

# PDP Communiqué

## Finding Staying Power In a Down Economy

Eugene J. Monaco,  
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We have all witnessed a dramatic down turn in the economy over the past year which is now officially labeled as a recession. We've been watching the pundits on TV and listening to the news bites predicting that we haven't yet reached the bottom. The signs of doom and gloom are all around us. Stock markets have been highly volatile, losing almost 40% of their value in 2008. The auto industry is in a deep recession and may be on the verge of collapsing, despite the recent federal bailout. Many financial institutions have lost their way. The Consumer Confidence Index is at an all time low at 38.0 in December 2008, down from 44.7 in November 2008, mortgage defaults are soaring, up over 25% from last year, and job losses are at record highs with unemployment increasing to 7.2 per cent at the end of last year. Overall the economy is in deep trouble.

The impact of this economic decline has been felt throughout the private and public sector in ways not seen since the Great Depression of the 1930's. The economic decline in the private sector has had a direct link to the public sector's economic freefall. Revenue shortfalls have led to state budget crises from New York to California. It has been reported that 43 state governments are experiencing serious budget deficits which have forced many states to curtail spending, cut services, and lay-off workers. In New York State alone, Governor Paterson has already slashed agency budgets by 10% and more cuts are expected in the coming months. In California, Governor Schwarzenegger has drastically cut services and laid-off thousands of public sector workers. This pattern of deep budget reductions coupled with a decrease of basic public services is being replicated in other state houses all across the country. Public administration is observing a sea change in practice. Resources are limited or simply not available to do what needs to be done to keep local governments running smoothly. In essence, things are quite bleak and the hope that the various federal bailout programs will transform the economy for the better anytime soon is not all that encouraging. Doing more with less is the new mantra.

Training organizations such as PDP have not been spared from these dire conditions and have also felt the impact produced by the down economy. Programs have been slashed and in some instances outright cancelled. Providing or at the least just maintaining core training in this down economy certainly presents a series of challenges which hasn't been witnessed for quite some time. In this unstable

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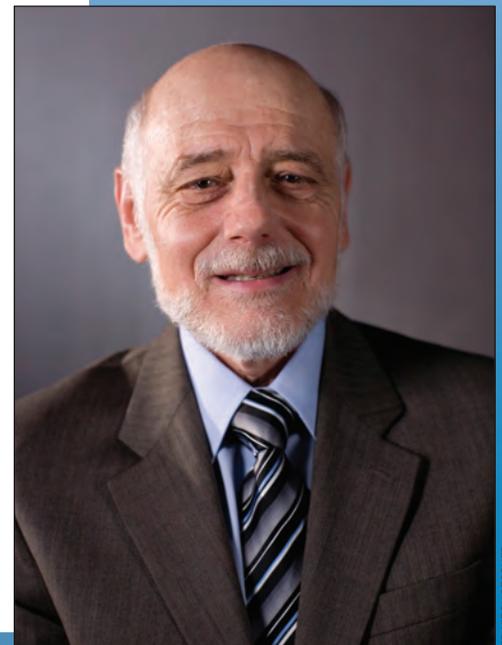
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A Newsletter from the  
**Professional  
Development Program,  
Rockefeller College**



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# From “Can-Do” to “Candor” Public Administration: The 1960s and What About the Future

Richard Nathan, Co-Director, Rockefeller Institute of Government  
State University of New York

Richard Nathan, Co-Director of the Rockefeller Institute of Government, was twice honored this year for his exceptional work in public service. In September, Richard Nathan received the “Lifetime Achievement Award” from the American Public and Human Services Association (APHSA). In October, Dr. Nathan was again honored when he was chosen to receive the 2008 Nelson A. Rockefeller Award for Excellence in Public Service. The following are excerpts from his acceptance remarks for the latter award in which Dr. Nathan speaks to his experiences in the ever changing milieu of public service.

What I recall most about public administration in the 1960s is that there was a “Can-Do” spirit, befitting the ebullience and personal style of Nelson Rockefeller. He was a “Can-Do” person. To me, the striking thing about public administration today that has changed, and I will argue should change, is that we can no longer rely unreservedly on the “Can-Do” approach. Add one letter-“r.” We need a “Candor” approach to public administration.

It is appropriate to make these remarks at the height of a presidential campaign season when the nominees of both major political parties are advancing their agendas. There is a strong “Can-Do” mood in the campaign as is often the case: Elect us and we can do thus and so.

