

Transitioning



from Campaigning to Governing

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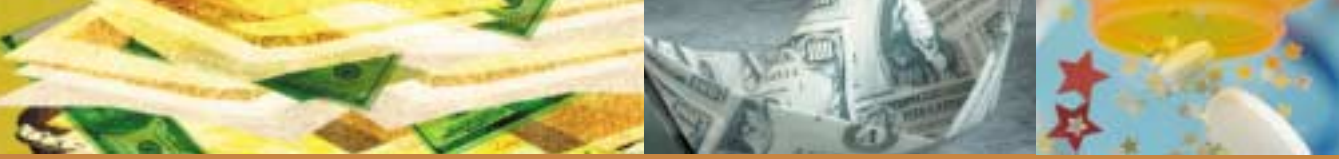
The presidential transition deserves a conspicuous place on the public administration and management agenda, whether an incumbent is re-elected or an opponent is given the opportunity to serve. In a series of articles published in *Government Executive*, the last one published shortly following President Bush's re-election, Academy Fellows offered management advice on fundamental issues that should appear on the next president's agenda and provided approaches to dealing with them effectively.

These ten articles, republished here with *Government Executive's* permission, cover issues that played predominantly on the political landscape during the 2004 campaign, as well as others that were less prominent but no less important.

Although the thoughtful opinions expressed in these columns are those of the authors, they certainly warrant our discussion, consideration and debate.

We are grateful to *Government Executive*, especially its editor and president Timothy Clark, for providing Academy Fellows the opportunity to weigh in on these important and complex issues. We hope readers find that the columns suggest new ways of forging a common understanding in terms of what needs to be done from a public administration perspective.

C. Morgan Kinghorn
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From Campaigning To Governing

By Dwight Ink

Management is tough in the pressure cooker environment of a presidential transition when a president-elect works frantically to shift gears from campaigning to governing. Even experienced presidents facing a second term can stumble.



Yet failing to find room for management during this time can affect the success of a presidency far more than most people realize. Several critical steps can get the incoming administration off to a solid start.

1. Organize and manage with an effective transition team. Confusion and near-chaos characterize most transitions, seriously handicapping the president-elect in the urgent business of selecting his leadership team, modifying his predecessor's budget and formulating program and policy initiatives. A second-term transition—though clearly less disruptive—can present problems and missed opportunities, too.

Many regard Ronald Reagan's presidential transition as the best organized, largely because it was led by seasoned veterans such as Edwin Meese and Edwin Harper. Their effectiveness came in part because Meese had worked closely with Reagan when Reagan was

governor of California. Harper had significant White House experience.

History points to the contrasting mismanaged national security transition between the Eisenhower and Kennedy administrations. Kennedy considered many of Eisenhower's national security processes cumbersome, and abandoned them before instituting more streamlined procedures some months into his presidency. This operational vacuum contributed to the Bay of Pigs fiasco and Kennedy's nuclear standoff with Russian Premier Nikita Khrushchev during the Cuban missile crisis. A well-managed national security transition would have been invaluable when the Cold War was at its peak.

Another management problem often arises when campaign officials without the background to be appointed to government positions are tapped to be transition liaisons with agencies. Despite limited knowledge or



experience, they are sorely tempted to deplore the “terrible mess” they find, and perceive recalcitrant “career bureaucrats” as poised to undermine the new president. Many of these campaign members suggest that they could be of great service by “cleaning things up.” The reality is they can quickly alienate the career service from the president before he even takes office.

2. Integrate management into planning the new president’s program and policy initiatives. The launch of President Nixon’s popular federal assistance programs under his New Federalism initiative illustrates the value of involving career executives heavily in the design of a major presidential policy initiative. The career staff in the Budget Bureau’s Office of Executive Management initiated, designed and led the most comprehensive effort ever to streamline hundreds of cumbersome programs of federal assistance to state and local governments, in large part through major decentralization measures and greater reliance on decision-making by local communities.

On the other hand, the Clinton administration’s ambitious health reform efforts might have gotten greater consideration had the president broadened transition planning to include those design features that were required to make a new health-care system workable.

3. Design and implement presidential reforms that improve government operations. Inexplicably, specific plans for presidential management initiatives often are deferred until after the inauguration. In-depth planning should begin during the campaign so initiatives can be launched quickly after the president takes office to improve the chances for success.

