Overseeing State Government Operations in the Governor's Office

Executive Summary

As chief executive officers (CEOs), governors are responsible for leading and managing their states. As leaders, they set priorities for their administration and seek enactment of new policies and programs designed to achieve those priorities. As managers, they implement policies and programs and oversee the operation of state government. In addition to defining their priorities, governors shape state operations through allocation of fiscal resources and appointment of key executive-branch personnel. Governors must make decisions about the authority and responsibility of their senior staff as well as department and agency heads.

Although governors' priorities and policy objectives shape their legacies, failure to deliver critical services or respond adequately to a crisis can overshadow their accomplishments—in other words, they fail to manage state government operations. This brief examines how governors have structured their offices and established processes to effectively oversee the ongoing opera-tions of state government. The management function generally includes five critical tasks:

- Managing the cabinet and departments;
- Developing relations with gubernatorial appoin-tees;
- Focusing attention on the governor's agenda;
- Building the loyalty of state employees; and
- Delegating decisions to state agencies.

The Growing Importance of Operations

Historically, revenue growth has exceeded baseline expenditures, allowing governors to finance their priority initiatives out of those surpluses. For the foreseeable future, however, these discretionary funds are unlikely to be available, so governors will need to redirect current program expenditures to provide funding for their priority initiatives. Governors increasingly will turn to economic and efficiency initiatives to reduce the costs of existing services. In most cases, these initiatives will require significant changes in government operation—the processes state government uses to deliver services.

Critical Issues

Understanding the Context

The first challenge is to understand the context in which the CEO must function. All governors must operate within the constraints of state constitutions and statutes and ensure conformity with an increasingly complex web of federal requirements and regulations. Governors must interact with their legislature, the media and key stakeholders and oversee the activities of most executive departments in their state.

To manage state government operations effectively, a gov-ernor needs to communicate his or her management style:

- At what level does the governor want to be involved in operational issues?
- How does the governor want to receive informa-tion?
- How does the governor like to interact with staff and appointees?
- How will the governor communicate directions and concerns?
- How will the governor monitor performance and provide feedback?

Managing the Operational Agenda

The most successful governors establish priorities for their state's operational agendas. State operations

priorities may be handled piecemeal or as part of a more comprehensive management agenda or initiative.

One challenge is balancing the proactive agenda—the governor's priorities—with the daily pressure to react to problems and issues that departments and agencies, the media, the legislature and other stakeholders raise. Unless a governor is clear about the issues he or she wants to be involved in, that governor and his or her staff will soon be overwhelmed by urgent but noncritical issues.

Communicating the Operational Agenda

The governor's appointees (department and agency heads) and his or her staff need to understand the governor's operational agenda, which can be a formal initiative or delivered through specific instructions to cabinet members and agency heads. Regardless of the approach, that operational agenda must clearly define authorities and responsibilities and explicitly state what is to be accomplished and how those accomplishments will be measured.

Organizational Models and Tools

The approach to managing the day-to-day operations of state government varies greatly from state to state. It is influenced by such factors as the governor's management style, the size of the governor's staff and the relationship between the governor and his or her department heads. In most states, the governor's chief of staff reports that he or she either serves as or supervises the chief operating officer (COO). If the chief delegates this function, it is typically to deputy chiefs, policy directors, agency liaisons or other senior staff. In fact, although the formal responsibility for overseeing government operations may be centralized, everyone on the governor's staff typically interacts with department and agency heads at some level, be it legislative relations, media relations, scheduling, appointments, federal relations, policy implementation or constituent services.

Governors also rely on a variety of approaches for collecting operational intelligence and communicating advice or direction to department and agency heads.

Many states require regular reports from these heads. In some cases, these reports flow directly to the governor; in other cases, gubernatorial staff summarize and forward them to the governor, as appropriate. Meetings—cabinet meetings, subcabinet meetings and one-on-one meetings with the governor or chief of staff—also play an important role. In a number of states, the governor's appointees convene their own meetings to encourage and facilitate interagency cooperation and coordination.

Performance Management

Many states collect and analyze performance data on an ongoing basis. In some states, performance measurement systems track these data across state government. In other cases, the governor's office tracks a more limited number of priorities and is often involved in periodic and in-depth reviews of challenges and issues.

Adjusting to Change

Change is a constant factor in a governor's office. Many governors will have two or more chiefs of staff during their time in office. Turnover will frequently occur among governor's senior staff and the governor's department and agency heads. It is important that these new team members receive clear directions regarding the role of the governor's office and the governor's priorities, management style and expectations for clearance and consultation. It is also important to recognize that it may take special efforts to ensure that these new members are incorporated into the governor's team.

Internal Operations

Because most staff in the governor's office have an opportunity to interact with department and agency heads about operational issues, it is critical that they share relevant department and agency communications with their colleagues. The chief of staff or the designated COO is responsible for ensuring that departments and agencies are receiving consistent direction and advice and that the demands being placed on them are appropriate. The chief or COO must make sure these heads are kept informed of all interactions between

departments and agencies and the governor's staff. The chief also must ensure that agency perspectives and concerns are accurately conveyed to the governor and that decisions are well vetted.

The growing reliance on email can be both beneficial and detrimental. It provides a speedy method of communicating information and direction, but it may also create unreasonable expectations regarding the speed of the decision-making process and may not always provide an opportunity for all interested parties to share information or advice.

Agency Perspective

Without exception, agency heads underscore the importance of maintaining a clear message about the governor's priorities and a consistent approach to the delegation of authority and responsibility. Department and agency heads want to know the ground rules. They want to know when they are expected to handle an issue independently, inform the governor about their decisions or defer a decision to the governor or the governor's staff.

In addition, most department and agency heads emphasize the need for timely decisions and feedback. They understand the need for oversight and interaction with junior staff, but they expect timely responses to their requests for information or guidance. Agency heads are hindered in doing their work if feedback from the governor's office is delayed.

Governors differ greatly in their approach to managing state government operations. Regardless of the governor's preferences, however, the method chosen should address the following questions:

- What are the operational or management components of the governor's agenda?
- How will the governor consistently communicate the agenda to department and agency heads?
- What types of issues or decisions must be made by or vetted with the governor's office?
- How will the management agenda be monitored?
- How will the governor provide feedback to department and agency heads?

Who, if anyone, is authorized to act for the governor in the governor's absence or on issues of lesser importance?

Introduction

This management brief is based largely on interviews that the National Governors Association (NGA) Office of Management Consulting and Training (OMCT) conducted with senior members of the governor's staff and a selection of department and agency heads in nine states: **Arkansas**, **California**, **Georgia**, **Louisiana**, **Michigan**, **Nevada**, **New York**, **Virginia**, and **Washington**. The initial intent was to focus on the organizational structures in each of these states to coordinate or oversee the ongoing operations of state government. As the interviews progressed, however, it became clear that organizational approaches varied greatly from state to state, with few commonalities. This led to identifying a common set of issues that states addressed as they defined the interaction between the governor's office and state departments and agencies.

Brief descriptions of each state are included in Appendix A, but the body of the management brief focuses on the issues those states identified—the issues that a governor, a chief of staff or a chief operating officer (COO) should consider to develop and maintain an effective working relationship between the governor and the governor's appointees. To provide a bit of the flavor of the interviews conducted, Appendix B includes a variety of quotes from participants.

Background

As chief executive officers (CEOs), governors are responsible for the leadership and management of their states. As leaders, they set priorities for their administration and enact new policies and programs designed to achieve those priorities.

NGA suggests a governor use four major tools to move state government in the direction that he or she wishes:

- Establishment of priorities;
- Allocation of resources;
- Appointment of key personnel; and
- Mobilization of public opinion.

The governor's priorities essentially create the road-map that guides department and agency heads. Most governors focus the majority of their attention on priorities that address program or policy issues, such as education, economic development, transportation and health care, but some include a management improvement agenda as one of their priorities, as well. This management improvement agenda may focus on improving government accountability across the board or zero in on specific issues such as performance management, an enterprise approach to service delivery or incremental improvements in specific management services such as information technology (IT), employee diversity or streamlined procurement.

Although a governor's priorities and policy objectives do much to shape his or her legacy, failures in the day-to-day operation of critical services or inadequate responses to crises can often overshadow those accomplishments. As managers, governors must see that their priorities are implemented. In addition, they are responsible for seeing that a wide variety of ongoing programs and services are delivered effectively and efficiently and that the executive branch responds appropriately to crisis situations as they develop. For this brief, these management functions are called *state operations*.

In addition to determining his or her priorities, a governor shapes state operations through decisions for the allocation of fiscal resources and the appointment of key executive-branch personnel. A governor also must clarify an approach to assigning authority and responsibility to senior staff in the governor's office as well as department and agency heads. It is impossible to manage a system in which the key players do not understand their roles and ability to make decisions.

This management brief examines how governors have structured their offices and established processes to undertake this management function. The NGA publication *The Many Roles of the Governor's Chief of Staff*, first printed in 1990, identified the role of COO as the first of nine key functions that a governor's chief

of staff would likely perform. That document assigned the COO five critical tasks:

- Managing the cabinet and the departments;
- Managing relations with gubernatorial appointees;
- Focusing attention on the governor's agenda;
- Building the loyalty of state employees; and
- Pushing decisions down into the agencies.

In many instances, a second function, crisis management, has been combined with the COO function. The COO may also play a critical role in a third function, head hunting or assisting in identifying and recruiting key department and agency leaders.

Although titles and roles vary from state to state, most governors have designated someone on their staff to serve as COO for the executive-branch departments and agencies that report to the governor. In a 2007 survey, governors' chiefs of staff reported that the COO function had been assigned as follows:

- Primarily the responsibility of the chief of staff in 27 states;
- Primarily the responsibility of a staff member reporting to the chief of staff in 18 states; and
- Primarily the responsibility of another senior staff member reporting directly to the governor in three states.

Only one chief reported the COO function did not exist in the governor's office.

Involving departments and agencies in the identification of priorities and, probably more important, in the design of programs or policies intended to accomplish those priorities may be critical to the success of the priorities. There is almost equal danger in allowing a bureaucracy to impede necessary innovation and in developing those innovations without considering the real constraints on what can be administered. Therefore, the COO function should provide a bridge between the policy design function and the state officials expected to implement those policies.

