should it professionalize? and (c) How can a code of ethics provide control "from within" so that the profession can police itself rather than rely on outside regulators?

Is Public Administration a Profession?

One major aspect relating to the question of whether public administration is a profession is "What is public administration?" We will not answer this question, as is often done by counterpunching with "If public administration does not exist, then, what are we teaching in MPA and DPA programs?"

An answer to the question of whether public administration is a profession is to point to the major sub-fields which constitute the field. These sub-fields (public budgeting and financial management, program evaluation, legislative administration, personnel administration and labor relations, city management, etc.) generally are securely-defined within most individuals' minds and are not amorphous as "What is public administration?" Moreover, each sub-field has, or is developing, a well-defined literature (i.e., body of knowledge), and many of the sub-fields have existed for a number of years. Consequently, if one concentrates on the sub-fields of public administration, one is not plagued with the same problems as those endeavoring to define the parent discipline.

If one can accept that the major sub-fields of public administration are well-defined enough, then we will devote our time, when discussing the "field" or the "discipline," to the area of program evaluation.

If we assert that public administration sub-fields can be (or already are) professions, we will be asked to state our criteria (or definition) for determining so. Here is where a great deal of the current literature on professionalism in public administration breaks down, for too often the discussion on whether public administration, or in our case program evaluation, is a profession centers on whether the field satisfies a set of criteria developed by sociology.¹

These criteria ordinarily revolve around such items as possession of (a) a body of knowledge, (b) a code of ethics, (c) community sanction, (d) an altruistic nature for service, and possibly 17 other characteristics.² The preceding four criteria are widely used by those favoring the sociological, "constellation of characteristics" model.³

Nevertheless, as Robert W. Habenstein⁴ and others have argued, there may be at least two other, equally-valid ways of defining a profession. One approach is attributed to Talcott Parsons⁵ and is known as the "functional model." Consider Parson's functional approach:

There is a very important sense in which the professional practitioner in our society exercises authority. We speak of the doctor as issuing "orders" even though we know that the only "penalty" for not obeying them is possible injury to the patient's own health. A lawyer generally gives "advice" but if the client knew just as well what to do it would be unnecessary for him to consult a lawyer. This professional authority has a peculiar sociological structure. It is not as such based on a generally

superior status....nor is it a manifestation of a superior "wisdom" in general or of higher moral character. It is rather based on the superior "technical competence" of the professional man. He often exercises his authority over people who are, or reputed to be his superiors in social status, in intellectual attainments or in moral character. This is possible because the area of professional authority is limited to a particular technically defined sphere. It is only in matters touching health that the doctor is by definition more competent than his lay patient, only in matters touching his academic speciality that the professor is superior, by virtue of this status, to his student. *Professional authority, like other elements of the professional pattern, is characterized by "specificity of function." The technical competence which is one of the principal defining characteristics of the professional status and role is always limited to a particular "field" of knowledge and skill. This specificity is essential to the professional pattern no matter how difficult it may be, in a given case, to draw the exact boundaries of such field.* [Emphasis added.]⁶

Not having the space to review yet another competing way of defining a profession, let us pause and reflect that it is possible that program evaluation may be a field with "specificity of function," and that parenthetically it also contains a growing body of knowledge, and community sanction.

Can we ignore the characteristics of altruistic service and code of ethics? Altruism may be part of the "sense of the calling" which some practitioners may have as their motivating force in joining the

public service. A code of ethics is a *product* of having a profession, rather than a precursor, and is the subject of a later section of this paper.

If Program Evaluation Is a Profession, Should It Professionalize?

This question concerns testing and control over entering the profession, two common elements taken on as an occupation professionalizes.

Testing. A profession with a body of knowledge should not have much trouble with developing tests. Here, one of the early contributions to the program evaluation profession could be a glossary drawn from the major textbooks and government documents. The glossary could be submitted to a large panel which would make the final judgments over correct definition. The glossary then could be used as the touchstone for future books, articles, and professional reports. Control over entrance into the profession is more difficult.

Controlling Entrance. Most occupational groupings which are recognized by the public as professions have controls governing the number of new entrants into the field. Indeed, the controls often relate to the quality and quantity of knowledge which each neophyte must possess. The program evaluation profession may not be so fortunate.

Entry into the public service is controlled, of course, by civil service systems, regulations, and public laws. Thus, a civil service system may rely on the profession for continuing education and for testing, but still retain control over entry into the profession itself. In addition, chances are that great changes in civil service laws will not take place.

How can a program evaluation profession accommodate these realities? By accommodation -- that is, by accepting the obvious and, since the profession need not

be defined by any set of characteristics, the profession should be able to work with civil service systems.

In addition, entry into the profession will not be the only area of accommodation. Take performance appraisal. The profession will need to work with civil service systems to develop procedures whereby tests given the profession would be used as part of the appraisal process.

What is the answer to the question "If program evaluation is a profession, should it professionalize?" In the long run, the answer to this question will depend on (a) a consensus among practitioners and academicians that items relating to professionalization, such as control over entry, code of ethics, and testing, are beneficial and (b) political action by those same individuals. However, has the tarnish which dulled professionalism's image in the 1960s worn off sufficiently so that the professionalism banner is still intact? For notes relating to this important point, let us proceed to the next section.

Helpful Ideas Developed in the Latest Professionalism Debate

Although many "true professions" (medicine, law) have been sullied by revelations regarding personal income, no greater criticism was levied than that these professions froze out minorities and women from their ranks. This equity issue is much more important in the public sector, especially since notions such as "representative bureaucracy" have been used as the basis for affirmative action in employment. How can the program evaluation profession deal with this matter?

The issue can be handled by asserting that a profession, with a code of ethics approved by civil service systems, can be the means for *ensuring* the *continuation* and *advancement* of affirmative action. How?

