Program Evaluation in Local Governments: Building Consensus through Collaboration

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Local governments are continually faced with accountability demands from their governing boards and citizens, especially in times of financial stress. To help meet these

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demands, many have given their budget offices responsibilities for oversight and evaluation of programs. Traditionally this responsibility is carried out in top-down fashion just before or during the formation of the manager's budget request. The evaluator requests certain information, program personnel produce it, and there is little additional communication between the two offices until judgment is rendered in the form of budget increases or cuts.

This article suggests an alternative approach used extensively in Greensboro and recently tried in Charlotte.

Based on collaboration between the evaluator and program personnel, it changes the nature of evaluation from a process with potential conflict to an opportunity for program improvement and partnership. In the end, judgment still is rendered but in such a way that all parties participate in determining the outcome and, ideally, accept it.

Traditional Program Evaluation

Generally, program evaluation is a means of providing valid findings about the effectiveness of programs to the

people responsible for or interested in the programs' creation, continuation, or improvement. More simply, a program evaluation tries to answer at least one of three main questions:

1. Is the program operating or functioning as intended?

2. Is there any way to improve the program?

3. Has the program succeeded?

The first question focuses on process, and evaluations limited to that focus often are called "process evaluations." The question reflects a desire to know whether the steps outlined in a program's creation were taken. Did the program serve the targeted clients? Did it actually deliver the promised services?

The second question goes a step farther, looking for ways to improve a program to which an organization already is committed. The evaluator is looking for preliminary results and for recommendations on how to improve the program's likelihood of success. This type is called a "formative evaluation" because it usually is done in the formative years of a program.

The third question is the most common one that arises in relation to program evaluation. It is addressed by the "impact" or "summative evaluation." Usually conducted after a program is well established, this kind examines the basic worth of a program, demanding valid, tangible evidence of results.

Evaluations typically occur in five main steps. Although presented in simple fashion here, each step has many additional layers within it.

1. Agree on and articulate the program goals and objectives.

2. Agree on and declare the program theory, or theory of change. That is, why do people expect that program *X* will result in outcome *Y*?

3. Specify and agree on the criteria that will be used to measure success and the standards that must be met.

4. Gather data according to the criteria to see if the standards have been met.

5. Interpret the data and present the results in a meaningful and useful way.

The traditional approach to evaluation in a local government is top-down for each of the steps just outlined, primarily involving just the requesting agency and the evaluator. For example, the manager's office may be interested in understanding the value of a program or a project, either for its own purposes or to satisfy a request of the governing board. Staff from the office—an evaluator—contacts a representative of the program in question and asks for information on the success of the program—a quarterly or end-of-the-year report, for instance.

Anecdotal evidence suggests that the atmosphere surrounding local government evaluations can be tense, creating anxiety among program staff about the motive behind the request for detailed information (Is my budget going to be cut? Is this program targeted for downsizing?) and fostering companion suspicions by management staff (Is the program providing valid information? Are staff hiding something that might make them look bad?). The tension may intensify if the expectations for a program's evaluation have not been explicit from the beginning of the program, if the criteria for program evaluation have changed during the year, or if the evaluators do not communicate fully with program staff.

The adversarial atmosphere can extend to evaluations of community or nonprofit organizations receiving funding from local governments. City or county staff may have standard reporting requirements for such organizations but at times may require more substantive evaluations. These evaluations may consist of either city staff or outside consultants conducting in-depth research and analysis and then presenting a list of findings and recommendations to man-

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ager's offices or governing boards. Such evaluations also are top-down: beyond providing data, the organizations under review generally are not substantially involved. Further, it is not clear whether such evaluations accurately reflect the value of external programs. An expert on nonprofit-government relations who reviewed this article before publication commented, "My nonprofit has been evaluated jillions of times, and generally the evaluation was once-over-lightly and I ended up educating the evaluators, or else it was politically motivated. Frequently it would have been pretty easy to get away with telling them what I wanted them to know."

The lack of involvement on the nonprofit's or the community organization's part can be perceived as appropriate, presumably ensuring an objective analysis. However, it also can lead to a lack of ownership of the resulting recommendations, which can ultimately impede implementation. Further, it does not encourage a sense of partnership in solving community problems. The expert just mentioned felt that the value of traditional evaluations was low, stating, "At best the hierarchy might reward; at worst it will punish."

A Collaborative Approach

The main difference between traditional and collaborative approaches is who is responsible for, or involved in, each of the steps outlined earlier. Collaborative evaluations include more stakeholders in their various steps.