The Growing Importance of Operations

Experts agree that states will continue to face serious fiscal constraints for years into the future, with revenues growing more slowly than the cost of delivering services. Traditionally, revenue growth has exceeded baseline expenditures so that governors have been able to finance their priority initiatives out of those surpluses. For the foreseeable future, however, these free funds are unlikely to be available, and governors will need to redirect current program expenditures to provide funding for new initiatives. Increasingly, governors will turn to economy and efficiency initiatives to reduce the costs of existing services. In most cases, these initiatives will require significant changes in government operation—the processes that state government uses to deliver services. These efforts will require the significant expenditure of both political and management capital and a capacity to better coordinate and manage such efforts.

Although a focus on improvements in service delivery can achieve savings, the more fundamental task is first to examine whether it makes sense to continue the program or service itself. It makes little sense to deliver an unnecessary or ineffective service more efficiently; rather, the more effective approach is to focus on productive and necessary programs and services.

Definitions

In the private sector, one source defines *chief operating officer* as follows: The COO is a member of upper-level management responsible for the company's day-to-day operations. The functions of a COO are those of a hands-on executive. Thus, although the job of a CEO is of a more general and strategic nature, a COO is charged with more specific duties, such as sales, marketing, production functions, and human resources (HR) issues. A COO also must report and provide feedback to the CEO to ensure the corporation's smooth functioning. Along with the chief financial officer (CFO) and CEO, a COO is part of the management team that forms the backbone of the company.

Another source defines *chief operations officer* as the "executive responsible for the day-to-day running of the critical departments of a firm such as production, marketing and sales and distribution; establishing procedures and processes to ensure their smooth functioning; and providing timely operational information and assistance to the CEO."

As OMCT interviewed numerous states regarding the role of their COO, it became clear that this role in state government bears little similarity to its private-sector counterpart. In most states, the traditional functions of the private-sector COO have been delegated to department and agency heads or their operational deputies.

In the context of state government, the COO functions generally include:

- Overseeing the implementation of the governor's priorities;
- Managing the interaction between the governor's office and state departments and agencies;
- Facilitating interagency communication, cooperation, and collaboration;
- Providing direction and advice to departments and agencies on the resolution of selected operational issues; and
- Leading crisis response.

The COO function also may play an important role in maintaining a strong connection between policy design and operational realities.

Understanding the Context

With few exceptions, the governor is largely free to define the nature and degree of his or her involvement in the operational aspects of state government. This process is, however, influenced by two important factors: the state government context and the governor's management style.

The State Government Context

As with most aspects of their office, governors have considerable flexibility in deciding how to approach their oversight of state government operations. In making these decisions, the governor can improve the likelihood of success with a clear understanding of the context in which the governor and his or her appointees are expected to operate. Although there are important lessons to be learned from the private sector, the differences between government and the private sector and between the authority and responsibility of a governor and a corporate CEO are substantial.

State government is responsible for a range of functions that far exceed the responsibilities of the largest private-sector entity. In addition to the direct delivery of critical services, state government manages a vast network of contractors who provide state-funded goods and services and oversees local and regional governments in the delivery of still other services. State government is the major conduit for billions of dollars in federal grants and aid, as well. These diverse missions and the lack of any common "bottom line" provide a special challenge to anyone responsible for monitoring government operations.

The challenge is exacerbated by the proliferation of separate departments and agencies in most state governments. It is not uncommon for 30 to 40 department and agency heads to report directly to the governor; in many states, the number of direct reports—usually excluding smaller boards and commissions—exceeds 75. Only a few states have created what amounts to an intermediate cabinet structure—8 to 12 "super agencies"—to oversee these functions. Moreover, there is no guarantee that related functions will be assigned to a single department or agency, so even simple tasks require coordination or collaboration among several agencies. Equally challenging, an agency head may be responsible for multiple programs with diverse clientele and without common goals or objectives.

A further complication is the relatively rapid turnover of staff in both the governor's office and agencies. Although the majority of governors serve for eight years, many will have three or more chiefs during their tenure. Junior staff members in the governor's

office also tend to turn over relatively rapidly. The tenure of some major agency heads currently averages three years. This relatively swift turnover would be challenge enough if vacancies were regularly filled by men and women who had extensive experience in state government, but in many cases, senior positions are filled by individuals who have little experience in government management, and the more junior positions in governors' offices may be filled with young staff members who have limited understanding of the roles and responsibilities of state agencies.

In the private sector, the concept of accountability is usually hierarchical, with business components generally accountable only to the CEO or COO. In the public sector, department and agency heads receive direction and oversight from a variety of sources. Much of a department's mission is established by state statutes and regulations or by conditions applied to federal grants. Without seeking legislative approval, the governor has limited authority to modify these missions. Moreover, a wide array of legislative committees, federal agencies and auditors monitor department and agency performance and demand action when they perceive problems.

In most large private-sector firms, it would be unusual for major changes to take place as a result of a complaint or suggestion from a single customer or stakeholder. The private sector tends to accumulate customer feedback and combine it with a variety of performance metrics before making a significant change. In the public sector, policy and operational changes may be made based on an isolated incident, with little effort to examine the underlying process or system. Similarly, the private sector is often able to respond to issues individually by waiving policy. In the public sector, there is often less opportunity for such flexibility.

In the private sector, the COO usually has access to in-house staff who monitor operations and, with a few exceptions, control external access to much of this information. In state government, the governor has only a small personal staff to monitor agency performance. In some states, these staff members may be supplemented by a central staff agency—like a budget bureau—that assists in this monitoring function, but in most cases, much of the available performance data are provided by a variety of sources not subject to the control of the governor. This means that many issues that would likely be addressed internally within a business setting must be discussed and resolved in a public environment.

Finally, state government managers must recognize that significant differences exist from one state to another. As a result, the reader should be cautious in attempting to replicate any particular management model or approach without a detailed understanding of the context in which it has succeeded.

The Governor's Management Style

Governors vary considerably both in their interest in ongoing government operations and in their management styles. Governors typically want their offices to be involved in the development and implementation of programs that address their priorities. However, there seems to be considerable difference among governors as to the degree to which they and their staff attempt to monitor or oversee the ongoing operations of state government. One approach holds that the primary responsibility for ongoing operations rests on department and agency heads and that the governor and the governor's staff become involved only when the department or agency head seek their advice, approval, or assistance or when a significant problem draws public or stakeholder attention. A second approach attempts to focus attention on a limited role that can address a defined management improvement agenda or department and agency efforts to address and resolve operational issues identified as a concern to the governor. The third approach attempts to establish and monitor a broad range of performance measures across state government.

A clear understanding of the preferred approach or combination of approaches is important because it affects both the selection of the governor's staff and department and agency heads as well as the processes and procedures that define the interaction between

those heads and the governor's office. Experience suggests that the preferred approach varies from agency to agency depending on the degree to which the department or agency head is perceived as trustworthy and part of the governor's team.

The first decision, then, is what types of issues the governor wants to be involved in. The second issue relates to the level of involvement, with most governors focusing their attention and the efforts of their staff at the 30,000-foot level.

In most cases, the governor varies his or her level of involvement based on the nature of the issue and the preferred management approach. Generally speaking, the level of attention to operational issues decreases as the number or scale of priorities increases.

A governor's management style also influences the nature of his or her involvement in operational issues and the roles his or her staff play. Governors who are comfortable with confrontation and transparent decision-making may rely heavily on more inclusive meetings to discuss and develop operational strategies. Other governors may prefer smaller, more private meetings or opportunities for one-on-one discussions with key players. Some governors seek direct input, while others prefer that issues and options be analyzed and presented through a formal staffing process. Again, the preferred approach may vary from time to time or issue to issue, but understanding and responding to the governor's style is important to the success of any approach.

Another style issue relates to the governor's interaction with his or her staff. Some governors are comfortable with dealing independently with senior staff members on a variety of issues. Others prefer that their chief of stall coordinate communication with staff members or are careful to deal with other staff members around specific areas of responsibility. In this case, internal processes should complement the governor's style to ensure complete staff work.

The issue of style relates to defining expectations and

to the establishment of a process that protects the governor from making decisions based on incomplete information and documents and shares decisions as they are made. Crafting the governor's involvement in state operations helps to define the relationship between the governor and the governor's staff and the individuals the governor has selected to head the departments and agencies of the executive branch. The task begins with determining the responsibility and authority delegated to agency heads and the nature of issues that they can handle independently and those that they are expected to discuss, clear or delegate to the governor's office.

Governors also need to decide on the balance between trust and verification. There is constant tension between gubernatorial staff and department and agency heads, but the governor ultimately depends on those heads to maintain the quality of state government operations. It is just not possible to manage the day-to-day activities of state government solely from within the governor's office. For this reason, it is critical to determine how much authority will be delegated and when and how the governor wants to monitor that delegation. Some governors prefer to hold a tight rein, while others are comfortable with broad delegation.

Similarly, the governor will have preferences regarding his or her interaction with department and agency heads and the way in which he or she wants to receive and process information and issues. Some governors prefer the give and take of meetings and other discussion forums. Some are willing to open these discussions broadly, involving department and agency heads and other stakeholders. Others prefer to limit discussions to a small group of senior advisors.

Other governors are less comfortable with this approach and prefer a more formal process for presenting and analyzing decisions. Some will rely heavily on their own staff for this analysis, while others will provide opportunities for broader input.

Most governors expect their staff and appointees to provide potential solutions with any problems. Here

again, some like the interaction that comes with meetings and open discussion, while others prefer a more structured decision-making process.

Managing the Operational Agenda

Setting Priorities and Expectations

Governors tend to focus their attention on priorities that address policy or program changes. As a result, governors differ in their interest and involvement in management and operational issues. To some degree, the expectations of the department and agency heads reporting to the governor are universal:

- Maintain ethical standards;
- Ensure that laws and regulations are appropriately implemented; and
- Avoid operational situations that could prove embarrassing to the governor or the administration.

Operational issues such as the development of web-based services, reduction in waiting time at motor vehicle offices, or faster processing of business licensing may arise and be addressed during gubernatorial campaigns. Additional operational concerns can be defined and communicated in the governor's budget and in the State of the State speech or other special messages. In many states, these issues are documented, and progress is monitored and reported on a regular basis.

In other cases, department and agency heads are assigned specific operational responsibilities or objectives. In general, these assignments arise during the day-to-day interaction between the governor's office and the department head. In some cases, they are formalized, but in many cases, they are communicated on an ad hoc basis.

Some governors also create a public management improvement agenda as one of their priorities. This agenda may focus on improving government accountability across the board or on specific issues such as performance management. Whatever the nature of the governor's involvement in state operations, however, it is important that assignments be clear and that both the governor and the department head are clear as to the definition of success. It is also important that in setting his or her priorities, the governor has a clear approach to assigning authority and responsibility to senior staff in the governor's office and to department and agency heads. It is impossible to manage a system in which the key players do not understand their roles and freedom to make decisions.

