

Performance Measurement and Social Equity in American States

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The extensive use of performance measurement in the management of public programs and agencies raises many important questions. What should be measured and how should we measure it (Hatry, 1999)? What are the different ways that performance information can be used (Behn, 2003)? How can managers use information to improve the performance of public organizations (White and Newcomer, 2005; Newcomer, *et al.*, 2002)? What impact do measures have and under what conditions do they have those impacts (Gormley and Weimer, 1999; Moynihan, 2006)?

There is a growing body of evidence with respect to the impact of performance measurement. A diverse array of studies has demonstrated that performance measurement has significant impacts. It can improve the performance of public programs; it can shape the actions of administrators and service providers; it can direct attention and resources. Examples of the effects of performance measurement can be found in studies by Hanushek and Raymond (2005), Heinrich, 2003; Roderick, Jacob, and Brick, 2002; Figlio and Winicki 2002). While many of the effects are positive, performance measurement also has unintended consequences, some of which undermine public purposes. For example, gaming of measurement systems may lead to false impressions of improvement. A focus on measured outcomes may diminish attention to unmeasured, but still important, concerns.

Because performance measurement systems focus on the major goals of agencies and programs, drawing directly on agency mission, there is considerable likelihood that performance measurement will ignore important public values. Attention to results can lead to reduced attention to process concerns (Piotroski and Rosenbloom, 2002). A focus on efficiency and effectiveness can ignore equity considerations (Jennings, 2005b). In this paper, I pursue a line of inquiry involving social equity concerns. The basic question I ask is what kind of attention social equity receives in the performance measures developed by American states.

Social Equity and Public Administration

This is an important question. Although some dispute whether social equity is the “third pillar” of public administration, there is little doubt that social equity is an important consideration in public policy and management (Frederickson, 1974, 1990, 1996; Rosenbloom, 2005; Svara, 2005). The academic literature of public administration in the 1970s examined social equity extensively (Chitwood, 1974; Frederickson, 1974; Harmon, 1974; Hart, 1974; McGregor, 1974). Social equity has returned to the attention of public administration in recent years, if it ever left their attention, as reflected in academic literature (Cooper, 2004; Gest and Maranto, 2004; Wise, 2000; Miller, Kerr, Reid, 1999), presidential proclamations (Executive Order 12898), and initiatives of the National Academy of Public Administration (2000, 2001, 2003).

Social equity, of course, is often a matter of political import. Campaigns frequently turn on the ability to define issues in terms of their social impacts. Legislative

battles may depend on the ability of one side or the other to define an issue in social equity terms, as was the case in the budget battles between President Clinton and a Republican Congress in the 1990s. Political alignments often follow lines of social cleavage and much of the legislative legacy the New Deal in the 1930s and of President Johnson in the 1960s had social equity at the core. As a recent report by the American Political Science Association makes clear, inequality is an important feature of American society and, presumably, other societies (APSA Task Force, 2004; Robert J-P. Hauk, 2006).

It is oft noted that equity has several dimensions and multiple meanings. Chitwood (1974) and Lineberry (1977) point out that equity in service delivery can have diverse meanings and can be reflected in various service patterns. Stone's widely cited metaphor of how to divide a cake equally among the students in a class illustrates nicely the diverse meanings of equality (Stone, 2002). For present purposes, the Standing Panel on Social Equity of the National Academy of Public Administration provides a useful starting point for thinking about social equity. The Panel points out that social equity is a complex concept that encompasses issues related to fairness, justice, and equality (NAPA, 2000: 9) Central to the concept is the idea that all social groups should be treated equally, that race and income should not affect one's fate at the hands of public servants. Given this, the Standing Panel on Social Equity defines social equity as "The fair, just and equitable management of all institutions serving the public directly or by contract, and the fair, just and equitable distribution of public services, and implementation of public policy, and the commitment to promote fairness, justice, and equity in the formation of public policy (NAPA, 2000: 10)." .

The panel drew attention to several forms of social equity: simple individual equality, segmented equality, block equity, equality of opportunity, and unequal distribution of resources so as to achieve equality. Simple individual equity assumes absolute equality. Segmented equality assumes equality within groups (e.g., wage earners) but not between groups (e.g., wage earners and property owners). Block equity refers to equality between blocks or groups (women and men, blacks and whites). Equality of opportunity is taken to mean fair and open processes that allow all to compete fairly. Unequal distribution of resources to achieve equality involves allocating resources differentially in order to achieve more equitable results. In a draft paper for the panel, Svara (2003) explores how these concepts might apply to different policy areas.