Nixon’s New Federalism, which combined policy and management reforms, was a successful presidential initiative to improve government operations. Two months after inauguration, he directed agencies to take the most comprehensive actions ever on

intergovernmental management. Agencies were required to submit progress reports on actions taken, not only plans to take action, just six weeks later.

By contrast, the Clinton administration’s Reinventing Government initiative took the better part of a year just planning how to proceed. Most lower-level managers were still learning about the plans well into the second year, as was the case recently with the President’s Management Agenda under George W. Bush. At a comparable point in Nixon’s first term, thousands of communities across the nation already had benefited for nearly a year from several of his streamlining actions that slashed the time and funds involved in seeking approval of federal assistance, brought greater responsiveness to differing needs of individual communities and shifted determination of project details from federal to local authorities.

The next president faces important management challenges, including how much autonomy to give agencies in managing human resources and which staffing requirements should be governmentwide, how to improve the credibility of competitive sourcing and performance awards, and what new interagency and intergovernmental management steps to take to safeguard against terrorism.

One can hope that work was well underway in the George Bush and John Kerry campaigns on transition planning and the major issues they wanted to address during their administrations. Whether Kerry was to advance his own initiatives or Bush was to regroup for a second phase of his management agenda, the campaign was the time to start rather than waiting until Inauguration Day.

Academy Fellow Dwight Ink served in policy-level positions under seven presidents and directed several governmentwide management reforms.



Presidential Prowess

*By C. Morgan Kinghorn
and Ryan J. Watson*

The next president will wrestle with some of the most extraordinary challenges any chief executive has ever faced in areas such as homeland security, bioterrorism, health care and fiscal management.



Effective management initiatives are critical to constructively addressing these daunting challenges. And the four cornerstones to implementing those initiatives can form the foundation for a president's management triumphs.

Be a creative, determined leader.

Presidential leadership involves mapping the course and serving as the driving force behind each initiative. The president must think innovatively as he develops and leads his management agenda. Instead of simply

studying how government is currently managed and then developing a strategy for change, presidents should paint a portrait of how government would ideally operate and ask: "How do we get there?" After all, "Leaders must encourage their organizations to dance to forms of music yet to be heard," as leadership guru Warren G. Bennis once said. Getting government to dance can prove exceedingly difficult. Politics, turf battles, and champions of the status quo often pose significant challenges, making effective presidential leadership even more essential.



Raise the visibility of critical management initiatives.

President Bush's emphasis on results and accountability is one example of a chief executive taking a public stand on critical management efforts. The President's Management Agenda kicked off Bush's high-profile effort to improve government performance. As part of the agenda, the administration has evaluated more than 400 federal programs worth about \$1 trillion in an effort to allocate more funding to programs that deliver positive results. Politicians and pundits might argue about the merits, objectives and details, but there is no doubt that Bush's results-oriented policies have put the issue of results on the table and have greatly expanded advances in prior administrations.

Bring management-related policies down to ground level.

Given how a president expects his initiatives to be perceived by a whole host of stakeholders, what will be necessary to make each one happen? It is an unquestionable tenet of public management that without pragmatic attention to implementation, even the best policies can fall flat on their face. Ignoring effective management techniques and tools when formulating new policies or improving existing ones can be a recipe for disaster.

For instance, the president should strike the balance between monitoring progress and micromanaging. While management initiatives need active support from the top, the president should not stifle the creativity of civil servants responsible for making his

policies a success. There is, however, a growing need for carefully examining how programs are constructed and managed up front, rather than expecting civil servants to pick up the administrative flotsam of well-meaning programs that are badly designed. If done right, this will give federal employees a sense of ownership of presidential initiatives.

Create an atmosphere of bipartisan, intergovernmental collaboration.

The new president's honeymoon period is a perfect time to establish the tone for constructive conversation. Partisan politics run rampant through the corridors of Washington, but if the president engages Congress on both sides of the aisle, involves leaders from departments and agencies, and consults with state and local governments, he will see measurable benefits. In the 21st century, all government is intergovernmental. And, in this environment where all government is intergovernmental and even international, the way the federal government implements its policies needs more fresh and open thinking about the importance of the management of new and complex initiatives.

These four cornerstones should form the foundation for President Bush's management agenda as he resides where management starts—1600 Pennsylvania Avenue.