Balancing the Proactive and Reactive Agenda

The governor's involvement in the operation of state government will likely encompass both proactive and reactive components. The proactive components most frequently include one or more of the following elements:

- Operational staff participation in the design of priority programs;
- Involvement of gubernatorial staff in managing or overseeing the implementation of the governor's priority programs;
- Special projects that gubernatorial staff manage or operate;
- A management improvement agenda that addresses gains in the efficiency and economy of state government; and
- Defined performance goals or objectives for some combination of ongoing operations.

The reactive components generally include involvement in operational issues that are brought to the governor's office from a variety of sources:

- Referral from department and agency heads—"upward delegation;"
- The governor's involvement with the public and critical stakeholders;
- The governor's correspondence and requests for constituent services;
- Legislative oversight and inquiries;
- Media attention; and
- Audit findings.

In most cases, the reactive component is driven by a crisis situation or the possibility of adverse publicity. Less frequently, it occurs in response to positive suggestions for innovation or service delivery improvements.

Communicating Operational Priorities

Governors use a variety of means to communicate their priorities to the public and to the legislature. For a new governor, this process often begins with the inaugural address, followed by an executive budget and a governor's legislative package. In addition, a governor uses the bully pulpit to focus public attention on selected issues as he or she interacts with the public and the media. Many department and agency heads rely on these same sources to learn the governor's priorities, although governors use a variety of other channels to communicate with their appointees more directly. In most states, cabinet meetings provide an important vehicle for communicating priorities, particularly those that involve multiple departments and agencies. These formal meetings are invariably supplemented by less formal interactions between the governor and department and agency heads directly and between gubernatorial staff at multiple levels and department and agency heads and their deputies. The budget review process and the establishment of goals and objectives also serve to communicate priorities.

Many of the most powerful communications tools involve the media, but there are serious risks in relying on the media to convey priorities to state managers. One risk is that this approach may fail to involve key players in the decision-making process, so decisions may be made without access to all relevant information. A second danger is that these priorities may lack the detail and facts needed to provide meaningful direction.

In most of the reviewed states, the governor relies on the appointment process to ensure that department and agency heads understand and share the governor's views and values on important issues. The interview process may include a discussion of the governor's overall vision and key priorities, but in relatively few cases does the appointment letter or announcement spell out the governor's priorities for an individual department or agency. This lack of specificity at the appointment stage can lead to confusion and may require an extended orientation period to allow for clarification of the governor's operational concerns.

Organizational Models

With few exceptions, the chief of staff is responsible for overseeing state operations, either personally or through a designated senior staff member who reports to the chief. Although the designated senior staff member may have considerable flexibility in his or her dealings with department and agency heads, the chief of staff typically reviews and weighs in on more serious issues and will likely decide what issues to raise with the governor before a decision is made.

In considering organizational models, it helps to focus on the various activities that traditionally fall within the purview of state operations. In some states, a single individual or office will be responsible for all of those components. In other states, the assignment of responsibility may vary from component to component.

- **Policy development:** Increasingly, research suggests that involving those state officials who will be responsible for implementing the program in policy design can substantially increase the chances of success after a policy has been approved. In many cases, governors make these decisions on an ad hoc basis, and they include the creation of task forces or working groups as well as consultation with key department staff who have subject matter expertise and operational experience. In some states, the staff responsible for policy development are also responsible for agency liaison and oversight. Where the governor or the chief of staff has designated a COO, this individual may be charged with creating a process for making the necessary connections.

- **Policy implementation:** States tend to use one of three models to implement gubernatorial

priorities. In some states and for some priorities, implementation responsibility is essentially delegated to agency officials, with little or no oversight by the governor or the governor's staff. In other cases, responsibility is delegated to agency officials, but the governor's staff carefully monitor progress against desired milestones. In the third model, the governor's staff essentially serve as project managers and oversee the day-to-day details of implementation. Although the choice of model depends primarily on the governor's style, the level of gubernatorial involvement is often directly proportional to the complexity and significance of the initiative. The governor's office is more likely to actively manage initiatives that require input and cooperation from multiple departments and agencies.

- **Special projects:** In some states, the governor's office houses a variety of special projects, typically relatively small initiatives that are important to the governor. In many cases, they may require the involvement or coordination of several agencies or interaction with important constituencies. Even when separately and properly funded and staffed, these projects have a relatively small effect on the governor's ability to address ongoing operational issues, but when they are not separately and properly funded and staffed, members of the governor's senior staff must often assume project management responsibility for them. In such cases, there is a danger that the combination of ongoing duties and project management responsibilities may become overwhelming.

- **Management improvement agenda:** In some states, the governor's priorities include both policy initiatives and some form of management improvement agenda. This agenda may seek to focus attention on service and administrative improvements broadly, on an enterprise approach to shared services or on achieving specific goals in targeted areas such as minority contracting or minimizing audit exceptions. In

most states, The COO or a central staff agency, such as the budget office or the general services agency, oversees this management improvement agenda, although occasionally, responsibility for overseeing the management agenda is delegated to a subcabinet or task force of agency deputies.

- **Crisis management:** Most governors face numerous situations defined as *crises* during their administration. Although it is an oversimplification, these crises will either be operational or political—at times, both. For definition purposes, an *operational crisis* represents an immediate threat to the health or well-being of the state's citizens. This category includes a wide array of natural disasters and manmade threats to public health or safety. Many states have a separate management process in place to manage state responses to these issues, although the governor, the governor's chief of staff and the governor's COO may have critical roles to play as well. The political crisis can arise from factors involving a breakdown in a government service, media attention, negative audits, a bad outcome and so on. These are crises primarily in the sense that the failure to respond appropriately can have a negative impact on the governor's image. The challenge here is to create a reasonably clear set of guidelines for when and how a governor's office wants to be involved in these crisis situations. In most cases, the governor will want to know of an emerging crisis so that he or she can learn and comment on a proposed agency response. In fewer cases, the governor's office may want to approve a proposed response; in the most sensitive situations, the governor may want to oversee the development and implementation of responses. The challenge is to maintain a reasonable balance to avoid being overcome by trivia.

- **Managing state departments and agencies:** The essential choices relate to the nature and depth of the governor's involvement. At one

level, a governor may choose to "manage by exception," involving his or her staff in agency operations only when a crisis has emerged. Unfortunately, there are at least two downsides to this approach. First, it focuses on response rather than prevention, and second, an adequate response may not offset the negative impact of the crisis itself. At another level, the governor may choose to focus on relatively broad outcome measures to judge the effectiveness of state government policies and operations. He or she will likely become involved in operations only when those measures do not demonstrate the progress desired. In a number of states, these outcome measures are combined with a much larger array of performance measures that attempt to monitor the efficiency and effectiveness of government programs.

Most governors will choose some combination of models, varying both the nature of the governor's involvement and the level based on the issue at hand and its perceived importance. The governor also may assign internal responsibility for implementing these involvements in a variety of ways and even to a variety of organizations within the governor's office. The chief of staff must play a pivotal role in seeing that the various assignments of responsibility and authority are coordinated and that the required communication and collaboration take place.

In making these decisions, it is important to realize that there is a very real constraint on resources. Over the past few years, the size of the governor's office has declined in many states and is unlikely to rebound in the near future. The result is a limit to the number and type of issues that a governor's staff can be involved in. For that reason, the governor may want to focus on the effective use of department and agency staff and less on the day-to-day involvement of his or her own staff.

In an ideal world, the governor and the governor's COO would spend the majority of their time on the proactive agenda, but in most states, it is the reactive

components that take most of the available staff time. As a result, it is critical to consider ways to control this reactive agenda to limit the governor's involvement to important issues and situations.

In short, our interviews suggest that in structuring the COO function, form should really follow function. Deciding early and thoughtfully how the governor wants to oversee operations is critical both as a means of maintaining control and to prevent the governor's senior staff from being overwhelmed by the unending process of upward delegation.

Operational Tools

Relatively few states have adopted a process that establishes specific performance goals for department and agency heads. In most cases, the governor relies on the interview and screening process to ensure that prospective appointees share his or her vision and priorities. In only one or two cases are specific priorities spelled out in an appointment letter. More frequently, the governor develops or has access to a system that measures performance around a broad array of goals and objectives or that allows monitoring of performance around the implementation of gubernatorial priorities. In most states, the governor does not play an active role in reviewing performance data, relying instead on personal or central agency staff to identify and refer issues requiring the governor's attention. In a few states, the governor or the governor's senior staff actively engage in reviewing performance data and interact with department and agency heads to identify and resolve operational issues.

However, models exist for a more proactive gubernatorial role. Some states require department and agency heads to develop and submit detailed annual work plans and will review progress toward the implementation of those plans on a quarterly or annual basis. In other states, the governor's office has created a performance management process that it uses to monitor selected program or policy initiatives. Increasingly, department and agency heads are expected to use similar techniques in their own

agency management and to share information on a regular basis. Occasionally, these tools have focused on program operations. In other states, they are used to manage enterprise solutions or specific management goals in areas such as affirmative action.

Communication Tools

To be effective, the COO must be able to receive and send information to the departments and agencies he or she oversees. Governors' offices are relying on email as the cornerstone of this communication system. Email use is encouraged or discouraged as a matter of personal preference or because of concerns about the degree of privacy accorded to it under state open records or freedom of information (FOI) statutes. The primary advantage of email is its speed—assuming that emails are read and responded to on a regular basis. Emails also help to clearly document directions and decisions. In addition, however, certain problems are associated with email that should be of concern to the COO:

- Significant communication gaps may arise if not all players are equally comfortable with the use of email;
- Significant gaps may exist unless there are clear expectations as to which staff members are to be included in the email distribution;
- Email creates a sense of urgency and the need for immediate response that can contribute to hasty or uninformed decisions;
- Email invites department and agency heads to pass decisions to the governor's office when they might better be handled at the departmental level;
- Email invites governors and their staff members to insert themselves in decisions that might be better left to department and agency heads; and
- Email often defies prioritization and can quickly overwhelm decision makers.

Whatever the governor's choice, it is critical to regularly remind staff that email may eventually become public and that it is important to craft and send messages accordingly. An office highly reliant on email needs to be diligent to avoid the use of state computer equipment and email systems for personal or political activities.