Consider the affirmative action experience in government over the last decades: laws have been passed, but

legislatures do not implement the laws; courts have issued thousands of orders and have settled numerous disputes, but courts cannot implement their decisions. The situation is even more serious in that legislatures can be swayed by different political tides and also that the courts "read the headlines" and weigh public opinion.

A profession could establish a code of ethics, one item of which relates to affirmative action. Through political action, it may be possible for the profession to convince legislatures that the profession be permitted some measure of control over the behavior of its members, especially with regard to ensuring the representativeness of the work force and the validity of occupational tests.

Since the profession may have great trouble in dealing with legislatures, another action could be taken by the profession to benefit affirmative action. This decision would be to "grandfather" sufficient numbers of minorities and women into the early ranks of the profession so as to guarantee a voice at least in the profession's policymaking. Since grandfathering has been a process used by many nascent professions, the program evaluation profession could give some thought to it in order to build the ranks of the profession early as well as to settle in many minds the problem of equity and access to the profession.

The Role of a Code of Ethics in a Profession

Historically, government employees have had their actions controlled either from within or from without the organization.

Regulation from Without. Today, the actions of government employees are being closely scrutinized and infractions made the subject of law suits, especially under the rubric of "personal liability."

Though personal liability law suits may be something relatively new, regulation from without by other means is not. Legislatures pass Hatch-type and ethics

laws governing individual behavior, while legislative committees use their power of investigation to control behavior. Moreover, the legislature, through the power of the purse, has an immense control over individual action. Witness the control-oriented, line-item budget's existence.

Finally, elected executives have pressed during the last nine decades for the establishment of OMB-like agencies which serve, in part, as watchdogs over individual actions. Management information systems also serve executives' needs for centralizing decision-making and, thus, exercising control.

These activities are, essentially, "controls from without." They rarely are devices initiated or vigorously supported by agency people. In addition, most of these actions are *post hoc* in nature -- some decision has been made already by an official or employee, and the control or remedy comes afterwards. The controls' effect (budget and information systems may be exceptions) before or during the decision-making process is unclear.

Controls from Within. Regulation of individual action from within may have a greater chance of affecting the decision-making process as it occurs than those activities being brought to bear from without.

Some controls from within exist already in many government organizations. For instance, obtaining advisory opinions from auditors, the use of inspectors general, and the utilization of accounting controls are means of controlling from within. However, none of these devices concentrates on the pressure which individuals can bring on their peers.

A profession's code of ethics can provide a set of guidelines for individual and collective action which acts as a reference point by which individual members of the profession can judge member actions *a priori* as well as while those decisions are being made. An example of an existing code of ethics in the public sector is the "City

CITY MANAGEMENT CODE OF ETHICS

The purpose of the International City Management Association is to increase the proficiency of city managers, county managers, and other municipal administrators, and to strengthen the quality of urban government through professional management. To further these objectives, certain ethical principles shall govern the conduct of every member of the International City Management Association, who shall:

1. Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that professional general management is essential to the achievement of this objective.
2. Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and practical attitude toward urban affairs and a deep sense of social responsibility as a trusted public servant.
3. Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.
4. Recognize that the chief function of local government at all times is to serve the best interests of all of the people.
5. Submit policy proposals to elected officials, provide them with facts and advice on matters of policy as a basis for making decisions and setting community goals, and uphold and implement municipal policies adopted by elected officials.
6. Recognize that elected representatives of the people are entitled to the credit for the establishment of municipal policies; responsibility for policy execution rests with the members.
7. Refrain from participation in the election of the members of the employing legislative body, and from all partisan political activities which would impair performance as a professional administrator.
8. Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.
9. Keep the community informed on municipal affairs; encourage communication between the citizens and all municipal officers; emphasize friendly and courteous service to the public; and seek to improve the quality and images of public service.
10. Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.
11. Handle all matters of personnel on the basis of merit so that fairness and impartiality govern a member's decisions pertaining to appointments, pay adjustments, promotion and discipline.
12. Seek no favor; believe that personal aggrandizement or profit secured by confidential information or by misuse of public time is dishonest.

Management Code of Ethics" (see table). The author does not have any data, however, as to implementation or acceptance of the Code by cities.

Nevertheless, given the limits on a public-sector profession listed above, a profession should be an able partner with legislatures, appointed and elected executives, and merit systems in helping to bring controls on members from *within* the public organization. The dilemma is: Will this experiment be tried?

Conclusions

A case can be made that program evaluation is a profession. Most professions have some type of ethical code; depending on the latitude given the profession, the

code could be used as a means of bringing further control over behavior.

Finally, the program evaluation profession, through its code of ethics, could ensure the use of affirmative action principles and procedures by its members, use being determined also by the ability of profession members to bring political pressure on legislatures. Since the development, let alone implementation, of a code of ethics is a long-range goal, the profession can assist affirmative action by grandfathering in sufficient numbers of minorities and women so that the profession, from the onset, will be representative.



Notes

- (1) See, Richard L. Schott (1976). "Public Administration as a Profession: Problems and Prospects." *Public Administration Review* 36(May/June): 253-259.
- (2) See, Jack Rabin (1981-1982). "The Profession of Public Administration." *The Bureaucrat* 10 (Winter): 10-12.
- (3) Robert W. Habenstein (1963). "Critique of 'Profession' as a Sociological Category." *The Sociological Quarterly* 4 (Autumn): 292.
- (4) *Ibid.* .. p. 298.
- (5) Talcott Parsons (1939). "The Professions and Social Structure." *Social Forces* 17 (May): 457-467.
- (6) *Ibid.* .. p. 460.
- (7) J. David Woodard (1984). "Ethics and the City Manager." *The Bureaucrat* 13 (Spring): 54.

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Our office began in 1978, but we did not hire a methodologist until 1984. I had long wondered about hiring a methodologist. I had been aware of the Virginia model for several years, but there were some experiences which led me to decide it was a necessary move.