Two things are wrong with the high octane “Can-Do” mood of campaigning’s assumption that a new administration will make big and bold changes: these changes will be accepted by the Congress, and they will quickly go into effect. The legislative process is a big hurdle.

Besides health care, there are hard challenges for education, jobs, welfare, the environment, infrastructure, housing, energy, emergency management, homeland security, and public safety and corrections. Candidate’s ideas and goals should reflect not just what they will do but also how they will do it. This requires “a sense of governance.” What kinds of people will do the job? How special is it? How in a broad way should we organize to do it? How do we take into account the fundamental federalism terrain? The nation has over 80,000 governments, many of them large-states, counties, cities, and towns that have to play a role in reforming the organization and delivery of domestic public services.

I marvel that so many political leaders seek the nation’s highest executive offices. The new president’s desk will be piled high with insistent demands for public services that raise large fiscal issues and involve institutional challenges requiring a high level of realism for public administration about things people often don’t want to hear about.

There is a large underlying political problem to be faced. The American political system is inherently change resistant. It was built that way. This has helped to make our democratic form stable. We have the longest surviving written constitution in the world. In the heady politics of American pluralism, leaders often gain success by putting together coalitions of interests to overcome what are, if I can call them that, “built-in



Richard Nathan

The full text of Nathan’s remarks to the State Academy can be viewed at [www.rockinst.org](http://www.rockinst.org)

political stabilizers.” The result for leaders who seek to be change agents is that these bargaining processes often absorb incredible amounts of resources. Compared to the 1960s, we don’t have resources to spare. I worry that American government, and particularly the field of public administration, needs a large dose of candor about the challenges at home for the public service. **PDP**

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## Did You Know?

The unemployment rate rose to 7.2% last month (December) from 6.7% in November— its highest rate since January 1993.

– *CNNMoney.com*, [http://money.cnn.com/2009/01/09/news/economy/jobs\\_december/?postversion=2009010911](http://money.cnn.com/2009/01/09/news/economy/jobs_december/?postversion=2009010911)

The US economy is likely to shed another 1 million jobs in 2009.

– *Boston Globe*, [http://www.boston.com/business/ticker/2008/12/report\\_us\\_is\\_li.html](http://www.boston.com/business/ticker/2008/12/report_us_is_li.html)

In 2008, year-to-date job cut announcements are already in excess of 1 million and are expected to close the year at a five-year high.

– *Boston Globe*, [http://www.boston.com/business/ticker/2008/12/report\\_us\\_is\\_li.html](http://www.boston.com/business/ticker/2008/12/report_us_is_li.html)

There are 29 states that closed shortfalls of \$48 billion in enacting their fiscal year 2009 budgets (for the year beginning July 1, 2008 in most states). The shortfalls equaled 9 percent of these states' general fund (operating) budgets.

– *Center on Budget and Policy Priorities*, [http://budget.house.gov/hearings/2008/10.20.2008\\_Lav\\_Testimony.pdf](http://budget.house.gov/hearings/2008/10.20.2008_Lav_Testimony.pdf)

Since fiscal year 2009 budgets were enacted, budgets have fallen out of balance producing new, mid-year deficits in 22 states and the District of Columbia that total more than \$11 billion or 4 percent of budgets.

– *Center on Budget and Policy Priorities*, [http://budget.house.gov/hearings/2008/10.20.2008\\_Lav\\_Testimony.pdf](http://budget.house.gov/hearings/2008/10.20.2008_Lav_Testimony.pdf)

Since the start of the recession last December, the economy has shed 1.9 million jobs, and the number of unemployed people has increased by 2.7 million— to 10.3 million now out of work.

– [http://news.yahoo.com/s/ap/20081205/ap\\_on\\_bi\\_ge/financial\\_meltdown](http://news.yahoo.com/s/ap/20081205/ap_on_bi_ge/financial_meltdown)

Some 533,000 nonfarm jobs were eliminated in November, the most in one month since the mid-1970s.

– <http://www.nytimes.com/?emc=na>

According to U.S. Department of Labor regional unemployment figures released on Friday, 12/19/08, joblessness in some regions is at its highest in two decades and economists say that some states will see double-digit unemployment rates in 2009.