Next to email, the telephone is probably the most used vehicle for sharing information about operational issues or concerns. Although numerous governors endeavor to make themselves available to department and agency heads, the majority of telephone interaction will involve the chief of staff, the COO or other members of the governor's staff.

Meetings also are an important tool in the two-way communication process. In some states, meetings between department and agency heads and the governor are scheduled on a regular basis. In addition, the chief of staff or the COO may meet individually with department and agency heads on a regular basis. These scheduled meetings are usually supplemented with a wide range of ad hoc meetings around policy and operational issues.

Finally, a number of states rely on regular written reports from department and agency heads. These reports may require a standard format and range in frequency from weekly to quarterly and tend to alert the governor and the governor's staff of progress on major priorities, significant developments, accomplishments, and emerging issues.

All of these tools can be used to communicate information to the governor and convey information from the governor to department and agency heads. Governors frequently use comments on written reports and emails to signal their interest or provide direction.

However, even with the availability of all of these tools, department and agency heads universally express a desire to know more about the governor's priorities and concerns and to be given greater opportunity to participate in the decision-making process. If one accepts the fact that department and agency heads are the keys to the operational success of state government, the COO must ensure that they have the access and information they need to raise issues, influence and

inform decisions, and obtain direction.

Over the past several years, OMCT has conducted several surveys to assess communications in individual states. In every case, those surveys have shown potentially significant differences between department and agency heads and gubernatorial staff relative to the effectiveness of communications between the governor's office and department and agency heads.

Sources of Operational Intelligence

The information available to a governor's office can be overwhelming. Most states collect and report on a variety of general performance measures that typically address a combination of program and administrative issues. In some cases, these general measures are supplemented by a more targeted measurement system designed to track gubernatorial priorities. Additional sources of operational intelligence include:

- Agency reports and input from other agencies;
- The governor;
- Constituent inquiries;
- The legislature, both as an institution and as individual members;
- The media; and
- A variety of independent audits, both state and federal.

Input from agencies usually consists of a combination of regular and exception reporting. A number of states require weekly or monthly reports that are expected to cover a standardized series of items, such as upcoming events and media inquiries. In some instances, these reports go directly to the governor in written form or by email. In other cases, they may flow through and be summarized by the governor's staff. In some states, governors provide regular and direct feedback or pose additional questions based on these reports. In other cases, department and agency heads express great frustration regarding the lack of feedback.

In addition, department and agency heads are expected to alert the governor's office about operational issues on a real-time basis as they arise. The primary ground rule in all states seems to be "no surprises." In most states, department and agency heads express some degree of uncertainty as to what type of issues they need to report to the governor's office. Emergencies and press inquiries seem to top the list in all states, but in other cases, many department and agency heads are expected to learn what is expected through the process of on-the-job training.

The flow of information between departments and agencies takes a variety of forms. In many states, department and agency heads are expected to communicate critical issues directly to the governor or to the chief of staff. When communication is directly with the governor, it is universally expected that the chief of staff will also be involved. Issues arising out of media inquiries are likely to flow through the press or communication staff, and the legislative liaison may be the first point of contact when an agency is preparing to respond to a legislative inquiry. More routine issues may be communicated through junior operations or policy staff members.

The governor also is an important source of information about state government operations as a result of his or her regular contact with key stakeholders. A governor attends public events and interacts with constituents and others and so will often be alerted to operational issues that may require additional follow-up or investigation. Because of the complexity of state government and the large number of programs and agencies, the governor is often best positioned to recognize cross-cutting issues or issue relating to the lack of coordination of state agencies and services. The COO needs to recognize the value of the governor's input.

Constituent inquiries can be another important source of information regarding state government operations. An individual inquiry may highlight a problem of major significance that requires immediate attention, but it is the repetitive complaint or issue that most often signals an emerging problem. For this reason,

many governors' offices have created a system that tracks such inquiries to spot trends. In a few states, the governor's office has created a system to allow for public input regarding fraud, waste and abuse.

The legislature is a valuable source of information on operational issues, as well. In many cases, individual legislators pass along or pursue issues that their constituents raise, both individuals and important stakeholders. Committee hearings and legislative oversight activities highlight specific operational issues, many of which may be telegraphed early in the process through interaction between department and legislative staffs. The governors' legislative liaisons can also serve as an early warning system for issues that could become public through the legislative process.

Media inquiries and exposés also provide a valuable source of information about operational issues. As noted earlier, most governors want an immediate heads up regarding media inquiries that may signal a negative story. In some cases, the governor's office merely wants to avoid surprises, but in other cases, the governor's office will want to play a major role in deciding how to respond to an inquiry or address the issue.

Finally, federal oversight agencies, inspectors general and a variety of auditing activities can provide valuable information about current or emerging operational issues.

The Role of Performance Management

States continue to invest considerable time and resources in the collection and analysis of performance data. Generally speaking, these systems are designed to address some combination of outcome and administrative measures. NGA has identified three major approaches:

- Monitoring progress in achieving gubernatorial priorities;
- Tracking government economy and efficiency; and
- Facilitating public accountability.

In some cases, these systems are developed and intensively managed by gubernatorial staff. In other cases, they are developed and maintained independent of the governor's office. And in a few cases, these systems are managed by citizen boards or joint legislative–executive entities. Where the governor's office does not directly manage the systems, the governor's staff may regularly review results or receive alerts or summaries, as necessary.

In at least two states, the governor or a senior staff member uses the performance management system to regularly interact with department and agency heads to identify and resolve problems. In these states, staff use the measurement system to address issues requiring cross-agency coordination and to identify and address support issues. In many other states, the performance measurement system provides some type of dashboard system that tracks a variety of measures. In **Michigan**, for example, these measures are regularly reviewed at cabinet meetings.

Although performance measurement systems can provide valuable information, their design and maintenance can be time consuming. Unless the data collected is actually reviewed and used for management purposes, the quality of the information may degrade quickly, and there will be little return on investment (ROI).

Adjusting to Changes

The governor's management team is subject to frequent changes. Many governors will serve with several chiefs of staff, and there will be numerous changes in departmental leadership during a gubernatorial term. In addition, the underlying management structure may change with adjustments in the governor's approach to performance management and in the budget-making process. The less senior staff in gubernatorial offices are even more likely to change frequently during an administration. Moreover, a governor's management style may change as he or she becomes more familiar with state government and more or less comfortable with the array of gubernatorial appointees.

These frequent changes present several challenges. At the department and agency level, new players need to

learn the governor's style and that of the chief of staff. They also need to be informed of the organizational culture and the ground rules for interaction with the governor's office. In the governor's office, new players need to get up to speed on the nature of state government and on the constraints and opportunities that confront it. They may also need to learn to distinguish line from staff responsibilities.

Of particular concern is the effect these changes have on the interaction between the governor and his or her senior staff and on the interaction between the governor's office and department and agency heads. The governor determines the overall approach to agency management, but the style of the chief of staff and others charged with interaction on a day-to-day basis can have a strong effect on that approach.

It is critical that these changes be recognized and that there is a continuing process of ongoing education for new players. It may also be helpful to periodically take a step backward and provide an opportunity for all players to examine their perception of the current system. Two useful tools are cabinet retreats and communications surveys.

Internal Operations

Staffing the Chief Operating Officer Position

The operations oversight function in governors' offices appears to be staffed in three ways. In a few states, the function is distributed among several members of the senior staff who operate without significant lower-level staff support. Also in a few states, a separate staff unit has been created specifically to oversee department and agency operations. Finally, in several states, the staff reporting to the policy director serve as the primary staff-level liaisons with departments and agencies, addressing policy and operational issues. The number of staff members assigned to these roles is largely a function of the total size of the governor's office staff, not necessarily the number of departments and agencies supervised. Continuous

and open communications among gubernatorial office staff members are particularly important when policy development and agency liaison and operational oversight functions are split.

Communication Processes and Tools

Some would argue that the complexity of communications between the governor's office and department and agency heads pales in comparison to the complexity of the intraoffice communications within the governor's office itself. Although most states rely heavily on senior staff meetings and some form of daily activity report to communicate important issues or developments, the multiplicity of contact between the governor's office and department and agency staff and the often overlapping interests and responsibilities of a governor's staff members require a concentrated and concerted effort to ensure that information and directives are shared with appropriate staff members on a regular basis and in a consistent manner.

A particular challenge is to see that questions and issues are adequately staffed before they are presented for a decision. In most states, the chief of staff is charged with managing the flow of information to the governor and works to ensure that all parties have an opportunity for input. The COO faces a similar challenge because he or she may be pressed for individual decisions without adequate staffing.

In a number of states, these senior staff meetings involve the governor, while in others, the chief of staff convenes and chairs them. Increasingly, these meetings are being convened by conference call or teleconference.

Coordinating Staff Roles

Most governors' offices are organized around a set of basic functional activities, including:

- Policy development or agency liaison;
- Legislative relations;
- Press and communications;
- Scheduling;
- Appointments, boards, and commissions;

- Correspondence and constituent services;
- Legal counsel; and
- Intergovernmental relations and the Washington, D.C., office.

Some states may assign two or more of these functions to a single office, but most states dedicate several staff members to each function. In addition, each of these staff members typically interacts with departments or agencies on a regular basis. These interactions often take place within the agency at the deputy level or lower and are initiated from both directions depending on the nature of the issue.

In most cases, these interactions take place independent of each other. This poses at least three problems:

- The governor's office may be unaware of the total workload it is imposing on department and agency staff and the degree to which it may be diverting resources from potentially more important issues;
- The diverse nature of the communications process may deny both the governor's senior staff and department and agency heads the opportunity to weigh in on critical issues that may need their input; and
- There is a real danger of conflicting directions and signals.

In many states, department and agency heads prefer that all communications flow through them or their principle deputies. However, this is often impractical, and both parties need to establish and enforce internal guidelines relating to managing these communications. The basic rule seems to be "talk directly when you need to, but tell me." In other words, communications and information sharing can occur directly between the governor's staff and agency employees, but agency employees have an obligation to keep their own managers aware of these interactions. Regular meetings of senior staff in both organizations can help ensure that all key players are aware of ongoing interactions between the governor's office and the agency.

Some states—**California**, for example—have established formal computer systems to identify and track issues that have been referred to the governor's office for action. These systems encourage timely action on requests and ensure that all relevant staff are given an opportunity to provide input on the requested action or decision.

The Agency Perspective

Universals

It is a given that most people feel validated through the opportunity to interact with the governor. As a result, staff members as well as department and agency heads often want direct access to the governor, and some tend to use information as the key to that door. Therefore, the COO and the chief of staff play a critical role in ensuring equal access and covering end runs. A particular danger is the hallway conversation and the "just one quick question" end to a meeting with the governor.