The first experience occurred several years ago when we did an evaluation of the Treatment Alternatives to Street Crime (TASC) program. The study involved an outcome-type measure. We worked through a lengthy process with TASC to identify and define a control group and felt we had a well-designed study. When the data was analyzed we found the program did not work.

At that point TASC charged that the control group, which had previously been jointly agreed upon, was inadequate -- that there were differences between the populations, etc. They launched a major battle against our methodology and sought aid from all quarters. They had people from the universities and the Department of Corrections, which was funding TASC, all attacking our methodology. Worse, we did not have a sound answer or basis for rebuttal.

A few years later we were assigned the responsibility of evaluating our vehicle emissions inspection program. Again, I felt an outcome measure would be required. (I did not think the legislature was interested in how fast we could process cars or how cheaply we could inspect them, but whether the air was getting cleaner.) In this case we were looking ahead for the methodology we might use on this audit.

We sent staff to a course at Arizona State University (ASU) on time series analysis and became acquainted with the professor who taught it. We eventually hired the professor as a consultant to conduct our study. He is not only an expert on time series analysis, but more importantly, he is an expert program evaluator. His expertise was later to prove more critical than we ever expected.

We began the evaluation expecting that the data would show a 10-12% reduction in carbon monoxide levels because

of the presence of the program. Some national EPA studies had shown similar results and we felt Arizona would probably fall in that range. Imagine our surprise when the consultant called, saying he had run the models and could not find an effect. We had originally thought we would run 10-15 models to establish the range of carbon monoxide reductions. The consultant ultimately ran several hundred models and never found an effect from having the vehicle emissions inspection program. Further, he did some reruns of data used in an EPA study and found the results they stated were not statistically significant.

Our report's conclusion that the program was not working launched a major battle -- both political and methodological -- with the Department of Health Services, which ran the program, with some legislators, and even with the press. (One editorial, in fact, attacked us for our results and suggested we should be investigated by a grand jury.) This time, however, our methodology stood the test. In fact, the Department of Health Services contacted ASU asking for professors to rebut our study, but could find none. This cinched for me, once and for all, the importance and critical nature of advanced methodology when we needed it.

Recognizing the Need for a Methodologist

After the vehicle emissions audit we began to consider whether we needed an in-house methodologist or whether we should hire outside consultants as needed. The move to hiring a methodologist was finally sparked by two things: I saw that the General Accounting Office was starting design methodology and technical assistance groups (DMTAGs). I had been aware of JLARC's use of a methodologist but felt JLARC filled a different role -- more of a research role -- than we did. Therefore, I was not sure how much we would use a methodologist in our office. However, GAO mostly does the same "meat and potatoes work" such as we do. I figured if GAO can

use DMTAGs, we can use a methodologist.

Second, we were investigating conducting some statistical training for our staff. As we looked at that course, we realized that you can't adequately train the entire staff in statistics because they don't use it often or deep enough to retain the training. Instead, you need a person whose job it is to be knowledgeable in statistics. We hired a methodologist.

As I mentioned yesterday, we have 24 professional FTEs and of that, we have converted half an FTE into a methodologist. We originally started with a half-time methodologist for two reasons: (1) she was finishing her dissertation and did not want to work full-time, and (2) we were not sure if we would have enough of a workload for a full-time position.

Although she has now finished her doctorate, we are finding substantial benefits from continuing the position as a part-time position. We find the half-time position lets her participate in activities that continue to maintain and develop her skills. She teaches part-time, and has also recently been awarded a federal grant to do a program evaluation of drunk driving programs. We also find, as I will discuss later, that maintaining her academic contacts brings important benefits to our office. In fact, if we develop a full-time workload for our methodologist, we would seriously consider simply adding another half-time person.

The methodologist functions at the senior or team leader level. We placed our methodologist in this level for two reasons: One, we felt we needed that salary range to provide an adequate salary. The salary range for senior auditor begins at \$29,000 and goes to \$39,000. Two, we felt she needed the equal status so she could work with team leaders.

We have been fortunate to obtain a very, very qualified methodologist. She has a doctorate of public administration, but more importantly, her emphasis has been almost entirely in program evaluation. She considers herself a social science researcher and evaluator. She has taken probably every

class of advanced statistical program evaluation at ASU and was considered their top graduate student.

The Methodologist's Role

When we brought our methodologist in, we used an informal method of integrating her into our system. We have not formally required that her services be used; rather, we have integrated her use as we did our computers -- we have made her available and encouraged use.

We have, however, asked certain questions that almost require the teams to consult with the methodologist. We have also tried to encourage the teams to use her by not charging her hours against the budget hours for their projects. Her services can be used to as large an extent as needed without counting against the budget.

Part of the reason for not mandating use was we felt there was a learning curve for both sides. Barbara, our methodologist, needed to learn what auditing was in our sense. We needed to learn methodology from her.

Barbara functions foremost as an in-house consultant, particularly on methods. She reviews our sampling, our statistical analyses, and where necessary, she sets up the research design for us. She has also done a lot of analysis of data. Staff take her on preliminary surveys to review data, particularly data on the computer, and request her to review the types of analyses that are appropriate given the data available. Barbara also trains staff in the use of SPSS programs on our PCs, and research design.

She has become an important element of quality review. She has been helpful in recent reports in determining what we could say -- the limits of the language we could use, the limits of the conclusions we could draw -- given our data. She also serves a quality review role in our dealings with our consultants, particularly in evaluating the methods they use. She not only helps us draft RFPs and evaluates proposals, but serves as a quality control check on our consultants.

We are also using Barbara to design some studies. We have a statutory requirement to evaluate our mandatory motor vehicle insurance law. Among the things we must examine are the impact of that law on the number of uninsured motorists, insurance rates, and court costs. She is now researching the types of data currently available and whether additional data will be needed, and she is beginning to design the methodology we will use.