Evaluations done in Greensboro are good examples. The importance of evaluation to Greensboro is clear by the title of the responsible office: the Budget and Evaluation Department. It conducts several management studies each year.[1]

According to Vicki Craft, budget and management analyst, Greensboro's approach has been one of working with departments as partners in evaluations. Although the Manager's Office or the City Council may request that an evaluation be done, the Budget and Evaluation Department also takes requests for evaluations from departments themselves. These departments see the Budget and Evaluation Department as a valuable resource for helping them identify ways to solve problems or improve operations. Staff of the Budget and Evaluation Department and representatives of the department or program being evaluated make up evaluation teams. Together they define and agree on a detailed plan of action, or "contract." They also identify their objectives. Doing so helps them define what information to gather and how to use it. Although such a partnership does not always protect the process from politics, it does appear to have turned the view of evaluation staff from potential adversaries to valuable resources, according to Craft.

This type of collaborative approach is still somewhat controversial. Traditionally, one of the key characteristics of a quality evaluation is objectivity. To achieve it, governments often rely on outside evaluators or consultants. However, outside evaluators may not develop a good understanding of the basic philosophy, goals, objectives, or data used by a program, and the result may be a low-quality evaluation. An adversarial relationship can develop, despite the evaluator's initial neutrality.

Another shortcoming of using outside evaluators is that much of the learning about the program and the process leaves the organization when the consultants do. This approach builds little capacity for self-evaluation.

The controversial alternative is to involve the agency or program being evaluated in the evaluation itself—much in the same vein as the partnering approach used by Greensboro. This approach often is referred to as "participatory evaluation." Representatives of a majority of stakeholders or all stakeholders—program staff, affected citizens, politicians, and interest groups—are involved in the five evaluation steps mentioned earlier. Responsibility for completing the task is shared, in various degrees.

There is not a single, formal model for participatory evaluations, but the various types have some common characteristics (see the sidebar on this page). Participation can range from having evaluators work closely with program staff to incorporating program staff as equal members in the process. Greensboro and other units of government have adopted or are exploring the latter model. Anecdotal evidence from these units is positive. In participatory evaluations it takes more time to establish trust, to build effective communications, and to plan. However, Greensboro and other units report a higher degree of confidence in the results, improved interpersonal and interdepartmental relationships, and greater satisfaction with the process from involved parties.

A case study from Charlotte provides an example of how this approach can work when applied to an evaluation of a major community initiative.

The South End Evaluation in Charlotte

Like most cities, Charlotte works closely with many nonprofit organizations to improve its citizens' quality of life. These organizations range from small neighborhood-improvement groups to the Convention and Visitors Bureau. They play an important role in providing vital services throughout the community, and together they receive millions of dollars annually in city funding. In Charlotte, as in other localities, demonstrating fiscal responsibility to the taxpayers requires careful review of nonprofit funding and related outcomes.

Like Greensboro, Charlotte has used a collaborative approach in conducting some internal evaluations, such as evaluations of street maintenance operations and the implementation of certain capital projects. The city recently took this approach one step farther by conducting a collaborative evaluation of the performance of an external nonprofit agency called Historic South End (HSE). HSE promotes the economic development and the physical improvement of Charlotte's South End.

Background on Historic South End

The South End, a historic industrial district adjacent to downtown Charlotte, has experienced dramatic urban revitalization in the past ten years. In response, in 1995, business leaders in the area formed the South End Development Corporation to promote economic development further. In early 2000 the corporation petitioned the Charlotte City Council to establish a special tax assessment of $.09 cents per $100 valuation on all properties in the district. To be levied in addition to city and county taxes, the assessment was expected to generate $185,000 per year initially. The funds were to support initiatives in four areas: physical im-

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provements, public safety, marketing and commerce, and a vintage trolley service. The request was approved by the City Council in May 2000, along with a formal contract to ensure that these dedicated tax revenues funded a defined list of services. The corporation reorganized as HSE and hired an executive director to begin implementation of the initiatives.

At the same time, the City Council charged city staff to conduct a review of HSE services within two years to ensure that the dedicated funds were appropriately spent. This charge was in response to concerns from some council members and affected property owners that HSE could not adequately provide the services supported by the special tax. Some property owners in the district hoped that the two-year review would provide the justification to change the special assessment significantly or even discontinue it.

