



Legislative Program/Performance Evaluation Overview

What is a Program/Performance Evaluation?

A program/performance evaluation is an examination of a program or an activity of a state agency. It evaluates the merits of the program or activity and the agency's effectiveness in conducting the program or activity. It evaluates if a program or an activity of a state agency complies with the agency's mission, as established by laws and rules, and makes recommendations to improve the efficiency and effectiveness of the program.

An evaluation may examine outcome measures used by the agency to determine program success, and recommend new measures or changes to existing measures. It may analyze best practices within the program field, and determine the extent to which program practices fall within best practices. It may compare program practices and results with practices and results in other states and jurisdictions.

In the future, follow-up evaluations may determine the extent to which a state agency has implemented any previous recommendations concerning the agency, and document any savings achieved by the implementation of those recommendations.

How are programs selected for evaluation?

Subsection (7) of SDCL 2-9-4 provides that the Executive Board may authorize these types of evaluations. The law does not speak to the issue of how the Executive Board would determine which programs should be selected for evaluation, leaving the Board with considerable discretion as to how it will do this. At its March 2018 meeting, the Board discussed asking the Joint Committee on Appropriations and committee chairs and vice chairs to provide suggestions, which it would consider at its April 2018 meeting.

Who will do the Program/Performance Evaluation work?

The Executive Board voted at its November 2017 meeting to expand the duties of the LRC fiscal staff to include conducting these types of evaluations, and to hire two additional analysts. All members of the LRC fiscal staff will likely be involved in program evaluations during the interim, not just the new hires. The skill sets that make for a successful fiscal analyst and a successful program evaluator are essentially the same, and South Dakota's legislative staff is too small not to utilize the skills and knowledge that already exist with the current fiscal staff. All current and future LRC fiscal staff will do fiscal analysis work with their assigned agencies, as is the case today, and will also perform program/performance evaluations work during the interim. Teams of analysts will be formed to conduct evaluations, based on skills, availability, and areas of assignment, after the Executive Board selects the programs to be evaluated. LRC may also contract for outside expertise and assistance on a case-by-case basis.

How will the Program/Performance Evaluation process work after the Executive Board selects a program for evaluation?

After the Executive Board selects a program for evaluation, LRC will develop an evaluation plan in consultation with the state agency or program. The plan development phase will describe the scope of the evaluation and provide background information, including roles and identities of key personnel, identify potential financial, managerial, and operational problem areas, and determine whether and to what extent detailed audit tests may be required. It will also identify if outside resources and expertise will need to be contracted. LRC will submit the program evaluation plan for review by the Executive Board. The Board may approve or reject the plan, or return the plan for additional work.

After the Executive Board approves an evaluation plan, LRC fiscal staff will conduct the evaluation, working closely with agency personnel and any contracted outside experts and assistants. Evaluation work may include interviews with agency personnel, those who provide or utilize services, and other stakeholders. It may include surveys, data review and analysis, and review of any relevant studies and research. It may include analysis of program outcomes and performance measures, best practices, and practices and outcomes in other states and jurisdictions.

Each evaluated agency and the Governor will be given the opportunity to review the evaluation report and issue a response before the presentation of any evaluation report to the Executive Board. LRC may modify the report as a result of a response, in which case the evaluated agency and the Governor will have the opportunity to review the revised report and issue a response. The final response of the agency and the Governor to the evaluation report will be included in the final report when it is presented to the Executive Board.

The evaluation report and any response by the Governor and evaluated agency are confidential until the Executive Board votes to accept and issue report. A final report, including any recommendations, the evaluated agency's final response, and the Governor's final response, will be submitted to the Governor and to the agency head at least one day before the report's release, and will be made available to each member of the Legislature no later than one day following the Executive Board approving the report's release.

The goal is to have any evaluation reports completed in time for the Executive Board's November meeting.