Essential Attributes of a Methodologist

If you are thinking of hiring a methodologist, there are some essential attributes to consider. Perhaps the most important is people skills. I know that sounds funny, but you must ensure that the methodologist can work with staff. Barbara is one of the best fits we could have had for our organization. The staff love her and it works out well. When I talked to Bill Johnson from GAO, he told me to be very careful to get people used to working with staff. He said you can't afford to have the statistician mentality, the person who is the technical expert, looking down on the staff. That's really true.

Methodologists also need some very good program evaluation skills. I think you are wrong to think of a methodologist as a statistician. Think in terms of a social science researcher when you look for a methodologist. Someone who is used to research design, interested in program evaluation, who can work with fuzzier data than maybe pure statistics. Of course, they do need good statistical skills. They need the state of arts statistical skills. They need to know their time series analysis and other high-level techniques.

The Benefits

There are a lot of benefits to having a methodologist. Obviously, one is work quality. The accuracy, reliability, and soundness of our data, and the soundness of our analysis have been improved. It has allowed us to do new types of work we

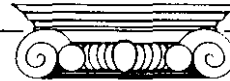
simply did not have the expertise to do before, such as audits addressing outcome measures. (I think outcome measures are the most fascinating, the most crucial, and the most difficult to do. You need a methodologist to do them.)

Another benefit has been to increase staff confidence. They appreciate having someone with her expertise to back them up. She has also given us increased credibility to our auditees and to outside parties. Her presence on our staff has really enhanced and developed our rapport with the university. They recognize her expertise and see our interest in increasing our sophistication.

An interesting side effect of that is, because of her contacts and the respect she has earned, she has become a conduit for job

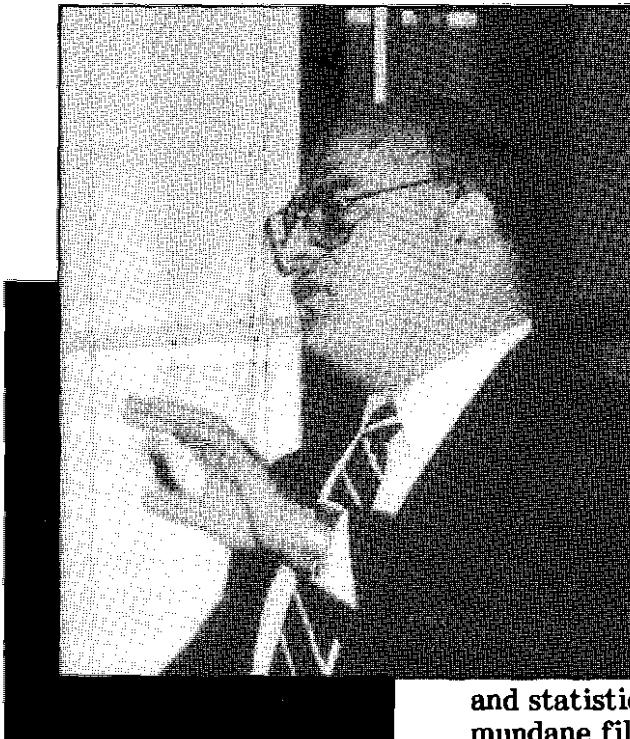
applicants. A number of highly qualified people have come to us applying for jobs. We've probably hired three or four of them in the last year. Many of them were out of a different track than we often considered. They weren't the usual MPA or MBA student, they were persons working on doctorates, persons interested in research and evaluation. They became interested in us because they knew Barbara and heard about our work.

Barbara has also been a conduit for other resources. She has great contacts with faculty who are now contacting us, asking if they can work with us to do some of their public service hours.



Bernie Geizer

Director
Legislative Commission
on Expenditure Review
New York State Legislature



This panel addresses an important issue for program evaluation and post auditors. Specifically, how can the quality of our evaluation work be improved and what are the ways in which various legislative program evaluation agencies integrate research methodology into the audit process?

The need for improved research in dealing with complex public programs goes far beyond those involved solely in evaluation research. As programs became more complex and required increasing financial resources to carry them out, public administrators sought to use soundly designed and executed studies that would increase the likelihood that their analyses were on target.

New York's Legislative Commission on Expenditure Review (LCER) was one of the first legislative program evaluation agencies to recognize the need for integrating sound research methods into its program evaluation work. For example, to the best of my knowledge, LCER was the first legislative program evaluation agency to apply systematic user survey techniques to measure the impact of public programs. Over the years, LCER has used case studies, survey research, content analysis, sampling, comparative analysis, time series, and statistical analysis besides the more mundane file reviews to measure the effectiveness of public programs.

The "Diffused" Approach

The three organizations participating on this panel all recognize the importance of using sound research methods in their studies, but have organized quite differently to accommodate the input of improved methods in their research. Our methodological input at LCER has been

characterized as "diffused" throughout the organization, i.e., there is no single methodologist or methodological unit which reviews all of the work being carried out by LCER researchers.

Our research methods review is carried out in two ways: (1) by input to the program audit team by another staff member of LCER on an informal, in-house consultant basis, or (2) by having LCER's audit review committee use a resource person on staff with a background in applied social science research. One of the reasons we feel comfortable with this approach is that we have some members of staff -- including several PhDs -- who have had a substantial amount of course work and experience with social science research methods and who have demonstrated the ability to design high quality evaluative studies and to make constructive suggestions concerning research methods.

The audit review committee is an integral part of the process in carrying out our audit work. The function of this committee is to provide guidance to audit team members from the inception of the audit work through completion of the audit report. This committee -- which is composed of the Director, the Deputy Director, a senior member of the LCER staff and one other person -- makes constructive suggestions to the audit team concerning the research design and program and policy issues that may arise during an audit. Except for the Director and Deputy Director -- who sit on all audit review committees -- the composition of the audit review committee changes as do the audit teams. Our intent is to staff audit teams and audit review committees with researchers who are strong in research methodology and who have had some experience or exposure to the program being audited. Conceivably, a "reviewer" for one audit may be an audit team member for another audit; this does not detract from the frankness of the working sessions.

