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Government Accountability Committee
January 2013 Report

The Government Accountability Committee (the "GAC") has taken testimony on and discussed a variety of issues regarding government accountability in the past year. The issues include:

- **Results Based Accountability** as a framework/tool to determine measureable program outcomes in state government.
- **Genuine Progress Indicators** as a macro indicator framework within which to obtain data for policy decision making within the state budget.
- **Review and Analysis of the Administration's Strategic Plan** to begin alignment with the quarterly progress reports the GAC reviews in order to decrease duplication and increase efficiency for reporters of this data.
- **Review of the Governor's Dashboard** to understand its effort to focus on outcome data for accountability.
- **Format for Reporting on Accountability** to the GAC and General Assembly, which includes working toward the right number and scope of indicators, the ability to gather the data required, and the significance of the data for decision making.

This report will detail the Committee's activities and recommendations for future methods of increasing government accountability in the State.

Quarterly Progress Reports, Outcomes, and Measures

The quarterly progress reports (“QPRs”), required by 2010 Acts and Resolves No. 146 (An Act Relating to Implementation of Challenges for Change), Sec. H4, are required to be submitted by the Administration to the Chairs of the House and Senate committees of jurisdiction; the GAC; and the Joint Fiscal Committee. These QPRs are required to include data collected to measure progress in achieving the outcomes for the State set forth in 2010 Acts and Resolves No. 68 (An Act Relating to Challenges for Change).

The GAC has taken testimony from the Deputy Secretary of Administration, who is the Administration’s liaison to the Committee, as well as the Deputy Commissioner of Finance and Management, who is the primary collector of information and drafter of the QPRs. Both have testified regarding the large amount of information in and the large amount of time it takes to craft the QPRs. The GAC has also discussed that the current format of the QPRs is not as user-friendly as the Committee would like them to be. Moreover, the GAC has reviewed the Administration’s Strategic Plan, which contains the Administration’s own goals and performance measures. The GAC has found that in many instances, the information contained in the QPRs and the Strategic Plan is similar.

With these issues in mind, the GAC decided that it is willing to consider a revised format of the QPRs that incorporated data included in the Administration’s Strategic Plan, and will review a newly-revised QPR format at its next meeting.

Moreover, the GAC has discussed the outcomes and measures required by 2010 Acts and Resolves No. 68. The outcomes were established in that act, while the measures, pursuant to Sec. 10 of the act, were part of a system of accountability and were reviewed by committees of jurisdiction. The committees of jurisdiction then made recommendations to the GAC on whether the systems of accountability should be accepted, and the GAC was then tasked with determining whether the systems should be accepted in whole or in part. Sec. 10 further provided for any portion of a system not accepted by the GAC, the Administration had the ability to revise and resubmit the system, followed by another review and recommendation by the committee of jurisdiction and another vote by the GAC on whether to accept the revised system.

As a result of this process, all measures within the systems of accountability were finally accepted by the GAC. However, the GAC has discussed in this past year that some of the outcomes established by the act, and some of the measures previously accepted by the GAC, may no longer be appropriate or useful. Therefore, the GAC plans to review the outcomes and measures and determine which of those need to be brought up-to-date. In order to revise the outcomes and

measures, though, 2010 Acts and Resolves No. 68 would need to be amended. This is likely to be legislation that the GAC will pursue. If such legislation is enacted, it will also impact the QPRs since the QPRs gauge progress toward reaching the outcomes by using the measures.

Results-Based Accountability

The GAC has previously reported its belief that “Results-Based Accountability” (“RBA”) — a system of collecting data to measure whether goals are being met — should be embedded in the legislative process. The GAC specifically supports an approach to RBA whereby committees of jurisdiction, when taking testimony from programs using state funds, ask representatives of these programs the following questions:

- Who does your program serve?
- What does your program do? (And what do you need to do it?)
- How good a job is the program doing?
 - How much do you do?
 - How well do you do it?
 - Is anyone better off? (Who? How so?)
- What do you need to do to improve or strengthen?

