# Living Cities
## THE INTEGRATION INITIATIVE
### ALIGNING PEOPLE, PLACE AND POLICY

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## A S S O C I A T E S

**THE ROLE OF THE PUBLIC SECTOR IN THE INTEGRATION INITIATIVE EXECUTIVE SUMMARY**

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# The Role of the Public Sector in The Integration Initiative: Executive Summary

## THE CONTEXT

One of the fundamental elements of the Living Cities Integration Initiative (TII), from its inception, was the belief that improving the lives of low-income residents of cities would be impossible without help from the public sector, since only government has the ability to direct resources on the scale that would be necessary to make fundamental changes. Living Cities understood the public sector as a part of the problem, but also a big part of the solution; the cross-sector design of TII was based on the idea that collaboration could change the way that government works and amplify the impact of philanthropy.

At the beginning of TII, Living Cities made it clear that the sites would need to engage the public sector. The question of *how* to involve the public sector, however, was left very open, and the five TII sites were given the freedom to develop their own strategies and work plans. While they all ended up including city officials in their governance groups, there was a great deal of diversity in terms of the form and degree of public sector participation in the Initiative and in the types of work the sites did that involved the public sector.

Living Cities commissioned this deep dive to shed light on the relationship between TII work and the public sector. This report explores the different forms that public sector involvement has taken at the five TII sites, documents the most important public-sector-related outcomes of the Initiative, and helps to develop a better understanding of what factors may be affecting success across sites. Finally, it presents key findings on the role of the public sector in complex cross-sector system change initiatives.

## INTERVENTION STRATEGIES RELATED TO THE PUBLIC SECTOR

This section looks at the different types of intervention strategies that have evolved over the course of TII implementation. The interventions involving the public sector that the sites developed fall into three general categories:

### ENGAGEMENT THROUGH THE GOVERNANCE GROUPS

The first and most universal form of public sector involvement was participation in the "governance group," the cross-stakeholder collaborative established at each site, as well as the other formal and informal structures associated with this group. Analysis of the cross-stakeholder groups across the sites found:

- While city officials were involved in all TII sites, their level of authority within city government and their breadth of involvement varied. Only in the Twin Cities were elected officials actively involved in the groups.

- None of the sites included representation from state legislatures or city councils.

- It took time for the sites to identify and engage appropriate stakeholders from state government. State officials have been a part of the governance groups in Detroit, Baltimore, and Twin Cities. In Twin Cities in particular, state government engagement has been strengthened over the course of implementation.

- County and regional public sector representation has been strong only in the Twin Cities, though there is growing engagement in Cleveland and Baltimore.

- Working groups and subcommittees added to the breadth and depth of public sector involvement.

**CAPACITY ENHANCEMENT THROUGH FUNDING OF STAFF, SERVICES, AND EQUIPMENT AS WELL AS PROVIDING TECHNICAL ASSISTANCE AND LEARNING OPPORTUNITIES**

Sites frequently used grant funds to support staff, services, or equipment to increase public sector capacity. Sites have also funded technical assistance services, and public sector actors have participated in a wide range of learning opportunities.

- Four of the sites used Living Cities grant funds to support new staffing for the city. The fifth site used aligned funding to a similar end. Most sites structured these positions such that they would not need to go through regular city hiring processes.

- Cleveland and Detroit used Living Cities grants to enhance the cities' technology infrastructure.

- Public sector staff in each of the sites participated in local site visits with Living Cities staff, visited other cities, and attended Living Cities learning communities; these activities were often cited by stakeholders as capacity building for the individuals involved.

- Sites used Living Cities grants to support technical assistance efforts that benefited the public sector. This included work to support the Newark Public Schools and Health departments, work in the Twin Cities around planning for transit-oriented development, and marketing support related to economic development in Cleveland.

**SUPPORT FOR PLANNING, RESEARCH, AND ADVOCACY RELATED TO PUBLIC SECTOR ADMINISTRATIVE, REGULATORY, AND LEGISLATIVE REFORM**

A third type of intervention strategy involved supporting efforts related to research, planning, and advocacy that were focused on specific public sector system change. These efforts included work on administrative and regulatory reforms as well as advocacy for specific policy changes.

- The Baltimore Integration Partnership developed very specific public policy-related goals involving changes in state and city policies and procedures related to the use of public funds. This included hiring requirements that are tied to public expenditures and increased investment in job training and career pathway supports. It also supported the development of a workforce development policy agenda.