It is important to point out that the audit review committee is created before the research design is developed, and its

members can therefore serve as participants in research design development instead of merely as "after-the-fact" reviewers of research strategies. We expect the audit team and the audit review committee to "hammer out" the research methodology which will produce the desired results while being mindful of audit report deadlines and the availability of staff resources.

Since all of the members of the audit review committee have had "hands on" experience with their own audit work -- often in the same area being examined by the audit team -- we expect that they will be able to assist the audit team in making assessments about the quality of data and other problems that are likely to be encountered in doing the study. We will also suggest -- and sometimes direct -- these audit teams to meet with other LCER staff members who serve as "in-house" consultants for specific needs such as reviewing questionnaires, for sampling strategies, or for adapting audit work to our microcomputers.

Finally, after the research design has been developed, the audit team is not cast adrift, because we have monthly meetings in which the audit team advises the audit review committee of its problems and progress. These meetings provide an opportunity to make modifications to the audit research and deal with new issues as they arise.

The audit review committee also is responsible for reviewing the first draft of an audit report to see that research methods have been adequately and appropriately applied and critically examines policy issues and audit findings and recommendations. Additionally, working papers are reviewed by LCER's Deputy Director to assure the adequacy of documentation for audit findings.

Attributes of the Professional Staff

Since there is no methodologist, per se, on the LCER staff, we have not sought out individuals whose academic training or work experience is largely in research methods. Instead, because of the diffused

nature of our methodological expertise, we seek to employ people who have the skills required to be good, generalist program evaluators and researchers.

The attributes we look for in our professional staff are: good judgment, intelligence, inquiring minds, tact, and good methodological, quantitative and writing skills. With respect to quantitative skills, we are finding that virtually all new staff members with a graduate degree in public administration or management have greater quantitative skills than the graduates of similar programs of only a few years ago. In my opinion this also has contributed to an overall improvement in the quality of our research designs and our audit reports.

Based on our experience, we believe that staff members with "hands on" experience in doing audits and dealing with agency data and information systems can develop a realistic assessment of what research methodologies can be used to give us a quality product, meet the deadline established by the Commission, and carry out the work with the staff resources available to the Commission. These two latter points -- getting the audits done on time with available staff resources -- are key factors in scoping our studies and in selecting the research strategies to be used.

Advantages and Disadvantages

We believe there are some important benefits resulting from this approach. First, it is our opinion that tension is reduced using our approach compared to the tension that often exists between the members of an audit team and a designated methodologist. Using our approach, audit staff are not likely to complain that the staff

methodologist "has no sense of field work," that he or she "doesn't have a feel for soft data," and that the methodologist "is not concerned with audit scheduling and deadlines."

Second, there is a greater appreciation developed among staff members related to using different research strategies and methods in audits and program reviews. Finally, the acquisition of improved research skills by staff members not only makes them more valuable members of staff but also promotes their own professional development and their marketability. LCER is committed to training to assure that those skills previously learned are appropriately applied to program auditing.

The disadvantage of this diffused approach to audit research is that we may sometimes need to go outside our organization and hire a research consultant for his expertise in carrying out a very specialized research project. We have done this on several occasions and we have been pleased with their work. We expect that this situation will occur from time to time in the future, and we will again seek outside consulting services as the need arises.

We believe that the organizational structure of LCER and its long standing commitment to high quality research -- within the very real constraints of project deadlines and the availability of staff resources -- has enabled us to produce accurate audit reports and objectively present the information that the New York State Legislature needs for its oversight responsibilities.



Dr. Gary Henry

Joint Legislative
Audit and Review Commission
Virginia



The task of generating the design and methods for studies undertaken by the Joint Legislative Audit and Review Commission (JLARC) has changed since the organization's inception 12 years ago. While the locus of the activity and responsibility lies with the project team, additional resources are brought to bear during the research process. The shift from a decentralized, team-oriented process to one that is centralized and with more organizational inputs has occurred through accretion. However, three distinct stages can be noted.

During the first stage, the team worked to pull together the project scope and the research workplan without outside assistance. The Director and, in time, other managers reviewed the team products mainly for issue orientation. Design and methods were left to team members.

This served rather well for straightforward projects, but the field was becoming more methodologically sophisticated. Higher standards for information, and techniques that could provide more direct and conclusive answers to legislative questions were beginning to surface.

These conditions led to the initiation of a second stage in which a methodologist was hired to work with teams in developing

the methods for a study. Typical questions for the methodologist related to the construction of questionnaires, the selection of efficient sample sizes, and analysis strategies and techniques for trend analysis or testing differences in means or variance.

The methodologist was called in by the team, or when a manager saw the need for some consultation. Most of the methodologist's time was spent on his assignment as a team member for a project. The methodologist's role at this stage can be described as a consultant or technician.

This was valuable -- when the team elected to use the information -- for improving the quality of information, but did not pull the methodologist into the conceptualization of the design. Therefore, opportunities for more powerful designs depended solely on the team.

The third stage of development sought to bring methodological resources outside the team into the conceptualization and design process for all studies, as well as to continue the technical advice. During this stage the methodologist role took on full-time responsibilities. Eventually, a computer operations analyst and another full-time methodologist were added to increase the methodological capacity of the organization. Centralizing the methods functions in this way required a definition of mission and purpose for the section and gave it a unique role within the organization.

- ensure the validity of the study findings,
- ensure methods yield findings on issues, not just information,
- help project teams focus on salient, researchable issues,
- provide training and support for more sophisticated analysis,
- where required for projects, carry out sophisticated, quantitative analysis,
- review documents for appropriate use of results, and
- make sure design, data, findings, and conclusions are defensible.