The second given is the natural tendency to want to cover one's rear. In state government, the best way to deflect accountability or responsibility is often to "tell someone else." It is important, therefore, that the organizational culture reinforce personal responsibility and not allow buck-passing.

Without exception, agency heads underscore the importance of a clear message about the governor's priorities and a consistent approach to the delegation of authority and responsibility. Of particular importance is an understanding of the types of operational issues that the governor wants to be involved in personally or wants to discuss with his or her staff. Without clear guidance, there is a danger that the governor's office will be overwhelmed with essentially trivial issues as departments and agencies pass numerous issues up the chain of command in the hopes of avoiding blame if something goes wrong. Unfortunately, there is an almost equal danger that some departments and agencies will fail to report issues up the chain either in the hopes that the problem may not surface publically or to avoid what they perceive as interference in their own areas of

responsibility. The problem is exacerbated when it is not clear whether the agency is providing information, seeking assistance or asking for a decision. Although a reasonably clear expectation will likely develop over an administration, a COO may want to think about how to bring later-term appointees into this process.

Basically, department and agency heads want to know the ground rules: When are they expected to handle an issue, handle the issue but provide a heads up to the governor, or defer a decision to the governor or the governor's staff?

In addition, most department and agency heads emphasize their need for timely decisions and feedback. They do not generally mind the need for oversight or even interaction with relatively junior staff so long as their requests for information or guidance are responded to quickly. They are extremely frustrated by the lack of timely feedback, particularly when they may need to act on their own within a specific time frame.

Department and agency heads also are frustrated by a system in which their interaction with the governor's office flows through staff members who have little state government experience or knowledge of the extent to which state and federal laws and regulations require or constrain state agency activities. In addition, department and agency heads need to trust staff to see that their views and recommendations are shared with and considered by decision makers.

Department and agency heads also speak highly of the value of creating a team approach to addressing operational issues. Too often, a governor's staff members are placed in the role of finger pointers when they could be more effective as facilitators, particularly with regard to operational issues that cut across department and agency lines.

As a part of the interview process, OMCT talked to several department and agency heads in each states. Although those interviewed recognize and value the involvement of the governor and the governor's staff

in a variety of operational issues, they also raise concerns that are worth considering as that operational role progresses, including:

- Unclear or incomplete definition of priorities;
- Balancing gubernatorial request with agency roles and responsibilities;
- Incomplete consultation;
- Lack of timely feedback;
- Multiple agendas;
- Multiple channels of communications;
- Need for direct access; and
- Need to manage interagency interaction.

Unclear or Incomplete Definitions of Priorities

Some states, like **Michigan**, go to great lengths to document the governor's priorities and to define and monitor the follow-up actions that departments and agencies are expected to take. In other states, priorities are communicated to departments and agencies through the governor's addresses and the media, much as they are to the general public. In many cases, the departments and agencies need additional information to clarify the governor's intent and expectations. An additional problem arises when the priority list becomes too long and too unfocused.

Finally, there is the issue of determining the difference between real priorities and questions and requests. Not surprisingly, most agencies tend to treat any issues the governor's office raises as a priority. In both cases, failure to create any reasonable hierarchy may lead to confusion about where agency attention should be concentrated.

Balancing Gubernatorial Requests and Agency Responsibilities

Although appointed by and ultimately responsible to the governor in most states, department and agency heads are legally responsible for operating their departments and agencies in accordance with state and federal legislation and regulations and often in accordance with a wide array of court decisions. In many cases, a governor's staff may be unaware of the

majority of these responsibilities and instead focus on issues as the media, constituents, legislators, and stakeholders define them.

It is important that gubernatorial staff understand the nature of these requirements and the limits they place on departmental action. It is also important that a governor's staff be able to evaluate the time and effort needed to respond to gubernatorial requests and the effect that this process has on departmental resources. In addition, a governor's staff should understand why it is not appropriate to weigh in on certain matters relating to procurement, personnel and regulatory decisions.

Incomplete Consultation

Many agency heads express frustration with the decision making in the governor's office. Concerns tend to fall into two major categories. First, staff members may fail to inform agency heads of pending decisions or to seek agency input regarding the nature of a problem or the feasibility of potential solutions.

Second, agency heads may be asked for information or input, but then be excluded from the decision making process itself. They are not included in discussions with the governor or senior staff and are forced to rely on others to communicate their concerns.

Obvious issues surrounding ego and self-esteem can arise, but the more common concern is that the governor may need to revise a decision or backtrack on a proposal where operational issues that might have been identified through greater participation and consultation make implementation unnecessarily difficult or impossible.

Lack of Timely Feedback

Another common complaint of agency heads relates to the lack of timely feedback from the governor's office. They suggest that in too many cases, the governor's office delays providing information or guidance until what might have otherwise been a manageable issue becomes a crisis. Some of these delays may be deliberate, but it is more likely that they are a result of a system that requires input by and clearance from multiple members of the governor's staff before a final decision is made. Without a system to formally document and monitor requests, responses may languish as requests for input on individual requests become lost in an ever-growing pile of such requests on the desks of critical staff members.

This lack of timely feedback is particularly frustrating because the agency head is often left to explain these delays to key stakeholders, attempting to make credible excuses without blaming the governor or the governor's staff members.

Multiple Agendas

In addition to a desire for more detailed information about gubernatorial priorities, some department and agency heads express concern that members of the governor's staff at times appear to develop an agenda for agency action that reflects their individual interests and concerns rather than those of the governor. Although this problem appears to be infrequent, the potential for creating such separate agendas underscores the importance of ensuring that staff keep the chief of staff or COO aware of the issues they raise with department and agency officials.

Multiple Channels of Communication

Gubernatorial staff often underestimate the effect of their communications with department and agencies, particularly when those communications take place with department and agency staff members rather than department and agency heads. In too many cases, an inquiry or request for information is interpreted as a direction. It is important, therefore, that the nature of the communication be clear and that staff be aware of potential legal problems if they inadvertently become involved in a regulatory, procurement or personnel issue inappropriately. A number of department and agency heads suggest that all directives flow through the department or agency head or his or her deputy.

Although career appointees are an important part of the governor's team, the governor's office may be well

advised to make certain that the political appointees responsible for agency management are involved in the process. A critical component of this involvement is making certain that any communication is complete and represents overall agency input rather than the perspective of a single component.

Access and Appeal

No matter which model is chosen, department and agency heads seem most satisfied when they believe that they have access to the chief of staff and the governor when they feel it is necessary. Essentially, they want the assurance that they can present their views directly when they believe that their perspectives and concerns cannot be adequately be represented through the normal staffing process. Interestingly enough, this opportunity is usually used quite sparingly, particularly by major department and agency heads, but they need to know that it is available.

Interagency Communications

Increasingly, new policy initiatives involve multiple agencies. Similarly, departments and agencies are expected to work collaboratively to help preserve essential services and mitigate the effect of continuing budget cuts. By their very nature, an enterprise approach to support services and common backroom operations involves multiple agencies.

Although some department and agency heads may take a proactive approach to establishing effective working relations with their colleagues, others require direction and support from the governor and the governor's staff members. The COO can play an important role in initiating and maintain these vital interagency communications.

The Role of Cabinets and Subcabinets

The cabinet role varies considerably from state to state. At a minimum, the cabinet serves as a venue for downward communication—a place where the governor can articulate priorities. Most cabinets also provide an opportunity for at least some upward communication—an opportunity for a cabinet member to alert the governor to an issue or opportunity. Many cabinets serve as a vehicle for interagency communication, both in terms of briefings and updates and as a

place where department and agency heads can interact on a regular and often informal basis. Cabinets are less frequently used as vehicles to discuss policy options.

In some cases, cabinet meetings are used to publically focus on department and agency performance as it relates to a limited number of priority issues.

The operational and management role of the cabinet seems to be directly related to the size of the cabinet. Generally speaking, large cabinets meet infrequently and focus primarily of downward communication and a relatively formal show-and-tell agenda. Smaller cabinets tend to meet more frequently, providing an opportunity for a more substantive discussion of policy issues and for addressing cross-agency management issues. At least two of the states interviewed are considering reducing the number of cabinet agencies. One state created two cabinets: an executive cabinet consisting of larger agencies and another cabinet for small agencies.

The existence of department and agency heads who are separately elected or appointed by and responsible to separate boards and commissions can have a significant effect on cabinet processes. Some governors include some of these officials in the cabinet or create other mechanisms to help encourage coordination or collaboration, where appropriate.

Regardless of the size of the formal cabinet, many states rely on a variety of subcabinets to address cross-cutting policy issues or to develop and coordinate cross-cutting policies and programs. In some cases, department heads chair these subcabinets; in other cases, they may be chaired by a member of the governor's senior staff. Some states convene regular meetings of department and agency deputies to address implementation issues.

Other Interagency Communications

Many of the governor's priorities will require the cooperation or collaboration of two or more state agencies. Similarly, more mundane operational issues often require two or more agencies to work together. There is obvious interaction between line departments

and agencies and critical staff functions such as IT, HR, budget and procurement. In addition, agencies may need to coordinate policies and services to effectively accomplish their individual and collective missions.

Generally speaking, cabinet meetings do not provide the venue for this detailed interaction, although the regular coming together of department and agency heads may help highlight issues requiring attention, and their physical presence invites better communication. In many states, these interdepartmental issues are addressed through subcabinets, task forces and ad hoc working groups. In several states, department and agency deputies meet regularly to address cross-cutting issues.

It is interesting that in several states, department and agency heads have decided to supplement the structures the governor has created with regular meetings of their own. In some cases, these meetings involve all the members of the cabinet; in others, they may convene around particular topics or issues. The department and agency heads tend to control the agenda for these informal meetings, but select members of the governor's senior staff are typically invited to participate.

Conclusion

Governors differ greatly in their interest in an approach to leading and managing the actual operations of state government. Some rely almost exclusively on their appointees and will become involved only when asked by a department or agency heads or when an operational misstep becomes a political or media issue. Others choose to rely on their staff members to provide oversight of the work of individual department and agency heads. Similarly, some choose to focus exclusively on "big issues," while others become involved in operational issues at a greater level of detail. At times, this approach may be systemic, but in other cases, the approach selected varies from time to time and agency head to agency head.