– *NPR*, <http://www.npr.org/templates/story/story.php?storyId=98572332>

## “Dollars and Cents” to “Dollars and Sense”

**Kary Jablonka, MSW, Commissioner  
Columbia County Office for the Aging**

“Public policy is written in dollars and cents,” a time-honored principle in the public administration community, could be undergoing something of a recession-driven rethinking. When a series of budget cuts (now totaling 6%) began early on in the current state fiscal year, it was clear that hard times lay ahead— hard times that may well redefine the established management paradigm. Rather than going after low hanging fruit— restricting travel, vacancy control, layoffs, tightening purchasing practices, and program cutbacks, Columbia County convened a working interagency group chaired by the Office for the Aging to identify economies and alternatives to service delivery. For example, several county agencies retain the consulting services of a dietician and a physician so there may be efficiencies realized through coordination or consolidation. Another area under review is food service. Since the county jail, nursing home, and OFA run large food operations using separate kitchens within eight miles of one another, the potential for savings through eliminating duplication and/or collaborative purchasing are also being explored.

In providing a mechanism for shared problem solving, the workgroup process is also revealing opportunities that would

otherwise likely have remained invisible. Broadening the scope of inquiry to include both the non-profit and private sectors and the relationships between organizations, stimulates thinking in different ways about the community and how services are organized and delivered. With a little stakeholder analysis and mapping, new possibilities emerge as part of what promises to be a productive endeavor. The process also raises deeply embedded systemic issues of duplication, auspice, and turf. The good news is that with the support and regular participation by representatives of the board of supervisors, creative solutions are much more likely to be realized. As Robert Pirsig wisely advises in *Zen and the Art of Motorcycle Maintenance*, “If you’re going to repair a motorcycle, an adequate supply of gumption is the first and most important tool.” The book, of course, has little to do with fixing motorcycles— it’s about quality and what is good. It speaks directly to those of us in the public service in these extraordinarily challenging times. If we are to move from writing public policy in dollars and cents to a notion of “dollars and sense,” we are going to need a lot of gumption. Nothing less is required of us as we stand at what is likely a hinge point in history. **PDP**

# Thinking Positive While Playing the Fiscal Blues

Jeffrey D. Straussman, Dean

Rockefeller College of Public Affairs and Policy, University at Albany

The bleak economic situation the country, indeed the world, is in has certainly not spared governments and their public employees. Most state and local governments are in a sea of red ink and forecasts suggest that it will not be until 2011 (at the earliest) before state and local governments will see a turnaround to their budget shortfalls. Not a cheery thought!

I was recently inducted into the National Academy of Public Administration and one of my fellow inductees, the administrator of a large county in the southwest told me that, in this difficult economic climate, managers need to become even more creative than ever to find solutions to public problems. Often this means collaboration among organizations across the public, private and non-profit sectors. He offered the following simple illustration:

The county had a problem with stray dogs and cats. A non-profit organization sought donations from individuals to finance an animal control program. Low income pet owners were given vouchers so that they could have their pets neutered and spayed at participating animal hospitals. According to the administrator, the program was successful and the problem of stray dogs and cats was ameliorated.

Why is this simple example noteworthy? Creative thinking realized that there are animal lovers who would willingly finance the project. Public programs do not always require public financing. Next, the voucher



Jeffrey D. Straussman

device, used so widely in social services and income maintenance, turned out to be an appropriate vehicle for targeting the program to those who needed the service the most. The program also illustrates that solutions to problems often require cooperation and collaboration across organizations and sectors.

This simple example is why I am bullish about public administration even when the stock market is bearish. Scarcity can beget creativity, but we have to avoid two basic traps:

**Been there before.** I hear a lot of people talking about the current budget climate by

making allusions to past crises. The limits of history are obvious and conditions are rarely identical. Not only does the “been there before” mentality erode morale; it is often inaccurate and therefore a poor guide for decision-making. For New Yorkers with a long memory, 2008 is not the same as 1975. Been there before thinking stifles creative problem solving. Instead of saying, been there before, try asking how a challenge you have in the current budgetary environment could provide you with the impetus for thinking about new ways to accomplish old tasks.

**Avoid the doom and gloom/Pollyanna continuum.** It is hard not to see only doom and gloom in the current economic climate. But, when you think about it, doom and gloom also stifles creativity because everything gets reduced to the constraints that are imposed by budget cutbacks. The other end of the continuum has its own drawbacks. Old timers will apply the principle above and say that, over time, things will return to normal. All you have to do is to “wait it out.” The problem with both ends of the continuum is that they hamper efforts to find ways to manage effectively even in a sea of red ink.