Rosenbloom points out that "... disparity itself does not necessarily constitute a violation of social equity unless the latter is defined to include *any* deviation from absolute equality--and such a definition would be unworkable (Rosenbloom, 2005)." The important point he is making is that not all unequal distributions are likely to be either illegal or undesirable. Public law does not call for equal outcomes across all individuals or groups; indeed, the law specifically recognizes that groups may be treated differently so long as there is a rational basis for the differential treatment. On the other hand, our civil rights laws and the 14th amendment to the Constitution can be taken to suggest that public officials must be attentive to insure that protected categories of individuals are treated equally under the law. In addition, at the federal level, in [Executive Order](#)

[12898](#), "Federal Actions to Address Environmental Justice (EJ) in Minority Populations and Low-Income Populations," President Clinton ordered all federal agencies to give due attention to environmental justice. The Executive Order requires federal agencies, to the greatest extent practicable, and as permitted by law, to achieve environmental justice by identifying and addressing disproportionately high and adverse human health and environmental effects, including interrelated social and economic effects, of their programs, policies and activities on minority populations and low-income populations. That mandate presumably carries over to intergovernmental programs for which federal agencies have responsibilities.

Furthermore, various areas of public policy are coming to recognize the desirability of equal outcomes under the law for individuals falling in different categories. Education, under the No Child Left Behind law, is a prime example of that. It mandates that states reduce performance gaps between income groups, racial and ethnic groups, and those with and without disabilities. The question here is whether states and their agencies provide any attention to social equity in their performance reporting. No child Left Behind provides a very useful model by requiring reporting of outcomes by social category.

Examining Social Equity in Performance Measurement Systems

Here we are interested in the way that social equity concerns are reflected (or not) in performance measurement systems. The essential concern of social equity is the distributional pattern and consequences of public policy and public programs. We must translate conceptual definitions into an operational set of definitions to examine whether the new public management gives proper attention to social equity. The easiest way to do this is to think within the framework of performance measurement. The logic models that frame performance measurement initiatives (Hatry, 1999) draw attention to programmatic activities (processes), outputs, and outcomes. Following this logic, we would expect to find attention to social equity in organizational processes, programmatic outputs, and the outcomes of programs. With respect to processes, we can think in terms of internal organizational processes (e.g., staffing) and the access of social groups to services. As pointed out by NAPA, quality is an important dimension of service provision (NAPA, 2000). Attention is needed to the social groups relevant for social equity analysis. In practical terms, this means gender, race, ethnicity, religion, and disability status, all protected categories under either constitutional or statutory provisions..

In reviewing the performance reports and plans of the states, I looked for evidence that the state and its agencies report results for process, output and outcomes by different social categories, as reflected in the following matrix:

Social Categories and Dimensions of Performance

Social category	Process	Outputs	Outcomes
Race			

Ethnicity			
Income			
Gender			
Disability status			

For operational purposes, we (my graduate assistant and I) defined any measures that address the distributional features of a program as social equity measures. In addition, if state performance measures track the distribution of economic well-being (e.g., percent in poverty), we include that as a measure of social equity. We do not include here measures for programs that delivery services to selected segments of the population (e.g., Medicaid for the poor, elderly, or disabled). There are many such programs in the states and any full assessment of the social equity commitments of the states would take those programs and their measures into account. Here the attention is instead to the socially distributed consequences of programs.

Two examples may help. The Agriculture Department may have programs designed in public policy to provide low-interest loans to low-income farmers. A measure of how many such loans were made would not count as a social equity measure in the current accounting, although it surely would be part of a larger assessment of social equity commitments. A measure of how those loans were distributed among racial groups would count as a measure of social equity reporting here, as would a measure of the distribution by income of crop subsidies that are not tied to income.

Social Equity in State Performance Measurement Systems

In an earlier study, I compared social equity measurement in the performance measures of two states, two federal agencies, two local governments, and two community based quality of life indicator systems (Jennings, 2004). That assessment was suggestive. Among the studied performance measurement systems, there was much variability in attention to social equity. Some entities gave it considerable attention; others gave it barely a nod.

One problem with that analysis is that it captured only a small subset of organizations and provided little in the way of systematic evidence. To address that shortcoming, a subsequent analysis investigated all of the departments of the federal government (Jennings, 2005). Once again, there was substantial variability in the degree to which federal agencies attend to social equity in their performance reports. Agencies with a social mission report, of course, to some degree on the accomplishments of programs that serve the disadvantaged in society. But when we turn our attention to the distributional consequences of most programs, we find little being measured in most agencies.

Here I turn to a more complete assessment of state performance measurement systems. The goal was to look at all fifty states, but I've not managed to do that. The data collection for this project has proceeded more slowly than expected. We set out to extract

performance measurement data from state web sites, but it turns out that many states do not have a statewide performance measurement system that is available electronically. In addition, for some states it took considerable reading to sort out the performance measures in use and classify them with respect to social equity. In the end, in the absence of clear descriptions, it was not always clear which measures were capturing social equity concerns. To date, we have managed to compile information about the performance measures used in ten states: Georgia, Louisiana, Michigan, Minnesota, North Carolina, Oregon, Tennessee, Utah, Virginia, and Washington. The list is tilted toward the South, but also includes a nice mix of Midwestern and Western states.