- Both the Twin Cities and Detroit developed policy agendas involving state transportation legislation midway through TII. In the Twin Cities, several members of the governance group were actively involved in supporting a state tax for transportation, which ultimately failed to pass. In Detroit, key leaders involved in TII work were also leaders in the effort to pass state legislation establishing a regional transit agency, which was needed to get federal funding for the Woodward Corridor's new M-1 light rail line.

- In Cleveland, TII funds contributed to the creation of the City of Cleveland/Cuyahoga County Workforce Investment Board's Strategic Workforce Alignment Group that supported planning and implementation work focused on alignment between workforce and education.

## PUBLIC SECTOR-RELATED OUTCOMES

One of the major expectations Living Cities built into the design and implementation of TII was the idea that through engaging the public sector and working to better align public sector systems, a range of positive outcomes could be achieved. The national evaluation team looked at four types of public sector-related outcomes that were anticipated in the design of TII:

1. **Increasing Capacity to Collaborate across Sectors and Agencies**

At several sites, TII has influenced the civic infrastructure, with some public sector stakeholders developing new relationships with philanthropy and seeing an increased value in working collaboratively to address problems.

2. **Redirecting Resources**

There is evidence at most of the sites that the Living Cities funds and the new collaborative activities have contributed to shifting the flow of funding from the public sector towards priorities that were developed through The Integration Initiative process.

3. **Addressing System Barriers through Administrative, Regulatory, and Policy Changes**

There is evidence that some of the steps that were taken at the sites to address system barriers led to public policy changes or improvements in the way certain agencies operated:

- TII-related work resulted in some organizational changes and regulatory changes in public sector agencies, most notably in the Twin Cities.

- In some cases, the staff hired through Living Cities' funds have transitioned into permanent positions.

- TII stakeholders provided support for legislative changes aligned with the work that resulted in some successes in Baltimore and Detroit.

4. **Using Data in New Ways**

The increased use of data by the public sector is most prominent in Newark, where a TII-supported data analyst was able to accelerate progress around the collection, analysis, and use of data. In Detroit, there is increased awareness and interest in using data differently and in making city data more transparent, but there are few examples to date of city agencies applying data to do things differently.

## FACTORS RELATED TO SUCCESS IN PUBLIC SECTOR OUTCOMES

This section reviews some preliminary findings about the factors that have affected either the level and type of public sector engagement or TII's influence on public sector system change and innovation.

**STRATEGIC CONNECTION WITH CITY/MAYORAL PRIORITIES**

- A lot of "adjacent" work or competing high priorities can complicate both alignment and level of city engagement. Although TII work was usually not in conflict with the city's priorities and was often aligned with priorities of agency staff, most sites' primary focus was not the primary focus of city political leadership. This lack of alignment has affected the level of city engagement in TII as well as progress in some of the system change work.

- The place-based and neighborhood-specific approaches adopted by most sites made engaging municipal political leaders more of a challenge. Targeting specific neighborhoods within a city can raise difficulties for political leaders who do not want to appear as favoring one part of the city over another.

**RELATIONSHIP BETWEEN THE PUBLIC SECTOR AND THE PHILANTHROPIC COMMUNITY**

Engagement of the public sector was more challenging when TII was seen primarily as a philanthropic initiative. There were two factors that seemed to foster shared ownership: having a public sector representative as a co-chair of the governance group, and pre-existing positive relationships between the philanthropic community and the public sector.

**A PUBLIC SECTOR CHAMPION OF THE WORK**

Having a state, county, or city staff person who really understood TII and saw the site's work as important to his/her agency's agenda was an important factor in achieving public sector-related outcomes. The "champion" did not have to be a top elected official. TII engagement with the sites, through site visits and learning communities, helped public sector stakeholders better understand TII and the importance of the public sector to this work, enhancing their role in "championing" TII.

**CAPACITY OF THE PUBLIC SECTOR**

In some sites, particularly Detroit, serious capacity deficiencies in city government make it difficult for the public sector to play an important role at the governance table or in the implementation of TII-related activities.

**POLITICAL STABILITY**

The possibility of political transitions or instability is expected when working on a relatively longer-term initiative with the public sector. Transitions may be positive or negative, and the real issue becomes the agenda and priorities of the elected official and the stability of agency leadership championing the initiative.

**MAYOR'S APPROACH TO GOVERNANCE**

All of the cities involved in TII have a strong mayoral form of government. With this structure, the mayor's governance style was another factor that influenced how the public sector work evolved in the sites. In some cities, there is a strong mayoral-driven style of management that requires a great deal of reporting and, in effect, discourages innovation within city departments. In other cities, mayors delegate a lot of authority to the individual agencies and their leadership. In these cases, there are greater opportunities to work on innovation with departmental leaders who understand and champion the work of the Initiative at the site.