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Battling Bioterrorism

By Richard Danzig

Anthrax attacks in the fall of 2001 put the nation on alert: Bioterrorism could strike domestically, with devastating effects. The attacks infected 22 people, killed five, shut down parts of the Capitol and the nation's mail system, and highlighted our vulnerability.



In the three years since, the government has invested substantial resources in cities and states to help them prepare for bioterrorist attacks. Within the federal government, the Homeland Security Department and a number of other programs have been created.

Unfortunately, there is a gaping hole. We haven't yet come to grips with the likelihood that a large bioterrorist attack—or worse, a series of attacks—would demand federal leadership and orchestration beyond anything we have experienced, or are organized to accomplish.

Understandably, many people emphasize local responses to bioterrorism. But any incident would inevitably become a federal issue because of its multi-jurisdictional nature—an anthrax cloud dispersed from a single point in Manhattan could cause fatalities in upstate New York, New Jersey, Connecticut and Pennsylvania, depending on the winds.

Traditional terrorist attacks climax but quickly exhaust themselves—they are incidents, typically followed by pauses. Several facts, however, join to permit biological weapons to be used in a different way. Only small amounts



of a biological agent are needed in each attack, large amounts can be produced relatively easily, attacks can escape detection until well after the fact, and an attacker can launch a biological agent from a distance, then relocate. Taken together, these permit an attacker to “reload” and attack city after city. In sum, biological agents lend themselves to moving from individual incidents to terrorism campaigns.

In such a crisis, federal leadership would be required on a massive scale. The federal government would need to meet intense demands for drugs, detection and decontamination equipment. Citizens and local officials would look to federal health, law enforcement and intelligence agencies for advice and help in assessing what has occurred and how to prevent future attacks. In addition, multiple events would provoke tremendous allocation and triage problems.

One model for dealing with bioterrorism is the Pentagon's coordination among the military services during operations abroad. The Pentagon has developed commonality in communications, methods for fusing intelligence, a joint staff, definitively recorded assignments, clearly articulated lines of authority, and, above all, exercises that do not merely test systems and demonstrate requirements, but also teach our soldiers how to perform in harmony in crisis situations.

For the military, this has been a difficult and prolonged struggle—it began 60 years ago

during World War II—and it has yielded imperfect results. The stark fact is that we have barely begun the task domestically. Creating a Homeland Security Department is only the first step to initiating a structural change. Much more is required to focus on the problem and to overcome formidable barriers among organizations as disparate as DHS, the FBI and the Health and Human Services and Defense departments.

To develop a truly coordinated response to bioterrorism, we do not need another government reorganization. Rather, we must generate a common, systemic understanding of attack scenarios and practice interagency and intergovernmental responses. Within that context, we must work out assignments and establish modes of cooperation.

To fulfill the federal government's role, the next administration will need to articulate a common framework and work extensively with the relevant agencies to make it a success. Without strong leadership from the Oval Office, such an initiative is destined to fail. And in this mission that cannot be allowed to fail, we are not likely to have the luxury of a half-century to prepare for the next act.

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Pulling Together

By Carl W. Stenberg

Managing effectively across different levels of government never has been more critical to the nation's security and prosperity, yet our capacity to do so has eroded. Citizens expect intergovernmental programs to deliver and be fair. Yet managing across jurisdictions and determining accountability for results can be blurry and complex.

Homeland security is a prime example. The Homeland Security Department has centralized federal efforts, but the intergovernmental system through which it operates is fragmented. For instance, there are 115 signatories to the regional disaster plan for the Seattle area. More than 20 federal grant programs for first responders weave a tangled web of funding streams that delays progress where it matters most.

Former U.S. Sen. Edmund S. Muskie once described America's intergovernmental system as government's "hidden dimension," because it "has no direct electorate . . . is under no special control, and moves in no particular direction." Beginning in the 1960s, relationships among levels of government became far more significant as federal grant-in-aid programs, mandates and pre-emptions proliferated, and the Supreme Court issued decisions affecting federalism. In one domestic program after another, financing, administration and regulation became interwoven. This increased complexity demands more effective and innovative intergovernmental management.