Mission and Purpose

Establishing the Methods Section within the organization could work only if the section contributed something to the product for which it could be held accountable. Also, it could not duplicate team or management functions. The Methods Section was given the general responsibility for the "methodological quality" of each study. This responsibility made it necessary for the teams and the section to work together in designing and implementing to achieve common goals of relevancy, quality of information, practicality, and timeliness.

The general statement of responsibility and the common goals guided the original development and subsequent refinement of the section's mission. Eight objectives currently guide the section's work with the research teams:

- provide the most conclusive answers to the legislature's questions with the least complicated methods,

These objectives integrally link the section with the teams. Both groups bear responsibility for the product. Yet each has a different role that is useful in reaching the organizational goals.

The Methods Section's Role in the Organization

It became obvious with the inception of a specialized methods function within JLARC that the role of the section would be a flexible one. Even if three methods specialists could keep up with six or seven teams and the 20 or so analysts on a day-to-day basis, it would not be desirable. The section was not established to manage or duplicate existing functions. Therefore, the selection of process points to be involved with the teams and the extent of involvement were crucial.

Three factors have guided the level of activity the methods specialists have had with teams: (1) important study issues where more sophisticated methods could be used, (2) staff assigned to the team, (3) and organizational priorities.

Kinds of Issues

Issues in JLARC studies can be categorized in three ways. Often issues fall in the category of *program reviews*. Usually program reviews are conducted in a manner that makes necessary qualitative judgments about compliance with standards or legislative intent. The technician's role for surveys and analysis is usually the extent of the involvement. Usually, these issues receive less attention from methods specialists, although productivity and comparative staffing issues are exceptions.

Evaluation research issues focus on program impacts or outcomes toward achieving objectives. These issues require an adherence to concerns for causality, because the crux of such an issue is the impact of the program on certain measurable objectives. During conceptualization and design of these study issues, methods specialists work closely with the team, bringing their particular expertise in sorting out cause-effect relationships.

The third type of issue involves *policy analysis*, or a future-oriented look at the consequences of policy alternatives. These issues tend to be quantitative and rely on construction of models to represent some part of a policy's impact. These studies receive more of the specialists' time throughout the project.

Assignment of Staff

The second factor that influences the role of the methods specialists is the staff assigned to the project. The technical side of the role increases for teams that are less strong in quantitative methods, but the other work is less, except of course when a sophisticated part of the study is assigned to the specialist. When there is a high potential for the study team to conduct quantitative analysis, specialists from the methods section usually work closely with the team to ensure that the techniques are applied appropriately.

Organizational Priorities

The third factor in determining the role of the methods section is the

organizational priority for a particular study. Almost all studies could have elements requiring sophisticated analysis. Whether the study garners the resources from the section to facilitate this analysis depends upon the organizational priority for the study. When legislative interest is high for impact analysis, the methods section dedicates significant time and energy to addressing the issues.

The Potential for Conflict

While the team role and the section role within the organization are different, sometimes tensions arise from interactions. Both team members and specialists recognize the importance of quality research and timeliness. However, the emphasis on how to make the trade-off is different. Specialists are trained to address validity, reliability, and defensibility of the research first and foremost. Teams and management have a keen awareness of deadlines. When the priorities placed on these values come into conflict, they are sometimes difficult to reconcile.

Three factors within the organization generally bring about a fair resolution to the conflict. Both the division chief (the teams' manager) and the chief methodologist report directly to the Director. This gets the highest level of management involved in the resolution and ensures both sides of equal footing in the decision. Secondly, both sides in the conflict recognize and respect the pressure on the other (usually). The conflict has been discussed thoroughly, and both sides are more interested in a decision that is in the organization's best interest than in winning.

Finally, both the team and the methods section know the resolution must come from the organization. The decisions usually have implications for the organization, and therefore the resolution appropriately belongs at that level. Furthermore, organizational decisions tend to involve some compromise. Standards that are likely to affect validity, credibility, and defensibility are upheld. Resources are

sometimes added to aid the team in meeting the standards. Standards that are not likely to affect the study at hand are relaxed.

Lessons Learned

Through the process of establishing an organizational role and identity for the methods section, a number of lessons have been learned. The first lesson is that you can't be arbitrary. Reason and logic dominate the discussions. You can't expect to win all the time. Both sides in the conflict are trying to do a competent, professional job. Neither is always right.

You can't stay angry. In a small organization, setting up barriers after losing in a conflict can be devastating. We must come back the next day and work together for the job to be completed, so anger seems to dissipate as we focus on the project.

Perhaps the most important lesson that has been learned is that in the end the process and the resolution have been reasonable. Products seem stronger, and the work environment is oriented to growth and drawing a wide range of relevant skills from the staff.

Conclusion

The transition from a decentralized process for research design to a more centralized process has occurred smoothly. Teams frequently request more time than the methods specialists can provide. More methodologically sophisticated projects have attracted legislative interest. Legislators seem to recognize our ability to produce studies that provide a sound basis for decisionmaking. Therefore, teams seek to address larger study questions, when relevant, and involve the methods section personnel to do so.

The presence in legislative debates of high-quality information from JLARC research has increased the level of expectation for information from the agencies. Executive branch agencies are improving data bases to provide information that is more reliable and relevant. They are developing more rigorous analytical techniques. Unquestionably, the Commission's interest and support of information of a high methodological caliber has led to improvements beyond the work of the JLARC staff.



1986 SESSION

LD1148324

SENATE BILL NO. 173

Offered January 20, 1986

A BILL to amend and reenact §§ 30-66, 30-67, 30-70 and 30-71 of the Code of Virginia and to repeal § 30-73 of the Code of Virginia, the amended and repealed sections relating to the Legislative Program Review and Evaluation Act.