The review was thus a pivotal point in the future of the South End tax district and HSE as an organization. On the basis of conversations with Greensboro evaluation staff about their partnership approach, and with Charlotte staff about their willingness to experiment, the city's Budget Office initiated a collaborative approach to evaluation. Staff started by carefully selecting an eight-person review team consisting of both city staff and HSE representatives. City staff (representing the Economic Development Office, the Planning Commission, and the Budget Office) were selected for their knowledge of the South End community and their experience with projects there. HSE representatives included the executive director, the board president, and three members of the board. To ensure a variety of viewpoints, two of the three members from the board either were property owners openly skeptical of this district or represented

such property owners. Such involvement increased the real and perceived legitimacy of the process.
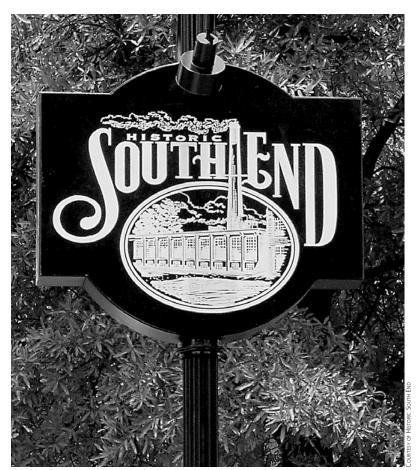
The Evaluation Process

The review team was convened in September 2001. To conduct the evaluation fairly, the team first had to agree on goals, methodology, and a timeline. The three broad goals on which members agreed were as follows:

- To evaluate the overall effectiveness of the tax district and to determine if any changes were needed in the specific services or programs provided.

- To evaluate the role and the structure of the nonprofit organization providing these services (HSE).

- To review the boundaries of the tax district and the appropriateness of the corresponding tax rate.

The review team decided to evaluate services and gather information through a variety of methods. For example:

- Surveys of property owners, merchants, and HSE board members.

- Personal interviews with key stakeholders inside and outside the district, including business and civic leaders and City Council members.

- Focus groups with residents, business owners, and merchants in the South End.

- Gathering of key financial and performance information about HSE.

- Gathering of data on nationwide trends and best practices regarding organizations operating in special tax districts.

As indicated by the first three methods just listed, the evaluation was heavily based on stakeholders' perceptions of the district's effectiveness. It was primarily concerned with what the community wanted from the creation of the special tax district and the accompanying nonprofit organization, and whether the community felt that those goals had been achieved. For example, the survey questions were to be answered on a scale of

A mandated review of the services being delivered by the nonprofit development agency "Historic South End" provided the opportunity for a collaborative evaluation by agency representatives and Charlotte staff.

South End effort demands unified 'voice,' panel says

South End, city weigh next use of tax funds

importance/satisfaction, 1 being the lowest possible score, 10 the highest. This allowed the evaluation team to measure perceptions of matters such as "overall quality of life in the South End area" and "level of services provided by the Municipal Service District tax revenue." The average scores on these two items were 6.39 and 4.71, respectively. These values, plus the high number of survey and focus group comments indicating a general lack of awareness of the services supported by the special tax, led the review team to conclude that lack of communication was one of the major issues HSE needed to address. Collecting this information was time-consuming, but it enabled the review team to obtain a high level of feedback on the district. In addition, the focus groups and interviews represented a prime opportunity to raise awareness of the district with selected stakeholders.

The review team also sought financial and performance information. For example, the team learned that the assessed value of property in the district had increased 20 percent since 2000, compared with about 4 percent growth citywide. However, HSE had achieved only seven of the twelve initiatives that it had outlined in the original plan for implementation of services. Although some of the failures were due to outside factors, such results pointed to a need for improvement in tangible services delivered.

Once the review team collected all the data, it spent several meetings reviewing the findings and developing recommendations. This was the true test of the collaborative evaluation model: eight people representing the city and a nonprofit service agency reaching consensus on the final report. The team first spent time developing a common definition of "consensus" and affirming that the goal was to develop a consensus report. The rapport developed earlier in the process was beneficial in keeping the team together through several challenging conversations on a variety of potential findings and recommendations. Ultimately the team agreed on twenty findings and recommenda-

tions to present to the HSE board and the City Council.

Having the review team in complete support of all the recommendations for strengthening HSE's role was critical in gaining political support. The first step was to present the report to the HSE board for review. The presentation was made by the board president (who was a review team member), and this helped gain unanimous support from the board.

The report was next presented to the City Council's Budget Committee and eventually to the entire council. Council members asked several questions about the tax rate and the composition of the HSE board but were generally supportive of the report and recommendations. As a result of the support for the recommendations, as well as healthy revenue estimates, the City Council approved an increase in HSE's FY 2003 budget from $190,000 to $280,000 to begin implementation of the recommendations.