No one ever said that managing in hard economic times is easy. But, these three guidelines suggest that, to be effective even when awash in red ink, managers need to stay focused on the big picture and not lose sight of the enduring value of creativity—more so now than ever. **PDP**

## So what should the creative public manager do?

- ✓ **Establish direction.** This refers to the importance of vision—providing members of the organization with a sense of what the organization is, and what it may be. Vision creates the setting for the members of the organization to see how their performance fits into the “big picture.”
- ✓ **Align people by creating an environment of cooperation in the organization.** It is often said that much of what is done in organizations is done in groups. Leadership includes the facilitation of teamwork by creating the appropriate atmosphere so that teams can work on shared values.
- ✓ **Motivate and inspire members of the organization.** Continue to nurture employees so that they will perform up to their potential.

## News and Views

### Meg Meehan 2008 Recipient of PDP Director's Award

Meg Meehan received PDP Director's Award for her outstanding contributions in 2008. Meg is known for the high professional standards she brings to the work we do in professional education and training. Her interest and knowledge in fostering programs that contribute to the well being of families and children in New York State has always been a strong asset. Meg consistently placed achieving

program values ahead of realizing personal gains, and has been tireless in supporting those programs that truly make a difference in the welfare of families and children. The energy and passion with which Meg approaches her work has been well documented over her past 17 years with the Research Foundation, State University of New York. Recently, Meg undertook an evaluation of the early child care education program. This report has been



Meg Meehan

well received and will have a lasting impact on how we move forward to address the emerging and changing needs of child care programs in New York State for years to come. Meg retired at the end of 2008 and will be greatly missed. **PDP**

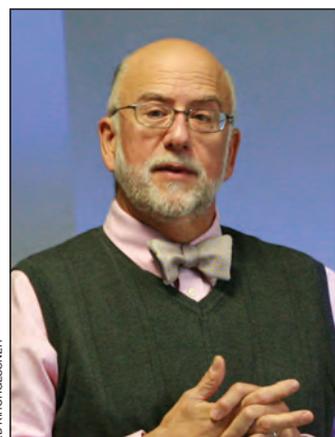
### Semester in Washington D.C. for Intern Cyndi Mellen

Cyndi Mellen has been working as an intern at PDP in the Department of Child Welfare since the summer of 2007. She is a junior Honors student studying political science at the University at Albany and has been accepted into the Washington Semester Program for the spring 2009 semester. This highly competitive program offers students an opportunity to work and learn in the nation's capitol while earning 15 credits. Cyndi has been very helpful not only to the Adolescent Services Resource Network but to child welfare as a whole. Erika Leveillee whom worked closely with Cyndi on many projects stated, "She has helped with curriculum development, research projects, training, and brochures. She's wonderful to work



Cyndi Mellen

with and brings a positive energy and young adult perspective to the work we do." She went on to say that Cyndi will be missed while she studies in Washington D.C. next semester. **PDP**



Joe Sano

### Joseph B. Sano Receives Award

Joseph B. Sano received the Rockefeller College Distinguished Extended Learning Leadership Award of Excellence in November 2008. Sano is executive director of the New York State Organization of Management Confidential Employees (OMCE). He has represented the interests of public employees for more than 37 years and has been a strong advocate for continuing professional education for the public workforce. **PDP**



PDP Harlem Trainers

ED KIRCHGESSNER

ED KIRCHGESSNER

GEORGE DOWSE

atmosphere, one hears a lot of talk about training being targeted as one of the first things to go. For some government officials, it's often seen as a painless way to incur immediate cost savings. Also, during times like these, it's easy to cast training in a negative light. Declarations have been made that taking time away from work for attendance at training is too expensive or, that what we've been doing seems to work just fine; therefore, investing in more training is just too great of a cost to make in tough times. Others view training as a luxury and certainly not a necessity or even a staple.

Contrary to these negative positions you can find those that feel training should remain at the forefront. It is argued that it needs to continue regardless of economic swings. The value of marketing and providing training is too important to be

diminished or dismissed. Where you stand on this depends on your organizational culture as much as your budget. If training has always been a part of that culture, tough times most likely won't change that. On the other hand, if training has never been routine, it probably won't become so in tough times. The reality with a down economy is that it's all about the attitude one has towards training.

So just what should the position of training organizations be on this subject? I say be bold. Don't be afraid to take the "bull by the horns" to create the highest quality training program that meets head on the needs of the ever changing workforce. This is no time to throw in the towel. However, it becomes a vital job for training organizations such as PDP to make sure it delivers training that clearly shows a return on investment. Ultimately,

training organizations need to develop data-driven accountability measures to demonstrate that results of training justify the cost. By making training a sound future investment, we can show that turning your back on training for short term savings is not the way to go. **PDP**

“The reality with a down economy is that it's all about the attitude one has towards training.”

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