**JURISDICTIONAL AUTHORITY OVER SYSTEMS BEING TARGETED**

The focus of the public sector-related activities at each site was largely determined by the areas of work that were clearly within the control of participating public sector actors. When strategies involved systems stretching beyond city government, such as workforce, education, or federal grant administration, the work tended to encounter more challenges.

**BUY-IN FROM ON-THE-GROUND STAFF**

Even when public sector leaders are firmly committed to the goals and work of TII in their community, getting the buy-in of the staff responsible for implementation remains a significant challenge. The way the lines of communication between governance groups and city agencies are structured can make a big difference in the level of buy-in among the staff responsible for implementation, but often some of the factors preventing buy-in involve relatively deep structures that may be resistant to change. These can include human resource systems, agency or occupational cultures, and requirements and regulations related to federal grants and other funding streams.

## KEY FINDINGS

This effort to look in more depth at the role of the public sector in the implementation of the Living Cities Integration Initiative revealed some preliminary findings:

1. *The work of the sites has led to changes in the way certain public agencies operate and allocate resources.* However, these impacts have been largely limited to the agencies and staff most deeply involved in TII. Spreading the change more widely within the public sector and institutionalizing a commitment to innovation remains a key challenge.

2. *Money brings the public sector to the table, and being flexible about responding to additional resource needs keeps it there.*

3. *The public sector is very sensitive to issues of credit and attribution.* Sometimes public sector contributions to the work of a cross-sector stakeholder table are obscured when the table as a whole is given credit for outcomes. Elected officials often see this as a drawback, though sometimes working through a table can provide "cover" for a leader who does not want work attributed to him/her for political reasons. Determining when and how the public sector needs its contributions acknowledged is key to developing and maintaining a relationship of trust with the public sector.

4. *A "system frame" may be preferable to a targeted "place frame" if the goal is including high-level political leadership in a cross-stakeholder collaborative.* While a system frame was fundamental to the Initiative, the sites all targeted neighborhoods and so TII was often perceived as "place-based." As targeting work in specific neighborhoods may limit the level of mayoral engagement, better communication of the system frame and its relationship to work in specific neighborhoods might help generate increased city engagement.

5.  *Deep and sustained public sector engagement is more difficult when there are competing priorities or projects.*  When there are multiple overlapping initiatives competing for attention, which was the case in several TII cities, it is difficult to get sustained commitment from the city.  Similarly, if a mayor or governor has articulated a very clear strategy around a certain goal, it will be difficult to engage him or her in work that is not closely aligned with that particular goal.

6.  *While mayors and other top elected officials do not have to be directly involved in the initiative, ownership and engagement are more likely to occur when the work is aligned with the overall city agenda and department heads are empowered by the mayor to participate.*

7.  *The response to the Living Cities learning communities and site visits showed that opportunities for learning, particularly peer learning, are very highly valued by public sector stakeholders.*  Events like the learning communities, which connect a relatively broad range of public sector leaders and staff to their peers in other cities and other sectors, can expose them to innovative thinking, enhance their interest in the cross-stakeholder work, and increase their level of engagement.

8.  *Public sector system change requires engagement and communication across three levels: political leadership, agency leadership, and on-the-ground staff.*  Having working groups or committees that provide opportunities to engage a broader set of public sector staff and facilitate communication across the three levels is critical to advancing change.

9.  *Hiring staff and embedding them in city agencies can help nurture a culture of innovation if they have the appropriate skills and abilities, clarity about expectations, and job descriptions and work plans that go beyond just adding short-term capacity.*

10. *Changing culture in a sustainable way is very difficult.*  Better understanding the barriers to culture change within the public sector and the types of incentives that could be used to address these barriers could be an important first step in addressing this issue.

11. *It is important for the key stakeholders in a system change initiative to understand the role of the public sector in the system they hope to target and how the public sector stakeholders involved in that system work.*

## IMPLICATIONS OF RESEARCH

The findings of this report are very preliminary, as the work in sites is still underway. It does, however, raise a number of key questions for Living Cities as it furthers its work both on public sector innovation and on the next phase of The Integration Initiative. Many additional questions need to be addressed to further learning both in the field and around Living Cities' own agenda. As Living Cities enters the next phase of its public sector work and adds new sites to the Integration Initiative, recommended next steps include:

- further clarify the definitions and frameworks around public sector innovation;

- be more intentional about the strategy for engaging the public sector and how public sector interventions can lead to creating lasting change;

- take more steps to fully understand system barriers and the public sector culture in proposed sites; and

- identify systems within cities with stable leadership that can withstand changes in political leadership.