It turns out that the studied states vary considerably in their performance reporting systems. They report anywhere from 42 to 5,791 performance measures. That enormous variance reflects in part the nature of the performance reporting system we uncovered. Oregon provides a good example; it offers three different performance reports. One is the famous Oregon Progress Report, a set of relatively broad quality of life indicators for the state. The Oregon Progress Board tracks 90 indicators. State agencies in Oregon link their own strategic plans and budget requests to the 90 state indicators. In doing this, they developed 427 specific measures. Finally, the Oregon Progress Board issues a special social equity report every two years which reports on ten indicators, all of them social equity oriented.

As a second example, we can look at Louisiana, a state that appears to be drowning in performance measures. Louisiana receives high marks from outside groups looking at its attention to managing for results (Government Performance Project, 2001), and its officials appear to measure everything that moves and doesn't move. State agencies reported 5,719 performance indicators in the 1999 state budget.

States like Michigan, Minnesota, North Carolina—each reporting a relatively small number of indicators—are outlining broad state goals. Their performance measures focus on things like economic growth, health, and education broadly conceived. We can take the degree to which social equity indicators are included in their overall goals to be an indicator of the degree to which states are pursuing social equity in their activities. It is not the only indicator, but it is a worthwhile one.

It is also important to note that the available reports vary considerably in recency. The Oregon Progress Report was published in 2006; Oregon state agency indicators are from 2004. Louisiana's data come from its 1999 budget. Georgia's data are from its 2004 performance budget. Minnesota's data are from 2002, while Michigan's come from a 2005 report. North Carolina data, from its 2005 report, are largely for 2003. Tennessee's report is for 2005, Virginia's, 1995, Washington's, 2005, and Utah data are from 2000.

Table 1: Performance Measures and Social Equity Measures in the American States

State	Number of Performance Measures	Number of Social Equity Measures	% social equity
Georgia	819	2	.2
Louisiana	5791	7	.1
Michigan	156	5	3.2
Minnesota	70	12	17.1
North Carolina	84	1	1.2
Oregon Progress	90	1	1.1
Oregon State Agencies	427	19	4.4
Oregon Equity Report	10	10	100
Tennessee	810	2	.2
Utah	672	13	1.9
Virginia	601	9	1.5
Virginia QLI	42	2	4.8
Washington	104	7	6.7

Data compiled by the author and a graduate assistant from state performance reports.

The relatively limited and rough data reported in Table 1 suggest that social equity often receives little attention in state performance reports. The data also demonstrate considerable variation among these ten states. The proportion of measures that reflect social equity concerns ranges from .1 percent in Louisiana to 17.1 percent in Minnesota. If sheer number of measures is the key to success, it is clear that Louisiana is a national leader. On the other hand, social equity virtually disappears in the mountain of Louisiana data. Only 7 of 5,791 measures reflect a concern with the distribution of the benefits of public programs. That is only .1 percent of the measures. Oregon and Washington join Michigan as the other states leading in attention to social equity. The southern states—Georgia, Louisiana, North Carolina, Tennessee, Virginia—and Utah generally give social equity scant attention. Virginia’s quality of life indicators are an exception to this, as are Oregon’s overall progress measures. While the Oregon Progress Report is relatively inattentive to social equity, the Progress Board issues a special social equity report every two years in which it gives detailed attention to the relative progress of Oregon’s racial and ethnic minorities.

One immediate conclusion is that traditional political orientations have carried through history to affect contemporary performance measurement in the states. Southern states, traditionally conservative and prone to less generous social welfare provision, show the least concern for social equity in their performance measures. Utah, also known for its social and political conservatism, similarly scores low on social equity measurement. Minnesota, the issue oriented, progressive home of the Democratic-Farmer-Labor Party of the mid-twentieth century and long noted for its liberal sympathies and policies (Fenton, 1966), leads the way in attention to social equity. It is joined in giving a higher level of attention to social equity by other northern and western states noted for liberal, progressive political orientations.

The patterns seem relatively easy to explain; their consequences are more difficult to fathom. The general assumption, grounded in an enormous amount of empirical research into the consequences of performance measurement, should be that the failure to attend to social equity in PM systems will lead to lesser attainment of social equity as public policy is executed. Officials and managers can be expected to focus effort and attention on activities, outputs, and outcomes that are measured. When equity is not measured, we should not expect it to receive attention. In addition, there may be strong incentives to channel benefits and effort toward those who are already better off. They are more likely to demand attention, more likely to complain if they do not receive it. It may also be easier to attain general performance goals by focusing on those most likely to improve instead of those most in need of help. That approach is likely to increase rather than minimize disparities.

A more complete, analysis, however, would have to take into account the performance measures that are driving social programs. If performance measurement systems lead health and social welfare programs to improve the lives of the poor and other disadvantaged citizens, the net effect of performance measurement could well be positive in social equity terms, even if many programs do not measure social equity impacts.

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