Whatever the governor's preferences, the method chosen should, where possible, address the following issues:

- How will the governor determine the operational or management components of his or her agenda?
- How will the governor communicate his or her agenda to department and agency heads?
- What types of issues or decisions are department and agency heads expected to raise with the governor's office?
- How will the governor monitor the operational or management components of his or her agenda, and how will the governor provide feedback to department and agency heads?
- Who if anyone is authorized to act for the governor in the governor's absence or on issues of lesser importance?

Contact: Nikki Guilford
Director
Office of Management Consulting & Training
202-624-5422

November 2014

Appendix A. Overview of Nine States

In the course of preparing for this paper, OMCT visited nine states to learn more about how their governors' offices interacted with state departments and agencies around the operations of state government. In eight states, data was collected through extensive discussions with members of the governors' staff and with a number of department and agency heads. In the ninth state, the data was collected as part of an actual operational review of the state operations function.

The following pages present a brief overview of findings in each state. Data about the size of the governors' offices and the numbers of departments and agencies, including those in the governors' cabinets, are drawn from state-submitted data included in the Council of State Government's *2009 Book of the States*.

These descriptions reflect OMCT's understanding of the organization and operation of these offices at the time interviews were conducted. However, in several states, changes have occurred in the chief-of-staff or other senior staff positions, and these changes may have resulted in significant shifts in the organizations and procedures we observed.

Although there are numerous commonalities in states' approaches to overseeing government operations, no particular patterns or models emerged. Instead, it appears that states generally construct individualized approaches that reflect the governor's interest and management style. These arrangements are likely to vary from time to time and even from agency to agency, based on the nature of operational issues that arise and the relationship and trust level between the governor and his or her appointees.

Arkansas

In **Arkansas**, the governor's chief of staff serves personally as the state's COO. In this role, he is assisted by a deputy chief of staff and several agency liaisons. The policy director and staff work with the chief of staff around operational issues from time to time.

The Arkansas governor's office has a staff of 67. Approximately 60 departments and agencies are included in the governor's cabinet. The governor's office uses approximately 16 staff members designated as liaisons to department and agency heads as the primary contact point with department and agency heads. Liaisons typically decide when to elevate an issue and who needs to be involved, but the governor and the chief are generally available to meet with an agency head when requested, and urgent issues (including interdepartmental issues) are often be raised directly with the chief of staff.

In Arkansas, both the governor and the chief of staff had long legislative careers and were familiar with the operation of state government. In addition, most of the department and agency heads were well known to the governor. As a result, he has been comfortable delegating most operational responsibilities to them. In addition, the governor has given his chief of staff broad latitude to speak for him in directing and counseling department and agency heads.

In making department and agency head appointments, the governor has relied heavily on his personal knowledge of the candidates and has selected people who were supportive of his policies and priorities. Although the governor did not spell out specific expectations for his appointees at the time they were named, he has identified clear priorities and policy directions for his administration overall, and the governor's staff interact with department and agency heads on an ongoing basis to ensure that these priorities are being addressed and that problems and issues are resolved quickly and appropriately.

He does not expect department and agency heads to tell him everything and relies on them to determine which issues require gubernatorial involvement. Generally, those instances include actions or issues that will have financial implications or widespread impact as well as those that may involve significant controversy or media attention. Department and agency heads can also consult with the governor's office around issues in which the governor is known to have an interest. The governor demands honesty and expects cabinet members to bring bad news to him directly. The basic criterion here, as in all the states reviewed, is "no surprises."

The governor does not hold regular cabinet meetings, but he has established a workforce cabinet to address interdepartmental issues. This cabinet consists of five workforce agencies and is chaired by the policy director. In addition, the governor, the chief of staff, or other senior staff members convene less formal meetings to address specific problems and when operational issues require the cooperation or two or more agencies.

The governor's office relies heavily on telephone calls and meetings as the mechanisms for raising issues and sharing information. There is little written communication, and the office avoids the use of email to the extent possible because of privacy concerns. As in many offices, the communications staff in Arkansas provide an important information channel between the governor's office and departments and agencies. Agency public information officers are expected to provide the governor's communications director with daily reports documenting media contacts, usually by telephone or email.

The department of finance and administration provides the governor's office with operational intelligence as it monitors revenues and expenditures.

Like most of the states surveyed, a large number of governor's office staff interact with departments and agencies, and it is critical that staff share information about these interactions regularly on an internal basis.

California

In **California**, the deputy chief of staff/cabinet secretary performs many of the function of the COO, involving the governor and the governor's chief of staff as necessary. In this role, she is supported by the staff of the policy office and by agency secretaries that the governor appoints. An automated system, the Governor's Office Action Request (GOAR), designed to track governor's office action requests supports interaction between the governor's office and departments and agencies.

According to the *2009 Book of the States,* the governor's office staff is 185, although this number is being reduced in the face of the state's fiscal concerns. Approximately 200 entities report to the governor through 14 cabinet agencies, each headed by a secretary that the governor appoints. Each agency secretary oversees several separate departments and offices that consist of individual agencies. For most purposes, these agency secretaries report to the governor and the governor's chief of staff through a deputy chief of staff— the cabinet secretary. The cabinet secretary is responsible for overseeing operations and policy development.

The governor commutes to Sacramento from the Los Angeles area. As a result, his office has developed a fairly high-tech approach to communications that includes satellite communications to ensure that key players can be reached in emergency situations as well as video conferencing facilities in the "home" offices of both the chief and the governor.

The agency secretaries meet collectively with the cabinet secretary twice a month. The cabinet secretary also meets

with agency undersecretaries collectively twice a month. In addition, she holds one-on-one meetings with each agency secretary and his or her senior deputy. She also talks one or more times each week with each agency secretary. The governor attends meetings of the agency secretaries every couple of months.

Within the office of the cabinet secretary, a small group of staff members is responsible for day-to-day communication with agency secretaries. However, as in most states, several additional channels of communication exist between the agencies and the governor's office. The communications office interacts with the communications directors in each agency and in some departments. The communications director holds regular meetings with agency public information officers to discuss new policies and upcoming news stories. Each agency communication office submits daily and weekly reports. The weekly report also forecasts two weeks in advance. Agencies are expected to recommend ways to handle red flag issues. The governor's communications office delegates to agency communication offices as much as possible. If an issue involves the governor, the governor's office handles it. The governor and chief of staff receive a nightly report on media activity. Agency communication offices typically consult with the governor's office on all media issues. The governor's communications office shares news clippings with the governor, who may ask cabinet members to follow up.

In addition, the governor's office includes an office of external affairs, which works through five field offices. These offices focus on promoting the governor's messages and maintaining communications with key stakeholders.

Because of the size and complexity of operations in California, the governor's office has established an electronic tracking system: GOAR. The system collects requests and comments electronically and tracks them throughout the review and decision-making process.

In general, agency secretaries are expected to manage their agencies with relatively little day-to-day intervention from the governor's office. (There may be occasional gubernatorial involvement with a few subcabinet agencies.) The governor has established a clear set of priorities to guide agency operations and has worked hard to create a team ethic, including opportunities for cabinet members to interact with him and their counterparts on a social basis.

As in many states, constituents bring operational issues to the governor's office through a correspondence and constituency services office. Casework issues are generally referred to agencies for direct reply. Weekly reports on the top 10 issues are sent to the governor's senior staff and shared with agency secretaries and their deputies. High-level correspondence is referred to the governor's personal secretary. Agency complaints are referred to the policy staff. She also looks for trends and brings major issues to the chief of staff. In addition, she monitors all meetings with the governor and documents any commitments that require follow-up.

The governor established www.wastewatchers.ca.gov to allow state employees to identify and report waste. Agencies have been directed to designate a staff member to handle these reports. Reports must be returned to constituent service offices. Serious issues will be forwarded to the state auditor.

Although agency heads are expected to involve the governor's office in resolving critical issues, they also are expected to identify options and potential solutions for doing so.

In addition, because of the prevalence of natural disasters in California, the governor's office has developed a detailed plan for managing the governor's involvement.

To coordinate the governor's staff, the chief of staff holds regular morning conference calls. One call addresses scheduling issues; the second addresses hot policy issues.

Georgia

In **Georgia**, approximately 85 department and agency heads report to the governor. The governor's office has 56 staff members. It is not possible for a governor to interact effectively with this number of direct reports; therefore, the day-to-day reporting flows through one of two senior managers. The COO oversees those departments and agencies responsible for the delivery of products and services to the citizens of Georgia. The CFO oversees those agencies that have financial responsibilities and those that provide services internally to other state departments and agencies. Both the COO and CFO came to the governor's office with a strong private-sector business background. Georgia believes that this structure has encouraged better communications among individual departments and agencies and has contributed significantly to the state's ability to move toward an enterprise approach to a variety of service functions, such as IT, personnel, and procurement, and to look at opportunities for streamlining related activities such as permitting and eligibility.

Although the chief of staff may become involved in operational issues during a crisis, his primary functions are more policy and politically oriented.

The governor meets with the large group of direct reports at least quarterly and with individual directors as appropriate. The COO and CFO meet regularly (weekly) with their direct reports as a group and individually as needed. The governor's spouse chairs the state's children's cabinet, which meets monthly.

Georgia has also established *centers of interest,* or clusters in which groups of department and agency heads meet regularly without the COO or CFO to better coordinate activities around specific issues such as health, safety, education and economic growth. The governor's office originally created these clusters, but they are now largely self-sustaining. Representatives of the governor's policy office often participate, as well. A separate finance council includes the state auditor and others.

Georgia relies heavily on the use of metrics as a way to instill accountability for outcomes. These measures are largely driven by the budget, and budget typically works with the agency to identify and resolve issues. The COO and CFO use performance data to make personnel decisions and determine salary adjustments.

The governor does not collect and review regular weekly or monthly reports from department and agency directors. Instead, he prefers to receive information when he is dealing with an issue. The governor reads his email, which can be used to alert him to operational issues.

Although the CFO and COO are the primary points of contact for department and agency heads, they and their staff also interact with others on the governor's staff, including the policy staff, governmental affairs, communications and budget. Agencies also interact with constituent service staff. An ongoing challenge is making sure that all these players are communicating with each other so that they all know what is happening. The governor's staff handle this internal sharing, but agencies make certain that the key players are kept in the loop, as well.

Generally speaking, the CFO and COO are interested in being involved and informed around budget issues, major incidents, and major staffing issues. They try to anticipate issues that will hit the governor's radar screen. The

emphasis is on keeping people informed so that they can respond accordingly. In addition, department and agencies are expected to develop recommended solutions rather than rely on the governor's office to propose them.