A final test of the collaborative process came a few days before the presentation to the City Council. One of the

largest and most influential property owners in the district had several concerns about the final report and requested a meeting with city staff before voicing opposition to the City Council. After the meeting, in which staff explained the rationale behind the recommendations and the collaborative process used, the property owner was satisfied with the review and the accountability structure for the recommendations and consequently did not oppose the report. This outcome spoke to the strength of the collaborative process, which allowed differing opinions to be discussed but a mutually agreeable outcome to be achieved.

Pluses and Minuses of Collaborative Evaluation in Charlotte

Undeniably this collaborative evaluation focused on perceptions as well as objective data, and the process was labor-intensive and time-consuming. On the negative side, one reviewer of this case wondered if the city, by committing its resources so fully to the evaluation, was invested in a positive outcome. Such concern about subjectivity makes collaborative evaluations controversial, as mentioned earlier.

On the other hand, the resources committed (a staff member's time) were less than the city would have paid for an outside consultant. Also, as the evaluation evolved, it became more formative in nature, emphasizing ways to improve the district rather than seeking a summary declaration of the district's success or failure.

This view of the value of collaborative evaluations is reflected in comments from Greensboro analyst Vicki Craft:

I have long struggled with the objectivity aspect of budget analysts leading an evaluation instead of using outside consultants. I agree with the collaborative approach—no matter who is involved, internal or outside evaluators—because I have seen the results in our organization. The old approach of an outsider calling the shots without any regard for implementation capability, etc., just leads to a lot of wasted time and money in program evaluation. The key is for the analyst to be com-

pletely objective while seeking collaboration in improvement. This approach does not waste time and usually results in an action plan that can be implemented and effective.

The collaborative process allowed representatives of both the city and HSE actively to engage in the entire review by setting the initial goals and criteria, gathering feedback from a variety of stakeholders, and deciding together on findings and recommendations. The process seemed to generate a complete and accurate picture of the perceived effect of the district and HSE.

The process ran from September 2001 to March 2002 and required approximately one-third of a city staff person's time. A typical evaluation using an outside consultant likely would have been conducted in a shorter timeframe, though at a substantially higher cost, and would not have been concerned with gaining consensus on the recommendations. Further, previous outside evaluations of the city's nonprofit agencies have produced mixed results in implementation of recommendations and in gaining of support from the agencies evaluated, bringing into question the overall value of the evaluations. The participants in the South End evaluation felt that the strong, ongoing support of the recommendations by both the city and leaders of HSE indicated the long-term benefits of the collaborative process.

This evaluation has not suffered the stereotypical fate of evaluations, gathering dust on a shelf. In fact, at recent planning retreats, the HSE board focused on how to build the recommendations into its long-range planning. HSE's executive director perhaps summed it up best: "The review was one of the best things that we ever did."

Conclusion

Charlotte's review of the South End special tax district is just one example of a collaborative evaluation and may not reflect all the possible negative aspects of this approach. It offers some clear lessons, however. A collaborative evaluation can take more time and resources than the traditional, top-down approach,

particularly in time spent on communication. Also, it is subject to criticism that it is biased. However, in the view of participants on all sides, the effort produced stronger results than a traditional evaluation would have, a stronger relationship between local government and the organization, and a wider commitment to the program in question.

Collaborative evaluations can be taken a step further. They tend to increase the capacity of the program stakeholders to evaluate themselves. The unit being reviewed can become engaged in the process and, ideally, will see value in evaluation. The Independent Sector, a nonprofit coalition of more than one hundred organizations with an interest in philanthropy and volunteerism, recently sponsored a book calling for "co-evaluation." This kind of evaluation not only involves all stakeholders in an in-depth evaluation but also encourages the stakeholders to evaluate their own programs and organizations on an ongoing basis.[2]

The collaborative approach may hold particular promise for local governments evaluating programs being administered by nonprofit organizations with local government support. Most of the literature on evaluation focuses on methodologies for use within organizations, not on partnerships between two types of organizations. The increase in communication between governments and nonprofits in a collaborative evaluation could be a positive side effect of what is normally an adversarial process. There is growing interest in how these two community actors can work together more effectively for community-wide improvement. Evaluation may be an unexpected way to strengthen this relationship.

Notes

1. Recent ones include evaluations of the Park and Recreation Department's drama program, the city's stormwater services, and its loose-leaf collections program. For texts of the completed evaluations, *see* www.ci. greensboro.nc.us/budget/mgmtstud/ mgmtstud.htm (visited Nov. 15, 2002).

2. *See* SANDRA TRICE GRAY AND ASSOCIATES, EVALUATION WITH POWER: A NEW APPROACH TO ORGANIZATIONAL EFFECTIVENESS, EMPOWERMENT AND EXCELLENCE (San Francisco: Jossey-Bass Publishers, 1998).