Patrons—Willey, Andrews, H. B., Buchanan, and Babalas; Delegates: Morrison, Ball, Callahan, Wilson, Putney, Quillen, and Smith

Referred to Committee on Rules

Be it enacted by the General Assembly of Virginia:

1. That §§ 30-66, 30-67, 30-70 and 30-71 of the Code of Virginia are amended and reenacted as follows:

§ 30-66. Functional areas; scheduling of study areas.—A. The functional areas of state government shall be scheduled for legislative review and evaluation by the Joint Legislative Audit and Review Commission as specified in ~~paragraph~~ subsection B, on a seven-year cycle, and beginning in the 1979-80 fiscal year.

B. ~~Beginning with the 1979 legislative session,~~ and From time to time as may be required, the Senate and House of Delegates shall by joint resolution establish a schedule for the review of the functional areas of state government. In the absence of a resolution, the Joint Legislative Audit and Review Commission shall select a functional area for review on an annual basis.

§ 30-67. Discretionary selection procedure; coordination with standing committees; expenses.—A. ~~Except for the pilot review provided for in this chapter,~~ and Prior to the year in which a functional area of government is designated to be scheduled for review, the Joint Legislative Audit and Review Commission ~~shall cause to be introduced~~ *may provide for the introduction of* a joint resolution which shall identify to the extent feasible the agencies, programs or activities selected for review and evaluation from the functional area.

B. To ensure coordination of the review and evaluation activity with appropriate committees, the resolution specified in ~~paragraph~~ subsection A ~~shall~~ *may* identify each House and Senate standing committee to be invited to participate with the Commission in designing such studies as will be carried out from the scheduled functional areas.

C. The compensation and expenses of the members of cooperating committees or subcommittees necessary to accomplish the functions specified in ~~paragraph~~ subsection B shall be paid from funds appropriated to the Commission.

§ 30-70. Reporting; hearings.—A. The Joint Legislative Audit and Review Commission shall publish and submit its reports with appropriate findings and recommendations to the Governor and members of the General Assembly, and shall transmit them to the House and Senate standing committees identified by resolution in § 30-67.

B. The standing committees ~~shall~~ *may* hold a public hearing on reports prepared pursuant to this chapter ~~within 120 days at their earliest convenience~~ after the date of transmittal. Hearings may be held jointly or singly by the committees.

C. The standing committees shall hear testimony from the Commission, agency and program representatives, the public in general, and such others as may be deemed appropriate.

§ 30-71. Hearing criteria.—At each hearing ~~required by~~ *which may be held pursuant to* § 30-70, the standing committee conducting such hearing and the agencies testifying shall respond to, but not be limited to consideration of, the following questions:

1. What are the problems, needs, or missions that the program is intended to address and what has been accomplished?

2. What is the effect of the program on the economy including but not limited to: competition, unemployment, economic stability, attraction of new business, productivity, and price inflation to consumers?

3. Would the absence of any regulatory activity significantly harm or endanger the public health, safety, or welfare?

4. Has the program or agency carried out its mission in an efficient, economic, and effective manner?

5. What services could be provided and what level of performance could be achieved if the program were funded at a level less than the existing level?

6. What other state programs have similar, duplicate, or conflicting objectives?

7. What federal activities have similar, duplicate, or conflicting objectives?

8. How does the agency ensure that it responds promptly and effectively to complaints concerning persons affected by the agency?

9. To what extent have the agency's operations been impeded by existing statutes, procedures, or practices of the Commonwealth of Virginia, or of other state agencies?

10. What action plans have been or are being proposed to improve agency operations where the need for improvements has been identified in previous executive or legislative oversight studies and reports?

2. That § 30-73 of the Code of Virginia is repealed.

Official Use By Clerks	
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Clerk of the Senate	Clerk of the House of Delegates



LEGISLATIVE PROGRAM EVALUATION SECTION REGIONAL MEETING

Tuesday, October 15, 1985

8:00 - 9:00 a.m. *Coffee* (John Marshall Room)

9:00 - 9:15 a.m. *Welcoming Remarks*, Ray D. Pethtel, Director, JLARC

9:15 - 10:30 a.m. *PROFESSIONAL AND ETHICAL CONCERNS IN
LEGISLATIVE PROGRAM EVALUATION*

Moderator: Ray D. Pethtel, Director, JLARC

Panelists: Jacques Goyer, Principal, Office of the Auditor General of Canada
Dr. Leigh Grosenick, Virginia Commonwealth University
Dr. Jack Rabin, Rider College

10:30 - 12:15 p.m. *DESIGN AND METHODOLOGY – HOW DO ORGANIZATIONS DO IT?*

Moderator: Philip Leone, Deputy Director, JLARC

Panelists: William Thomson, Director, Performance Audit Division,
Office of the Auditor General, Arizona

Bernie Geizer, Director, Legislative Commission
on Expenditure Review, New York

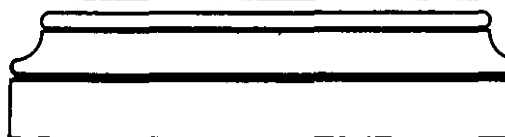
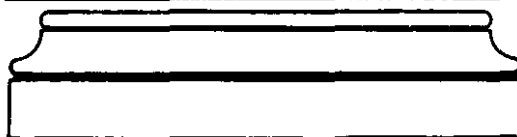
Dr. Gary Henry, Chief Methodologist, JLARC

12:15 - 1:30 p.m. *Lunch* (On Your Own)

1:30 - 4:15 p.m. *CONCURRENT WORKSHOPS* (General Assembly Building)

- (1) Evaluating Secondary Data
(Dr. Debra Rog and Jay Landis, JLARC) 11th Floor Conference Room
- (2) Graphic Design for Information Presentation
(John Long and Dave Porter, JLARC) 4 West Conference Room (4th Floor)
- (3) Survey Design
(Dr. Gary Henry, JLARC) 10th Floor Training Room