The GAC supports RBA in the legislative process because it requires committees of jurisdiction to analyze whether state-funded programs are performing for their intended purpose. It is the GAC’s belief that RBA is already working to improve accountability elsewhere in the State. The Committee has taken testimony from Anne Lezak, Coordinator of Benchmarks for a Better Vermont (“BBVT”), which is part of Marlboro College. BBVT established a Performance Institute in which 17 small to midsize nonprofit organizations participated by using the RBA framework to help increase the performance of the nonprofits.

Moreover, RBA is already being used in state government by the Agency of Human Services. The Committee took testimony from the Secretary of Human Services about how RBA was helping the Agency evaluate what was needed to maintain existing services and what could be accomplished if money was spent better or more efficiently. The Agency turned to RBA as a tool to maximize the value of Vermont taxpayer dollars in light of federal budget cuts.

The RBA framework was designed by Mark Friedman, author of *Trying Hard is Not Good Enough*. The GAC is working to have Mr. Friedman present the RBA framework to the General Assembly at the beginning of the legislative session. His presentation would be followed by an individual RBA facilitator walking each committee of jurisdiction through the RBA process using a

state-funded program within the committee's jurisdiction, the performance of which the committee has chosen to review.

SPOTLIGHTVermont.gov

Another aspect of government accountability is transparency. The GAC believes that ensuring Vermonters can understand how their taxpayer dollars are spent is fundamental to transparency, and the new upcoming SPOTLIGHTVermont.gov website is a big step in this direction. As described in the Committee's November report, the GAC took testimony from the Deputy Commissioner of Finance and Management on the new SPOTLIGHTVermont.gov website, the development of which she has been managing. This website is designed to provide the state's financial information in one easy-to-access and user-friendly Internet location; is expected to come online soon; and will help Vermonters better understand how their money is being spent.

Genuine Progress Indicator

The GAC also looks forward to the development of the Genuine Progress Indicator ("GPI"). 2012 Acts and Resolves No. 113 provided for the establishment of the GPI, the purpose of which is to measure the State's economic, environmental, and societal well-being as a supplement to the measurement derived from the Gross State Product. GPI evaluates factors that GSP fails to consider, such as the value of volunteer services or the total monetary effect of cutting forested land. GPI has already been established in Maryland, and other states are becoming interested in establishing their own version. There is standard GPI methodology that Vermont's GPI will use, as well as Vermont-specific factors. States would be able to compare their GPI results.

The GPI will be established pursuant to a Memorandum of Understanding being negotiated between the Secretary of Administration and the Gund Institute for Ecological Economics of the University of Vermont (the "Gund Institute"). The GAC took testimony on the progress of establishing the GPI from Jon Erickson, Managing Director of the Gund and Eric Zencey, Gund's GPI Project Coordinator. Since the GPI shows the positive and negative effects of economic development, the GAC discussed that the GPI could be useful for pro-active state budgeting by budgeting for things that would help improve the State's GPI score. The Committee also compared GPI to RBA and discussed how GPI makes macro indicators, while RBA makes programmatic indicators. For example, GPI could evaluate the overall impact on money spent to clean up Lake Champlain, and RBA would evaluate the performance of a program designed for Lake cleanup.

The GAC supports the establishment of the GPI. Based on testimony, it is the GAC's understanding that the Gund Institute may need additional financial resources to establish the GPI, and the GAC recommends that funding be provided to the Gund for this purpose.

The GAC's Enabling Legislation

Finally, the GAC has discussed the provisions of 2 V.S.A. § 970, the enabling statute of the Committee. The GAC intends to propose legislation to amend the charge of the Committee; its membership; and reporting requirements.

The GAC looks forward to continuing to fulfill its main mission, which is to recommend mechanisms for state government to be more forward-thinking, strategic, and responsive to the long-term needs of Vermonters.