



WHAT DIFFERENCE WILL IT MAKE? PLENTY.

A lot of the *California Forward* plan sounds like plain old common sense. But the reality is that states that have embraced these policies are seeing better results, and not just in the form of on-time, gimmick-free budgets. These states are achieving **better reading and math scores** for schoolchildren, **better roads and highways**, and **more children with healthcare**.

And that's **the real payoff**. Across the board, states that have adopted the best practices proposed by *California Forward* are getting more done where it matters most – in classrooms, **on highways, and in hospitals and clinics**.

CALIFORNIA: THE “C” STUDENT

The Pew Center on the States, which looks at how well legislative, executive and senior civil service managers lead and operate each state, gives California an overall grade of “C.” **Forty one states got higher grades**, six scored the same, and only two scored lower. Looking solely at fiscal performance, California earned a “D+.”

Even among the largest states – which make for the best comparisons with California – **we’re at the bottom of the class**. Eight of the other 10 largest states all score better, with Florida, New York, North Carolina, Ohio and Pennsylvania all earning “B-,” and Georgia, Michigan and Texas are near the top of the class at “B+.”

MANAGEMENT MATTERS

Using data from the National Association of State Budget Officers, we compared California against better-performing states. Our shortcomings were obvious, and revealed common strengths among the best-performing states: a long-term perspective, a focus on results, accountability and transparency, consensus building, and fiscal discipline:

- In Georgia, task forces that bring together public and private-sector representatives have improved oversight, purchasing and infrastructure management. The state has increased the number of performance audits **and scrapped outdated, ineffective programs**.
- In Texas, performance-based budgeting helped address a 17,000-inmate shortfall in prison capacity. Prison officials initially proposed spending \$520 million to build three new prisons to address the problem. But a commission established to improve efficiency found that funding programs to reduce recidivism would do the job at less than half the cost. Texas didn't build the prisons – and it's one of six states **without a budget deficit**.

- In Michigan, transportation officials have put sophisticated asset-management tools in place to forecast road repair needs – and recently met their 10-year goal of bringing **90 percent of its highways into good condition.**

WHERE PERFORMANCE REALLY PAYS OFF

What do states get in return for the time and energy needed to enact these kinds of reforms? **Better reading scores** among fourth-graders. **Better math scores** among eighth-graders. More roads and **highways in good repair.** More **children with health coverage:**

<u>State</u>	<u>Pew Grade</u> ¹	<u>Reading</u> ²	<u>Math</u> ³	<u>Roads</u> ⁴	<u>Children</u> ⁵
Florida	B-	224	277	14.2	80.5
New York	B-	224	280	6.8	91
North Carolina	B-	218	284	9.5	86.7
Ohio	B-	226	285	14.4	92.5
Pennsylvania	B-	226	286	5.5	92.3
Georgia	B+	219	275	19	87.5
Michigan	B+	220	277	12.5	94.1
Texas	B+	220	286	7.5	78.2
California	C	209	270	5.7	87.7
Illinois	C	219	280	11.6	91.7

By every measure, California’s performance trails that of other large states earning better marks for fiscal management and accountability. And the differences are too large to simply be a matter of chance.

¹ Source: Pew Center on the States, Grading the States 2008.

² Mean fourth-grade reading scores. Source: National Center on Education Statistics, State Comparisons, National Assessment of Educational Progress 2007

³ Mean eighth-grade math scores. Source: Ibid.

⁴ Percentage of roads and highways in good or very good condition. Source: Bureau of Transportation Statistics, State Transportation Statistics, 2008

⁵ Percentage of children with health coverage. Source: Kaiser Foundation, State Health Facts, Health Insurance Coverage of Children 0-18, 2007