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**Why Utah Received the Top Ranking in the Pew Management Report Card**

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Three states earned the grade of A- in the Pew Center for the States Management Report Card released in the March issue of *Governing* magazine, but if points were given instead of grades, Utah would be ranked the best managed state in the nation. Utah received 15.3 points out of a possible 16 while Virginia (15.0) and Washington (14.7) ranked second and third. New Hampshire probably wasn’t too happy to see the report since they came in last among the states with a grade of D+ and a score of 5.3. Utah scored the highest in the categories of money and infrastructure management; the state also received a grade of “A” in information management, and “B+” in people management. The Pew Center on the States conducted the study that ranked the states based on interviews and evidence of actions taken to ensure the quality of management practices in each state. Utah deservedly received its high ranking due to a number of innovative and effective activities that have ensured a stable financial future while continuing to address critical state needs. The state is by no means perfect and can use the findings of the Pew study to continue to improve its management practices.

Utah’s lofty ranking is a result of responsible and forward thinking management practices, but it is also a product of the categories the Pew Center used to measure the states. Utah is well known for its sound money management practices and leads the nation in its information management including e-government and website access to state services. The Pew Center used five statements in each of the four categories to establish the criteria for the state rankings.

**Information**

- The state actively focuses on making future policy and collecting information to support that policy direction.
- Elected officials, the state budget office and agency personnel have appropriate data on the relationship between costs and performance and use these data when making resource-allocation decisions.
- Agency managers have the appropriate information required to make program management decisions.
- The governor and agency managers have appropriate data that enable them to assess the actual performance of policies and programs.
- The public has appropriate access to information about the state, the performance of state programs and state services and is able to provide input to state policy makers.

One of the true strengths of management in state government in Utah is the availability and coordination of information across branches of government and between agencies. State revenues and expenditures are shared between the legislative and executive branches. E-government has taken significant strides in allowing the public to access services and observe the processes of government. The progress of any bill or action taken in the State Legislature is readily available to the public. Individuals can receive their driver’s licenses and businesses can obtain licenses online. A new coordinated eligibility system will allow individuals to qualify for state benefits at a single site that can be applied to and tracked by multiple agencies and programs.

The governor and agency managers now have the ability to assess agency performance...
information through the State’s Balanced Scorecard initiative. Monthly reporting of key performance indicators in each agency gives the governor and senior state officials a regular update on the activities and progress of state government. As these performance indicators are used to track progress on critical strategic initiatives that have been developed through effective strategic planning, the state will be able to maintain constant attention to its highest priorities.

People

- The state regularly conducts and updates a thorough analysis of its human-capital needs.
- The state acquires the employees it needs.
- The state retains a skilled workforce.
- The state develops its workforce.
- The state manages its workforce-performance programs effectively.

This category received the lowest ranking in the Pew study. Because of Utah’s vibrant economy the State has found it difficult to attract the number and quality of employees it needs to operate as it would hope to. Until recently, the state has not seriously engaged in workforce planning and succession planning. The report stated that all states are seeing very high turnover rates among those most recently hired. In Mississippi, half of those hired leave state employment during the first year. While Utah’s turnover rate is not nearly this high, the loss of new employees is a concern when the number of retiring Baby-Boom Generation managers and employees is expected to jump dramatically in the next few years.

The State of Utah is also working on the development and evaluation of its workforce but both of these programs are in their early stages. Development and training efforts are limited to a relatively small number of employees and performance evaluation efforts are yet to be fully embraced by all state agencies. There is room for improvement in these areas, but new initiatives in employee performance appraisal will link employee productivity to the agency’s mission and state priorities.

Money

- The state uses a long-term perspective to make budget decisions.
- The state’s budget process is transparent, easy to follow and inclusive.
- The state’s financial management activities support structural balance between ongoing revenues and expenditures.
- The state’s procurement activities are conducted efficiently and supported with effective internal controls.
- The state systematically assesses the effectiveness of its financial operations and management.

The report stated that Utah uses a coordinated financial system that allows policy makers in the executive and legislative branches of government to track revenues and expenditures. This consistent system allows decision making based on shared financial data. The study also noted how the state addresses long-term needs such as the liability created by the post-retirement health care benefit for state employees and bonding for critical transportation needs.

In addition to the specifics cited in the report, the State of Utah has undergone a significant restructuring of income and sales taxes allowing revenues to become less volatile. The tax reforms have also reduced tax revenue which may have an effect on the ability of the state to meet its needs when the economy is not as productive as in recent years when the cuts were enacted.
Infrastructure

- The state regularly conducts a thorough analysis of its infrastructure needs and has a transparent process for selecting infrastructure projects.
- The state has an effective process for monitoring infrastructure projects throughout their design and construction.
- The state maintains its infrastructure according to generally recognized engineering practices.
- The state comprehensively manages its infrastructure.
- The state creates effective intergovernmental and interstate infrastructure coordination networks.

The Pew study remarked on the long-term planning and financing for transportation needs, but also factoring into the positive score for infrastructure are the state’s ability to assess its needs and publishing a long-term priority plan for building projects. Utah’s Department of Transportation is very effective in coordinating major projects with stakeholders affected by construction projects including special interest groups interested in environmental, wildlife and traffic concerns. Some of the better features of highway construction in the state are the public information sessions and online resources dedicated to informing those affected by infrastructure decisions.

The State of Utah should be congratulated on receiving the recognition it deserves for its efforts to effectively manage state government, but there is still much to work on to improve the quality of life in Utah that can be influenced by government. We were fortunate that the Pew study looked into one of our strengths – transportation – when considering whether the state effectively meets the needs of its citizens. If we had been judged by the outcomes in education or air quality or some health indicators, we may not have been rated as well. While the state may be well-intentioned and recent effort in these areas may be high, there are special circumstances that affect the outcome. The goal now should be to continue to improve on the strengths identified in this study, build up on the isolated weaknesses and identify areas that still need attention even if they were not highlighted in this report.