Louisiana

The governor's office in **Louisiana** is a midsize operation, with a staff of 93 full-time employees. In addition to a myriad of other functions, the governor's chief of staff serves as the state's CEO, overseeing the day-to-day operations of state government. All department and agency heads report to the chief of staff.

The cabinet in Louisiana consists of 21 department and agency heads. The governor meets with his cabinet weekly. These meetings generally focus on "hot" issues and provide an opportunity for the governor and the other participants to learn what is going on in the departments and agencies. These meetings also encourage collaboration and cooperation among department and agency heads and help ensure continuing attention to the high-priority issue of emergency preparedness.

The governor and the chief of staff have weekly meetings with relevant department and agency heads around high-priority initiatives such as economic development and continuing issues relating to hurricane recovery. These sessions include a regular review of performance metrics relative to these initiatives.

The governor developed an extensive policy agenda during his campaign—probably in excess of 100 pages. Those policies guide department and agency heads, and progress is monitored periodically.

The governor does not require regular written reports and prefers to get updates during meetings on the issues that the governor's office is tracking. Although there are no FOI issues relative to email, the chief prefers to get information in meetings or by telephone to ensure that the necessary information has been received and to ensure closure. The governor expects department and agency heads to recommend solutions, not merely present problems. The governor uses town hall meetings and has conducted more than 100 during his first year in office. These meetings provide valuable input on state operations, and the problems and issues presented are likely to be brought directly to the cabinet. These issues are also reviewed for patterns.

Louisiana has a children's cabinet staffed by the governor's office of community programs. The cabinet consists of the public agency heads of programs affecting children, including the departments of health and hospitals, social services, office of juvenile justice, workforce development, and education. The cabinet is supported by an interagency coordination council consisting of 42 members (stakeholder representatives) that meets monthly. The focus is intended to be on longer-term policy issues, although operational issues arise from time to time.

The governor is detail-oriented, focused on building an executive team and breaking down silos. He has used undersecretaries to develop performance measures and cross-agency strategies. The focus has been on developing three to four outcome measures for each agency. To facilitate this effort, the governor held a day-long retreat for his appointees and has provided detailed performance management training for undersecretaries.

The direct interaction with the chief of staff is supported by regular interaction of department staff with the governor's office policy team, which consists of five to six members. These staff members serve as the frontline liaisons to departments and agencies, usually at the deputy or undersecretary level. Nine out of 10 issues are resolved at this level.

Michigan

In **Michigan**, the governor's office has 87 staff members, and the governor's cabinet consists of 28 members—18 department heads and 10 other gubernatorial appointees heading other agencies. The cabinet meets twice a month with the governor and her executive staff. The cabinet secretary sets the agenda for the cabinet, which addresses issues such as:

- Emergencies;
- Other critical issues;
- Budget;
- State of the State objectives;
- Federal issues; and
- Departmental presentations.

The governor uses her State of the State address to articulate her priorities for the upcoming year. These priorities typically include a number of operational improvements, such as developing a more efficient system to process rapidly rising unemployment insurance claims and the creation of a one-stop service center for businesses. The status of these priorities is tracked in some detail using a red–yellow–green "stoplight" system. Status reports are presented and discussed at cabinet meetings to ensure that progress is being made.

The policy office develops policy as well as tracks and coordinates implementation. The policy staff oversee the tracking process, preparing the reports for cabinet meetings and providing feedback to the departments. The governor's attention is critical to maintaining commitment to this relatively complex system.

From time to time, cabinet meetings can be closed to allow time for the governor to discuss issues more privately with department and agency heads. Separate meetings are held for more substantive discussions. The governor also meets regularly with department heads individually, convening impromptu meetings with individual agency heads or groups of agency heads. The State of the State address drives the agenda for cabinet meetings.

Instead of designating a chief of staff, the governor has named a COO to coordinate the work of her senior staff. The COO's focus is largely on the major issues confronting the governor, with relatively little time devoted to political work.

The governor's office includes a cabinet secretary whose function is to facilitate and coordinate communication to and from department and agency heads. At the same time, these officials communicate directly with the governor and numerous individuals on the governor's staff, including legal, policy, external communications and legislative affairs staff. The cabinet secretary meets with department and agency heads on a regular basis—every two weeks, with other meetings monthly. The agency head determines the agenda for these meeting. Other gubernatorial staff are involved as needed. The policy director generally participates in these meetings, as well.

The governor's office relies heavily on regular meetings to ensure that priorities are being addressed and that executive office staff are working together as a team. These meetings include the following personnel:

- The executive staff (10–12 people) meet in person or by conference call from 8:00–8:30 a.m. Monday through Thursday; the governor often participates;
- The executive staff and the senior staff (15–20 people) meet twice a week; and
- On Friday, the executive staff meet with the governor.

The governor and her staff use email extensively. In that regard, staff observed that email is a good tool for raising issues and coordinating work, but they caution that it is not a good tool for decision-making because it does not encourage or permit discussion and may not secure the broad range of input needed to ensure an informed decision. The governor's office is exempt from FOI under Michigan law, but communications between the governor's office and the cabinet are not.

Key staff members provide a nightly report to the governor and the top executive team. Individual staff members contribute to this report via email, and the governor often provides feedback by email as well.

The governor's office maintains a series of regional offices that report to the deputy chief of staff/director of external affairs. These offices seek to address hot issues, follow up on local concerns, and seek information to assist in decision-making. The deputy chief of staff works with agency directors, particularly around coalition building, to support the governor's priorities. She also works with agencies to address crisis situations and help the agencies understand community concerns. She oversees the constituent services unit and provides a weekly report to the governor. There is an effort to look for trends and identify management or service delivery issues that may require follow-up. The governor's office seeks multiple channels of communication independent of department and agency sources.

Nevada

The governor's office in **Nevada** is one of the smallest in the nation, with a staff allocation of 17 positions. The majority of these staff members are in Carson City, the state capital, but the governor also maintains an office in Las Vegas, where several state agencies are headquartered. The governor and the governor's senior staff often commute between the two cities.

The cabinet in Nevada consists of 23 departments and agencies. The governor chairs regular monthly cabinet meetings. These sessions generally last approximately an hour, and the governor and his staff use them to provide updates on the governor's priorities and developments likely to affect the majority of state agencies. Cabinet members also use these meetings to share information about critical developments in their own agencies.

In addition to cabinet meetings, the governor meets privately with individual department and agency heads on a monthly basis. These meetings usually involve the governor's office liaison and focus on agency-specific issues, including personnel and budget issues. These sessions are usually scheduled for 30 minutes.

The governor's office has established a matrix system with four senior staff members (chief of staff, deputy chief of staff, counsel, legislative liaison), each assigned responsibility for interacting with department and agency directors. Although directors have access to the governor or chief of staff as needed, they typically report through their assigned liaison.

The cabinet has taken steps on its own to improve interagency communications. Cabinet members meet monthly for a luncheon to provide an opportunity for less formal discussion. The governor's senior staff are typically invited to participate in these sessions.

As in most states, the department and agency heads interact with other members of the governor's staff depending on the nature of the issue or assignments. The communication director and the legislative director interact regularly. Although the organizational structure is hierarchical, senior staff do not need to go through the chief of staff to talk with the governor. Staff are expected to keep each other informed about these communications.

The chief of staff has told state department and agency directors that they should generally inform the governor's office of three types of issues—specifically, issues that:

- Are likely to attract media attention;
- Will have a substantial fiscal effect; and
- Involve a significant concern to public safety.

The department and agency directors use email regularly to communicate with the governor's office. The chief of staff also uses email to provide the governor with daily updates.

New York

The governor's office in **New York** is one of the largest in the country, with a staff of 180. Although the constitution limits the number of executive departments to 20, the state has traditionally used the "executive department" to house many additional departments and agencies that also report to the governor. As a result, the number of direct reports is now approximately 75. Because of the large number of agencies involved, New York governors have generally used cabinet meetings sparingly, but New York has made liberal use of subcabinets and task forces to provide opportunities for cross-agency communications and coordination.

New York has created an office of state operations within the governor's office to serve as the primary interface with department and agency heads. The office is headed by a director of state operations who reports to the secretary to the governor (chief of staff). The office's staff consists of two deputy directors, seven deputy secretaries, and more than a dozen assistant secretaries and directors. According to briefing materials, these staff members have three major responsibilities:

- Oversee all operational capabilities of state government;
- Oversee a wide variety of cross-cutting projects that address gubernatorial priorities; and
- Coordinate all policy development on behalf of the governor.

During the interview process, staff members identified a verity of other functions, including:

- Budget coordination;
- Stakeholder and constituency relations;
- Legislative relations; and
- Media relations (when requested by the communication's office).

The deputy secretaries use a wide range of tools to maintain regular communications with the agencies they oversee, including telephone calls, emails, and periodic meetings. The governor also requires that agency heads submit quarterly reports designed to keep him updated on agency accomplishments, progress on gubernatorial priorities, and emerging issues. The governor is kept informed by a series of weekly "bullets" that operations staff prepare.

The actual approach to overseeing agencies seems to vary considerably based on the individual deputy's management style and the nature of the working relationship with the department and agency heads. Some agency heads report that they have considerable independence, while others are likely to receive detailed instructions and directions from the governor's office.

At the agency level, the coordination process relies heavily on the office of state operations. Task forces, working groups, and subcabinets provide coordination mechanisms around specific projects and assignments. Some major projects are clearly managed by gubernatorial staff, while others have been delegated to subcabinets and agencies. The governor's office seems to be involved in a larger-than-usual number of projects, and the cross-cutting nature of these projects place a significant burden on the governor's staff.

New York is attempting to promote the increased use of metrics to monitor critical components of state operations, but it has faced a significant challenge both in the selection and definition of measures and in ensuring that agency managers are sufficiently trained in the development and use of metrics as a performance management tool.

Virginia

The **Virginia** governor's office has a staff of 44. The chief of staff coordinates and manages those staff and also serves as the COO. Virginia has a cabinet form of government, with 11 secretaries responsible for overseeing 75–80 state departments and agencies. Most cabinet secretaries are aided by one or two deputy secretaries and one or two support staff members. In general, the cabinet secretaries are the channel between the department and agency heads and the governor and his staff. Their job is to get their fingers on the pulse of the agencies, surface operational issues, and pose pressing policy issues.

The governor meets quarterly with each secretary to discuss major policy and operational issues. These meetings provide an opportunity to provide advice or new directions.

To ensure coordination, the governor's senior staff (chief of staff, deputy chief of staff, policy director, legal counsel, communications director and scheduler) meet at the end of each day. They also meet as a group with the governor about every two weeks.