In the 1970s, the federal executive and legislative branches developed institutional capacities for improving consultation with state and local officials and coordination among agencies. Federal officials sought to devolve responsibility, decentralize decision-making, deregulate activities, debug program administration, and demystify the grant and regulatory processes. Pioneering research by the Advisory Commission on

Intergovernmental Relations and what was then the General Accounting Office complemented those ambitious initiatives by analyzing their impact and recommending improvements.

Alarming, however, this institutional capacity to study and measure cooperative efforts has dwindled to virtual nonexistence just as intergovernmental approaches have increased. So Muskie's words are truer today than when he spoke them decades ago: Intergovernmental management has indeed become government's "hidden dimension."

The next president should consider three steps to restore this institutional capacity.

1. Reassert a central role for the executive branch in intergovernmental management.

The president could order the Office of Management and Budget to the front lines of intergovernmental management once again by bolstering the "M" in OMB's mission, which would require appropriate professional staff support. Either OMB or another agency in the Executive Office of the President could spearhead the efforts that involve many levels of government by reviewing federal program proposals to balance national goals and standards with state and local circumstances, clearing proposed rules and regulations that would affect other jurisdictions, monitoring headquarters and field implementation of executive orders, and identifying unfunded or underfunded mandates.



2. Reconstitute the White House Office of Intergovernmental Affairs.

During the Carter and Reagan administrations, a White House unit developed federalism philosophies and agendas, maintained relations with state and local public interest groups, coordinated department and agency federalism officers, and drafted presidential intergovernmental policy statements. Since then, White House staffers have functioned as liaisons, but the intergovernmental management role has not been underscored by an institutional commitment. It's time to restore White House attention to these vital relationships.

3. Re-establish a nonpartisan, independent intergovernmental organization.

Since the demise in 1996 of the Advisory Commission on Intergovernmental Relations, no organization has assumed its leadership role. But objective information and insights on the status of federal, state and local government management are more urgently needed than ever. Such an entity could serve as a research focal point for the administration, Congress, state and local officials, the news media and the public by:

- Gathering, analyzing and disseminating data on federal program performance and intergovernmental fiscal trends.
- Synthesizing information on best practices and innovations.
- Identifying friction points and emerging issues in federal-state-local relationships.

- Consulting on the design and execution of federal aid programs as well as related problem-solving issues.
- Conducting polls on the state of the federal system.

To meet this pressing need, the National Academy of Public Administration plans to launch an Intergovernmental Relations initiative in the fall. It will gauge interest in restoring a national focus on intergovernmental management. The initiative will convene intergovernmental practitioners in a neutral forum to assess needs and share best practices for improving management and accountability.

Strong presidential leadership in these areas would anchor and advance institutional capacity-building toward effective intergovernmental management. Such leadership also would engender key congressional involvement. Most important, it would bring intergovernmental management out of the shadows of the “hidden dimension” and into the spotlight.

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Distilling Power

By Cornelius M. Kerwin

The mismatch between the public's need for regulatory protections and the resources required to implement them continues to grow. That's why reforming the management of regulatory programs is crucial. This involves setting priorities, informed by the best available information on risks, benefits and costs. To reform regulation, you must focus on its source of power - the capacity to make law. Congress writes statutes that set goals and limits, but the most important legislative functions are carried out by bureaucracies, most within the president's control.



In an average year, Congress issues a few hundred statutes. Regardless of the administration and prevailing political climate, agencies issue 10 times that number of final rules and about as many proposals for new regulations. Sheer volume aside, the most specific statements of our rights and responsibilities are usually found in the Code

of Federal Regulations. No significant regulatory statute can be administered or complied with until the implementing regulations are issued, and the impact of rules is almost always more immediate than that of statutes. This age of rule-making requires an agenda for governance—one that focuses on the president, the rule-makers and the people.



A president must embrace rule-making. President Reagan armed the Office of Information and Regulatory Affairs with “regulatory principles” and the power to review rules. Since then, each president has refined that rule-making management system. Some have criticized Office of Management and Budget review of proposed rules, but this practice has elevated the visibility and importance of rule-making. It also has resulted in some central direction, analytical rigor and accountability. A president must set forth principles to guide rule-making that are consistent with his agenda and prevailing statutes.

Rule-makers are lawmakers operating in a bureaucracy. Rule-making management is critical, to be undertaken only by those with a keen understanding of its legal, organizational, economic and political dimensions. Too often, this isn't the case. The Office of Personnel Management, in collaboration with agencies and commissions, should devise systematic professional development programs for rule-makers and their managers.