4:30 - 5:00 p.m. *Tour of Virginia State Capitol Building*

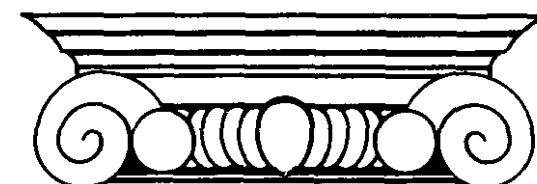
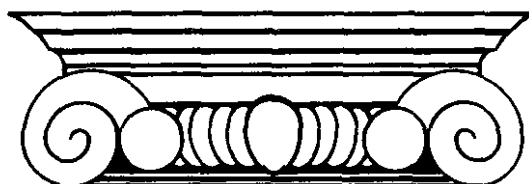
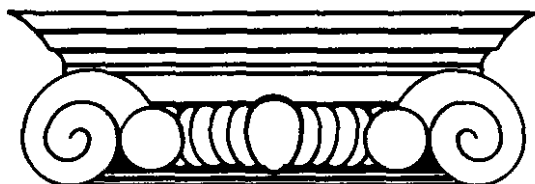


CONFERENCE ON LEGISLATIVE OVERSIGHT

**The
Joint Legislative
Audit and Review
Commission
of the
Virginia
General Assembly**

**Hotel John Marshall
October 13 - 15, 1985**

Appendix B



Sunday, October 13, 1985

4:00 - 5:30 p.m. *Registration* (John Marshall Room)

6:00 - 7:00 p.m. *Reception*

7:15 - 9:00 p.m. *Dinner in Honor of Conference Co-Hosts*,
Delegate A. L. Philpott,
Speaker of the House of Delegates
Senator Edward E. Willey,
President Pro Tem of the Senate,
Delegate L. Cleaves Manning, Chairman, JLARC

Speakers: "Status of Legislative Oversight in the States"
Dr. Alan Rosenthal, Eagleton Institute
of Politics, Rutgers University
"Status of Sunset in the States",
Mr. Richard Jones, NCSL

12:15 - 1:30 p.m. *LUNCH* (Roof Garden)

Introductory Remarks: Senator Edward E. Willey,
Vice-Chairman, JLARC

Speaker: "Oversight in the Congress and the U.S. General
Accounting Office," Eleanor Chelimsky, Director,
Program Evaluation and Methodology Division,
U.S. General Accounting Office

1:45 - 3:30 p.m. *INGREDIENTS FOR
AN EFFECTIVE OVERSIGHT FUNCTION*

Moderator: Dr. Alan Rosenthal, Eagleton Institute of Politics

Panelists: Dale Cattanach, State Auditor, Wisconsin
George L. Schroeder, Executive Director
South Carolina Legislative Audit Council
William Thomson, Director,
Performance Audit Division,
Office of the Auditor General, Arizona
John W. Turcotte, Director,
Joint Legislative Committee on Performance
Evaluation and Expenditure Review, Mississippi

3:30 - 3:45 p.m. *Break*

3:45 - 5:00 p.m. *DIRECTIONS FOR OVERSIGHT IN VIRGINIA*

Speakers: L. Cleaves Manning, Chairman, JLARC
Ray D. Pethtel, Director, JLARC

Comments: Senator Edward E. Willey
Senator Hunter B. Andrews
Delegate Richard M. Bagley

5:30 - 7:00 p.m. *Reception* (The Downtown Club)

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Monday, October 14, 1985

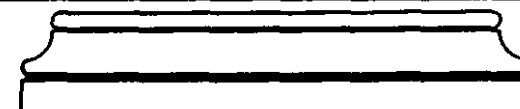
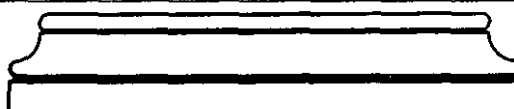
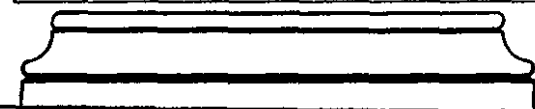
9:00 - 9:45 a.m. *Registration and Coffee* (John Marshall Room)

9:45 - 10:00 a.m. *Welcoming Remarks*
Delegate L. Cleaves Manning, Chairman, JLARC

10:00 - Noon *NEED FOR LEGISLATIVE OVERSIGHT
and LEGISLATOR EXPECTATIONS
OF EVALUATION STAFF*

Moderator: Delegate L. Cleaves Manning,
Chairman, JLARC

Panelists: Representative Wayne Fawbush, Oregon
Senator Mordecai Lee, Wisconsin
Representative Herbert F. Morgan, Florida



JLARC STAFF

RESEARCH STAFF

Director

Philip A. Leone

Deputy Director

Kirk Jonas

Division Chief

Glen S. Tittermary

Section Managers

Gary T. Henry, Research Methods
& Data Processing

● John W. Long, Publications & Graphics

Project Team Leaders

Stephen W. Harms

Clarence L. Jackson

Barbara A. Newlin

Robert B. Rotz

Project Team

William A. Butcher

Karen E. Chappell

Nolani Courtney

Stephen Fox

Lynn L. Grebenstein

Thomas J. Kusiak

Susan E. Massart

Gregory J. Rest

Cynthia Robinson

Carl W. Schmidt

E. Kim Snead

Geraldine A. Turner

ADMINISTRATIVE STAFF

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Joan M. Irby, Business Management
& Office Services

Administrative Services

Maryann Craven

Secretarial Services

Bonnie A. Blick

Rosemary B. Creekmur

Betsy M. Jackson

Velma M. Lee

SUPPORT STAFF

Technical Services

R. Jay Landis, Data Processing

● David W. Porter, Graphics

Intern

Karen Widener

● *Indicates staff with primary
assignment to this project*

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Special Report: The Virginia Tech Library System, November 1984
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