The governor and his chief of staff rely heavily on email to maintain day-to-day contact with cabinet secretaries. The governor often provides feedback or directions by email. The cabinet members are free to email the governor directly as long as they copy the chief of staff. Everyone is reminded that email is not exempt from FOI scrutiny and that they should assume that it will be public at some time. The challenge is to focus email messages on critical issues so that the volume remains manageable.

Each department and agency head is required to prepare a weekly report. The appropriate cabinet secretary then reviews these reports and summarizes the information in a weekly report to the governor. The governor and the chief of staff regularly review these reports and raise questions or provide feedback and direction as appropriate.

Virginia has invested heavily in the development and use of performance measures. It maintains a public Web site (www.vaperforms.virginia.gov) to monitor agency performance. This site includes detailed agency-by-agency information on four types of measures:

- Governor's key measures;
- Productivity measures;
- Other agency measures; and
- Administrative measures.

Administrative measures cover:

- Emergency management;
- Government procurement;
- HR;
- IT;
- Performance measures; and
- Resource stewardship.

The governor's office also works to establish individual department and agency goals—a bottom-up process designed to identify no more than three key goals per agency.

It does not appear that the governor's office staff regularly review these measures. Instead, issues are more apt to be identified and reported in the weekly reports to the governor.

Like most states, the Virginia governor's office's involvement in operational issues tends to be reactive rather than proactive. Cabinet secretaries are expected to alert the governor to likely problem areas and to decisions that may have an effect on the governor's office. In many cases, future action is left to secretarial discretion, but in some cases, the governor provides specific direction or asks to be involved in future decisions. The governor's office may also become involved in operations related to issues raised by the media, constituents, legislators, central staff agencies, and the auditor of public accounts.

The governor also has a policy office that interacts with cabinet and agency directors on the governor's behalf. Policy staff are involved in "value" decisions, while the chief of staff handles operational issues.

Unlike most states, Virginia has codified many of its operational procedures in a manual format.

Washington

Washington's governor's office has a staff of 36 supplemented by a policy office, which is technically part of the office of financial management (OFM). The director of OFM serves a dual role: he is part of the governor's central staff and an agency head.

The governor's senior staff include the chief of staff, deputy chief of staff, OFM director, legislative director, external affairs director, communications director, policy director, director of boards and commissions and director of community relations. The senior staff meet daily for an hour or more, and then meet with the governor as a group weekly for about an hour. The focus of these meetings is major operational issues as well as a discussion of the governor's policies and priorities.

In Washington, governor-appointed executives lead 40 agencies. Unlike other states interviewed, the governor includes several priorities in the appointment letter for her department and agency heads.

In addition, more than 50 other agencies operate under the authority of boards, most of which consist of members the governor has named or nominated. The governor has divided these agencies into two groups: an executive cabinet and a small agency cabinet. The executive cabinet includes 22 agency heads appointed by the governor along with

the heads of six agencies operating under the authority of the board. The governor is considering proposals to further scale back the size of the executive cabinet through additional agency consolidations. The executive cabinet typically meets twice a month, although during the legislative session, it meets weekly, if necessary. The governor attends the executive cabinet meetings frequently, with the chief of staff chairing the meetings in the governor's absence. The small agency cabinet also meets every two weeks. It is chaired by the deputy chief of staff, although the governor attends personally at times.

Washington uses a number of subcabinets for areas such as transportation, health, natural resources, flood recovery and economic recovery. Typically, secretaries and key staff participate in subcabinet meetings.

Cabinet deputies consisting of a mix of large and small agencies meet on a monthly basis. The OFM director typically chairs these meetings, which focus on following up on items raised in regular cabinet meetings.

The governor also hosts an annual cabinet retreat that focuses on team building and setting cabinet priorities, including the agenda for subcabinets. The governor relies on a variety of tools to stay informed, including direct email and the Monday alert—a weekly report from agencies.

The chief of staff and deputy chief focus on day-to-day crises and often do not have time to interact regularly with the cabinet. The policy director and her staff are responsible for maintaining contact on a day-to-day basis.

Agency heads are expected to submit weekly alerts. These alerts touch on a standard set of topics, including:

- Announcements and notices;
- Media attention over the next two weeks;
- Updates on current issues;
- Hot new issues; and
- Federal stimulus updates.

Washington relies on a variety of performance tools to monitor agency performance. The governor has used the GMAP program to force agencies to focus on performance management and as a tool for managing state government response to a series of gubernatorial priorities. GMAP does not tie directly to the strategic plan, and the OFM will be working to better establish agency strategic plans and develop better-coordinated measures that align with those plans.

It appears that operational issues are handled through a variety of channels. Some issues the governor handles directly through GMAP sessions, one-on-one meetings or task force or working group meetings. The chief of staff interacts with the heads of large agency around more critical issues, and the deputy chief of staff interacts with the heads of smaller agency. In addition, the policy director and her staff interact regularly with agency heads around a combination of operational and policy issues. Because policy staff are assigned on an issue basis, some agency heads interact with two or more members of the policy staff.

Other members of the governor's staff interact with department and agency staff around communications, legislative issues and constituent service.

Appendix B. Quips and Comments

In the course of the interview process, the individuals interviewed for this memo offered comments that may help governors and others understand some of the opportunities and pitfalls involved in the interaction among governors, governors' senior staff and the departments and agencies with which they interact. In addition to the comments below, we have identified common elements derived from the comments that deserve special mention:

- By and large, department and agency heads want to be part of the team;
- Department and agency heads are appreciate government experience and expertise in governors' staffs; and
- Department and agency heads want to be involved in the decision-making process; they wholly support final decisions, but they want assurance that their input has been heard.

Qualifying the Players

- Every office needs someone who can say "no" to the governor.
- The chief of staff is critical. Chiefs of staff need to complement their governor's skills.
- The role of a cabinet director depends on when that person comes to the table.
- Governors and cabinet directors should be willing to tap into a national network of experts.
- Governors must select people with whom they are comfortable: they must be able to have an honest communications.
- Governors must select the best team—without settling.
- Staff members who fill liaison positions should have agency experience—at least state government experience. This is particularly important for new governors.
- A good appointment structure is critical.
- Hire people who can manage a lot on their own.
- The right skill set is more important than political experience.
- Avoid agency heads and staff who have personal agendas.
- Do not over-rely on campaign staff. Campaign = Saying; Government = Doing.
- Mix the best of state government and the private sector together.
- Have at least one staff member who understands how state government operates.
- Match capabilities to functions.

Building a Team

- Meetings replace structure. The executive office team works together.
- Institute leadership training and team building: get everyone on the same page.
- Subcabinets and smaller groups work better than larger groups.
- Regular meeting of agency deputies helps focus on operational issues.
- During their first term, agency heads were expected to know what they had to communicate to the governor. They were expected to "learn on the job."
- Develop a collaborative style
- Hold agency heads accountable.
- "You can coach players, but you have to manage a team."
- Governors should define expectations at the front end—access, responsiveness, etc.
- Do not treat state agencies as the enemy. Doing so produces negative results.

- It is critical that department and agency heads have the ability to talk directly to the governor.
- The more governors share power, the more power they have.
- Because agency heads see themselves as a team, agency staff do not fight with each other.
- Say "thank you" to department and agency staff so they feel appreciated.
- Get everyone on a team. Set the tone.

Communicating the Agenda

- A governor's toughest job is controlling his or her agency heads' appetite.
- It is useful for staff to hear the governor's priorities directly.
- Agency heads need to know the structure of the governor's office and how it works.
- Governors need to understand that cabinet members are not mind readers.
- Chief of staff should return calls within minutes and provide immediate feedback on anything the governor says.
- Be clear as to vision and desired outcomes.
- The most effective communication is informal.
- Agency heads lose credibility if they are not kept up to speed on where the governor the stands.
- The governor must define his or her expectations—what level of detail he or she wants.
- Department of agency heads need to understand what the governor is trying to do so that they can develop an agency vision consistent with the governor's.
- Take the time to communicate. Make certain staff understand the context.
- Work the outbox (lead) versus the inbox (manage).
- Agency heads need someone who will provide timely feedback from the governor.

Trust and Accountability

- Give agency heads a rope and reel them in when necessary.
- Delegate everything. Do not keep much on the chief of staff's plate.
- Be accessible.
- Hold them accountable.
- "No blind-siding."
- "Don't listen to your friends. Listen to your staff. Trust your staff."
- Governors need to be willing to listen to their cabinet before they get too far down the road with external advisors who may not know what is actually required.
- Watch ethics issues.

Understanding State Departments and Agencies

- The governor's staff need to understand what departments do. Departments tend to hold back.
- Governors should know more about legal authorities and how to use them to achieve their objectives.
- Cabinet directors coming directly out of the private sector can be a problem.
- The governor must understand what government can and cannot do.
- The governor's staff often do not understand the effect of decisions on the state agencies.
- It is important that the governor have access to experienced career people.

- Governors and governors' staff often do not know what agencies do and how they operate—they need to build a knowledge base.

Sources of Operational Issues and Intelligence

- Most operational issues are generated by a crisis.
- "We're data rich and information poor."
- If it is going to draw attention, the governor wants to know about it.
- Governor's office involvement is too reactive.
- The governor and staff have "big ears": they know what is going on.

Cautions

- Be clear about the nature of the communication from the governor's office: directive, general inquiry or request.
- Senior staff waste time with dumb questions.
- Do not meet alone. Have staff sit in on all meetings to document decisions and assignments and to follow up.
- Be careful that processes do not mask important issues.
- Avoid loneliness.
- From the agency perspective, the governor's office *is* the governor. Staff members need to understand the danger.
- The governor's immediate staff tend to turn over fairly quickly, and their lack of experience may cause them to become involved in issues inappropriately.
- Take the time to communicate. Make certain senior staff members understand the context.
- "You get into trouble when you try to hide problems."
- More people make it more difficult.
- "I have been in meetings where the governor's staff members were not fully briefed on an issue."
- Tell the governor's staff not to bypass agency directors.
- Beware of the kitchen cabinet.

Other Comments

- There are great opportunities for improvement through the use of an enterprise approach to IT and technology-based service delivery.
- Staff need to know the structure of the governor's office and how it works.
- Governor's office involvement is often critical in allowing agencies to break through silos.
- Timely action produces good public relations.
- "[We have] managed to avoid trouble because we haven't created any. The governor is a truth-teller."
- The governor needs to be accessible to the cabinet but also authorize senior staff to make decisions while providing an appeal mechanism, where necessary.