Let's reserve some of our collective hand-wringing about poor voter turnout for its equivalent in rule-making. For starters, public participation in rule-making is rare. Examples of public involvement, such as the Federal Communications Commission's ill-fated

regulations regarding companies' ownership of multiple media outlets, are uncommon. Although these proposals generated significant responses from the public and businesses, even these participation rates were low relative to the numbers of persons affected by the rules. Public comments often are stimulated, if not orchestrated, by organized groups that enter the process early. When stakeholders are not well-organized, rule-making suffers.

For at least four decades, administrations and Congresses have tried to boost public participation. But these efforts are intermittent, fragmented and unsustainable. Technology and sophisticated techniques offer almost unlimited potential. Rule-making should not be reduced to a plebiscite, but neither should the apparent lack of public comment be interpreted as a lack of interest. We find barriers to voting intolerable. We should be as indignant and active about their counterparts in rule-making. An agenda for governance in the age of rule-making should be part of the next president's legacy.

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No Idea Left Behind

By Valerie Lemmie

Nothing galvanizes citizens, business leaders, politicians and government officials like public education. The issues inextricably related to it—academic quality, school choice, funding equity, bond issues and tax levies—trigger debate in meeting halls and boardrooms nationwide.

As we inch toward No Child Left Behind as a national policy, we must address the controversy surrounding private management of public education, specifically for-profit businesses that receive tax dollars to provide educational services in charter or conversion schools. In this debate, we cannot afford to leave behind our national leaders either.

The trend toward private management of traditionally public services has increased in many sectors. Schools are no exception, notwithstanding strong resistance among the educational bureaucracy. To help struggling schools improve performance, parents, business and community leaders, and mayors are creating governance structures. In some cases, mayors have taken control of previously independent school systems. In others, school systems have contracted directly with private management companies. One private firm, Edison Schools, operates 130 schools that serve more than 132,000 students. States such as Ohio have privately managed charter and conversion schools that receive public funding.

Merging public and private governance fosters innovation and allows best practices from both sectors to drive service. This nation has a responsibility to provide with children the best education possible, although the means

to do so have differed and evolved through the years. The struggle is not whether, but how, to deliver quality education.

This does not mean substituting one system for another. Instead, it involves a parallel organizational opportunity to test new models with public participation and oversight. Healthy competition guided by clear policies and performance expectations can improve achievement. Public-private partnerships have generated greater teacher accountability and responsibility coupled with higher test scores, and we must build on these successes.

There are no quick fixes to improving public education. President Bush has requested \$319 million for charter schools in fiscal 2005. He must advocate funding for such initiatives and demand tangible results from that investment. Shared governance might not emerge as the optimal approach, but we owe it to our students to explore this option.

Managing merged governance must be on the next president's radar screen. Public-private collaboration is critical to accomplishing national goals in education and elsewhere. Democracy demands an educated population. Capital markets require trained and skilled workers to maintain a global edge. Students who are unprepared to meet 21st century



challenges are left behind economically, socially and politically.

Neither the public nor private sector has a lock on good ideas. What better way to improve education than to create public-private partnerships? Shared governance in the delivery of taxpayer-funded services carries the promise of improving service, enhancing performance and maintaining competitive

prices. We no longer can rely solely on traditional bureaucratic structures. We must experiment with alternative governance structures to achieve continuous improvements in education.

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Curing Health Care

By Mary Jane England, M.D.

New ideas for reforming health care are a staple of presidential election campaign promises as candidates grab for headlines and try to focus voters' attention on their proposals. The major health-care issues Americans face have remained the same since the early 1990s and, in fact, have deepened in scope. Chief among these issues is balancing care and costs, which are directly affected by changing populations and outmoded systems of health-care delivery.



A 2001 report by the Institute of Medicine states: "Americans should be able to count on receiving care that meets their needs and is based on the best scientific knowledge," but quality problems everywhere affect many patients. The report concludes: "Between the health care we have and the care we could have lies not just a gap, but a chasm."

Today, double-digit inflation of health-care costs means higher premiums for employers and employees. It also means increases in Medicaid and Medicare state and federal health programs. Add to this growing populations of elderly, disabled and uninsured

(now almost 45 million) because of the economy and job losses, and it's no wonder our health-care delivery system breaks down in quality and accountability.

Prescription medication prices and expensive new technology are steadily driving up health-care costs. At the same time, the aging of the baby boomers, higher numbers of disabled people (25 percent increase from 1999 to 2003), and an extended life span create groups that have specific health-care needs. These new dynamics place tremendous stress on Medicare and Medicaid.



Today, there are evidence-based treatments for those suffering from mental illness, but lack of insurance coverage keeps people who need care from having access to it. The cost for untreated depression alone is enormous and includes millions of dollars in lost workplace time, in “presentism” (being there, but not being productive) and in difficulties in parenting that have consequences for future generations.

Following are four avenues of change that can help improve the health-care situation immediately:

- **Disease Management.** Medicare currently is experimenting with disease management for the elderly and disabled. Focusing on chronic illnesses and disease management through home care and community-based services could accomplish several goals, including lowering health-care costs and accommodating the diverse needs of baby boomers and the disabled.
- **Incremental Insurance Coverage.** The number of uninsured people in America today presents a daunting challenge when taken as a whole, so it requires the response of a system as a whole. When specific populations of uninsured are identified, states can mandate health-care insurance targeted for these populations. For example, Massachusetts has mandated health insurance for the population of enrolled college students. The federal government also has instituted a partnership with states, called State Children’s Health Insurance Programs, to cover thousands of eligible enrolled children.

- **Mental Health Parity.** Better use of new psychotropic medicines, evidence-based therapies and community-based treatment can bring parity in mental-health care. Including mental-health care in employers’ insurance policies will save companies’ money by preventing loss of labor and productivity.
- **New Technology.** Effectively using cutting-edge technology to manage health care could both cut expenses and improve the quality of care. Technology makes information about costs and quality of hospital care available, for example, to consumers who can then make better personal health-care decisions.

And something as apparently simple as electronic health records for every patient can serve a variety of functions. Electronic health records, for instance, can: interconnect clinicians, foster collaboration and generate a national health information network; encourage consumers to maintain personal health records and promote telehealth in rural areas; unify public health surveillance architectures, streamline quality and health status monitoring; and accelerate the dissemination of evidence.

Very often, the big health-care issues that plague our nation are best met by practical responses that arise when one considers the art of the possible and courageously implements those ideas.

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Negotiating the Fiscal Rapids

By Alice M. Rivlin

Fiscal issues, upstaged by terrorism and war, were not prominent in the 2004 election campaign, but they are certain to dominate the next presidency. From their first day in office, the president and his team will be forced to confront three daunting money problems:



- They must design a workable strategy for putting the federal budget deficit on a credible downward track.
- They have to rein in galloping increases in medical costs that are undermining the solvency of Medicare and Medicaid and putting health insurance out of the reach of small and medium-size businesses and their employees.
- They must address the sure-to-be contentious debate over restructuring Social Security, especially as the baby boom generation begins to retire.

These money problems will not be solved by accountants, actuaries or economists, useful as these technicians are. Designing solutions—and selling them—will be a rigorous test of the managerial, political and communications skills of the president and his team. They have to show guts, imagination and extraordinary negotiating skills.

Negotiating skills are especially crucial because none of these problems can be solved by one political party alone, even if the president's party should win a majority in both houses of Congress. Solutions require ideological



flexibility and a degree of bipartisan cooperation that has not been seen in recent years. For example, in *Restoring Fiscal Sanity: How to Balance the Budget* (Brookings, 2004) my colleagues and I show that it is unrealistic to think the federal budget can be completely balanced by cutting spending or raising taxes. The necessary spending cuts would be unacceptable to many in both parties, and so would the needed tax hikes.

As the 1990s showed, bringing the currently projected deficits under control will require bipartisan legislative packages involving a mix of spending cuts and revenue increases, reinforced by healthy economic growth. Reducing medical cost inflation will take increased reliance on market forces, which Republicans favor, combined with more government regulation (say, of pharmaceutical prices), which Democrats may find appealing. And if Republicans want to introduce private accounts into Social Security, they will have to give Democrats something they want, such as greater protection for low-wage earners.

These fiscal challenges cannot be solved at the federal level alone. State and local governments have a vital stake in how the federal government copes with fiscal dilemmas; they will insist on being part of the decision process. Reducing federal spending by slashing education, housing, child care, transportation and other programs only moves the fiscal crisis from Washington to 50 state capitals. Pressures on state and local budgets have eased a bit since the stresses of 2002-03, but not enough for these governments to absorb drastic federal cutbacks without pain. Moreover, their leaders will demand a voice in medical cost negotiations—as will the private sector—because the results affect their budgets big

time. And although Social Security may appear to be an exclusively federal program, it cannot be restructured in isolation. Reducing benefits would force companies, states and localities to restructure their own pension systems.

Fiscal pressures put a premium on effective management at every level of government. The only way to reduce the impact of spending cuts on beneficiaries of government programs is to find less expensive ways to deliver the services. As David Osborne and Peter Hutchinson wrote in *The Price of Government* (Basic Books, 2004), political leaders in an age of permanent fiscal crisis shouldn't even think about proposing higher taxes until they have convinced voters that they are running a tight ship: "Any significant change in the price of government is impossible until the majority of Americans feel they getting real value for their tax dollars."

Huge fiscal issues, sleepers of the 2004 campaign, will test the skills of public sector executives. The stakes are high because the consequences of failure range from fiscal meltdown to paralyzing deadlock. But the opportunities are great. Successes could include a healthy restructuring of federal and state tax systems, constructive entitlement spending reform, more effective state-federal relationships and more efficient delivery of government services at all levels. This is an exciting moment in history to be a government executive. True leaders at all levels already are figuring out how to take advantage of these money problems to make government work better.

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Weighty Matters

By Christopher Edley Jr.

When leaders and pundits assess the social equity of current or proposed policies, they don't always base their judgments on "good" information. Information is the mother's milk of policy and political choice.

Put aside the meat of our social equity debates: education opportunities and achievement, universal health insurance, racial discrimination and disparity, immigration reform, lack of progressive taxation, costs and benefits in the wars on crime and terrorism, and environmental justice to name a few. Apart from partisans at the ideological extremes, everyone should want the light of information and a better analytical infrastructure for thinking about social equity. Imagine where we would be without environmental impact statements, or regulations for scientific research, imperfect as they are. Or, take government's effort to implement the 1993 Government Performance and Results Act and ask, "What next?"

Policymakers rarely get caught up in carefully defining social goals. Politics often requires vagueness, because punting tough questions is a survival tactic. Almost no one opposes social equity, but the devil and the debate are in the details. The people carrying out the policies must get specific if those initiatives are to have consequences. That means three things:

- Identify contexts about which we care most.
- Select dimensions of equity that warrant attention.
- Ensure supporting data can be gathered with constrained resources.

A skillful and committed White House team can make choices that matter, with a few dollops of funding and determination, and even some interagency head-knocking.

Choosing social priorities is inescapably political, but a principled approach in an era of divided government would be to build a portfolio of areas through "logrolling," where there is something for everyone. Start with Congress and federal agencies and then spread attention and oversight around in rough proportion to expenditures. This means less analytical attention for a \$36 million Housing and Urban Development demonstration project than for a \$12 billion entitlement program, or a \$5 billion tax expenditure.

As for dimensions and data, think not only about consequences to income and wealth, but also equity across population subgroups. Geography (urban versus rural), race and ethnicity, gender, immigrant status and age are vitally important. Beyond those, good arguments can be made for other breakouts, such as family status or disability. These variables could seem key on a superficial level, but getting specific about any of them presents complex choices. Case in point: Aggregating across sharply distinct national origin groups create debates over categories for racial data, and policy and political distortions.

The subtler issue is change over time. More than the customary plea for good time series data, it requires stepping back and asking whether the engines of opportunity in our society—the institutions and forces that create upward mobility, middle-class security and dignity for elders—are firing on all cylinders or creaking along in the breakdown lane.



Occasionally attention is drawn to creating social indicators, an intellectually worthy ambition that never has garnered much political support. This is not so much due to the inherent methodological challenges, but to the lack of urgency among many executive and legislative branch decision-makers. The result is an incomplete patchwork of social equity data sources and willful negligence on the narrower question of evaluating social programs. Proponents of these programs, regardless of political party, often shield their creations from rigorous review. They rationalize the analytical immunity as cost-saving or defense against unprincipled attacks grounded in weak methodologies. There is a grain of truth here, but in the aggregate policymakers are rendered half-blind to the consequences of their choices.

The next president can easily and effectively delegate to able lieutenants the responsibility for creating light that will shape a 21st century analytical infrastructure for advancing social equity. A good place to start would be a presidentially commissioned joint effort by the National Academy of Sciences and the National Academy of Public Administration.

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Solutions, Not Debates

by C. Morgan Kinghorn
and William Shields, Jr.

With the rough-and-tumble presidential campaign behind us, commentators will examine the dynamics that shaped the 2004 election. They will ponder events that appeared on the front pages, popped up on the evening news and Internet, and influenced voter attitudes. While the choice in candidates may have been stark, there was very little opportunity in the heat of the campaign to explore broad choices, lay out alternatives, have meaningful discussions, and come to workable solutions on major issues affecting the nation. Both parties largely appealed to their core constituencies, leaving much innovation and thoughtful alternatives in the wake of 15-second outbursts. With the transition upon us, the atmosphere needs to change. We need informed solutions, not debates.

While the commentators look back, Fellows of the National Academy of Public Administration have been looking forward. For the past five months, Fellows have appeared on these pages to offer management advice to the next president. These distinguished individuals addressed fundamental issues that will—or should—appear on the president's agenda and provided approaches to dealing with them effectively.

Some issues played prominently on the political landscape: battling bioterrorism, reforming health care, and negotiating serious fiscal issues. Others were less conspicuous, but no less important—managing across different levels of government and reforming regulation, to name just two—as they form a firm foundation for achieving workable solutions to seemingly intractable problems.

Re-reading the Fellows' articles, we are stuck by four themes woven throughout them. When transitioning from campaigning to governing, attending to them will serve the next administration well.

Establish a meaningful management capacity to effectively administer programs and deliver services.

Several authors made a compelling case for a renewed emphasis on management, from

strengthening the “M” in OMB’s mission to integrating management into planning the new president’s program and policy initiatives. In the hustle and bustle of a transition, the president cannot let management fall by the wayside. History shows that the consequences of not doing so are enormous—namely, program initiatives that are not easily delivered and public distrust in government. Building on the President’s Management Agenda, which focuses on results and accountability across five government-wide initiatives, would send an early message of a president’s sustained attention and commitment to improved government performance.

Strengthen and support creative approaches to service delivery.

Social, economic and technological changes are fundamentally altering the institutions on which citizens rely to meet their needs. Governments at every level are looking to creative partnerships to deliver the services that citizens expect and deserve. This collaboration should be encouraged. Because merging public and private governance will continue, it is equally crucial that testing new management models be continued.

Develop and support stakeholder input and involvement.

Several years ago, an Academy Panel



developed principles of effective consultation, because an effective stakeholder process can be key to successful coordination and collaboration. This series demonstrates that the need for stakeholder input—spanning sectors, levels of government, and political parties—is greater than ever.

Ensure that government works for all.

Boalt Law School Dean Chris Edley wrote that policymakers rarely get caught up in carefully defining social roles, even though choosing social priorities is inescapably political. But, doing both is critical to ensuring that a government of the people is one that serves all the people. Health care is an especially timely example, one that provokes debate from both sides of the aisle and in the corridors of power. As another column pointed out, the big health care issues plaguing the nation can best be met by practical responses. Investing in those reforms now not only positively affects individual recipients in the short run. It mitigates adverse (and more costly) health and economic impacts down the road.

Beginning this series in July, we wrote that management starts at 1600 Pennsylvania

Avenue. That's certainly true. But, the trusted advice our Fellows have offered opens the public debate in a reasoned and fact-based manner. Some believe the election process gave the American people a clear and stark choice; others, ourselves included, found the debates unenlightening. The 15 or 30-second focus on issues of the moment did not inform us on real choices or impact. Yet there remains a wide range of possibilities to resolve difficult questions of health care, the deficit, and social security, none of which were addressed meaningfully. We need an informed public debate on the tough issues of the 21st Century, not safe positions that do not get at root causes.

As leaders advising leaders, the National Academy of Public Administration stands ready to inform the public on what is a much wider, if difficult, choice of alternatives and approaches. These truly are big ideas and they require big thinking with practical solutions.

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