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Government Accountability Committee
January 2014 Report

Introduction

The Government Accountability Committee (GAC) promotes results-based accountability (RBA) as a tool to show taxpayers how their money is being spent to achieve desired outcomes; to assist the General Assembly in its decision making; and to help the Executive Branch evaluate the success of the programs it administers. RBA uses a system of collecting data to measure whether outcomes are being met¹. The GAC recommends RBA be embedded in State government to create a more efficient and effective government that is accountable to Vermonters.

This report sets forth the main activities and recommendations of the GAC. The GAC has taken testimony on and discussed the following issues, which will be detailed in this report:

- **RBA** as a framework/tool to measure whether goals are being met.
 - Recommendations: 1) The General Assembly use RBA in its decision making; 2) Legislators receive new training in RBA; and 3) Both Committees on Government Operations have jurisdiction

¹ RBA has been the subject of a book by Mark Friedman entitled "Trying Hard Is Not Good Enough." More information can be found at www.resultsaccountability.com

over the State's IT systems policies in order to evaluate the IT capability to provide the data necessary for RBA.

- **Determining and Reporting on Population-Level Outcomes and Indicators** to make government more accountable.
 - Recommendation: Vermont's current population-level outcomes and indicators continue to be refined to provide more meaningful information.
- **Nonprofits** and whether they should be required to use RBA as a condition of receiving a financial award from the State.
 - Recommendation: At this time, nonprofits not be required to use RBA as a condition of receiving a financial award from the State.
- **Genuine Progress Indicator (GPI)** and how it can be used as a tool to gauge the State's well-being.
 - Recommendation: A presentation on GPI be made to the General Assembly during the Consensus Revenue Forecast so that legislators can better understand the value of the GPI.

Results-Based Accountability

The GAC has been studying RBA over the course of several years; has concluded that RBA should be embedded in State government and has been planning how that should be accomplished; and has organized initial RBA training for legislators. It is now time to implement RBA in State government. While there are other systems of accountability that have a similar purpose, the

GAC has found that RBA is already being used successfully in some areas of Vermont State government and by nonprofits in Vermont. The GAC highly recommends that common language be used when there is a focus on results, and for Vermont, RBA provides this common language.

When practicing RBA in Vermont, the following common terms should be used:

- Population-level outcomes are policy results the General Assembly establishes for Vermonters. An example of a population-level outcome is “Pregnant women and children thrive.”
- Population-level indicators are data that gauge progress in reaching a population-level outcome. An example of a population-level indicator related to the outcome example given above is “Percent of women receiving prenatal and natal care.”
- Program-level performance measures are data that gauge the success of a program that is administered by the Executive Branch. An example of a program-level performance measure for a workforce training program could be the rate of trainees that become employed.

The Legislative Branch, as the branch that sets the policy for the State, establishes population-level outcomes and indicators. The Executive Branch, as the branch that administers the programs meant to carry out that policy, establishes program-level performance measures. The Executive Branch is tasked with providing the General Assembly with the data for population-level indicators and program-level performance measures so that the General

Assembly can evaluate whether appropriations are ultimately working to reach outcomes.

RBA is an important and straightforward tool and can be condensed into three main questions: 1) How much did we do? 2) How well did we do it? 3) Is anyone better off? The population-level indicators and program-level performance measures are used to support the answers to these questions, and these data can be analyzed over time to show whether a program is making a difference in the population it is meant to assist.

RBA has been shown to be a valuable tool to measure results in state government. Based on recent testimony to the GAC from Rep. Diana Urban of Connecticut, the Connecticut Legislature has been using RBA to make appropriation decisions with success. Also, Vermont's Agency of Human Services has embraced the RBA model, our Agency of Transportation is beginning to use it, and many Vermont nonprofits are analyzing their own performance with it. The GAC has been impressed with the strides these agencies and nonprofits are making in their use of RBA and encourages its continuance and growth.

The GAC specifically recommends that the General Assembly adopt the RBA methodology to focus on achieving results in State government. RBA can be especially helpful during the budget process so that the General Assembly can know whether appropriations it makes are actually making a difference in improving the lives of Vermonters.

The GAC supports the Performance Measure Pilot Project currently under way whereby during the 2014 session's budget process, 13 proposed program appropriations will be presented by the Executive Branch to the General Assembly in a format that will describe a pilot program's objective and three program-level performance measures. The program-level performance measures will help assist the General Assembly and Executive Branch evaluate a pilot program's success in meeting the program's objective, which will in turn assist the General Assembly in its decision making regarding that pilot program.

The GAC encourages this pilot project as a way to incorporate RBA in the legislative budget analysis. It is the GAC's recommendation that in the future, the General Assembly will use RBA to inform its budgetary decision making.

Legislators also need to have more training on how to use RBA in their legislative decision making. The GAC proposes that at least \$10,000.00 be appropriated for RBA training of legislators, which would cover the following:

- One three-hour training session on RBA basics. This session would be for approximately six to eight legislative committees and their staff, including the House and Senate Committees on Appropriations and those legislative committees that have jurisdiction over the programs participating in the Performance Measure Pilot Project. Each committee would have its own training session;

- One three-hour training session on using RBA to assess and improve program performance from a legislator’s perspective. This session would be for those committees that completed the training on RBA basics. The total number of these committees would be divided in half and there would be one session for each half;
- One two-day training session for RBA training of trainers. This session would be for two to three legislators who are already knowledgeable in RBA and who will serve as legislative “in-house” RBA experts in order to provide ongoing RBA guidance to legislative leaders and committee chairs;
- One half-day training workshop on using RBA to prepare for and hold effective legislative hearings. This workshop would be for up to 12 committee chairs or other interested legislators and up to 12 State agency, department, or program leaders. Attendees would learn how to use legislative hearings to track population-level outcomes and program performance;
- One two-hour training session to introduce freshmen legislators to RBA;
- Additional “next stage” training to assist in implementing RBA in the legislative process, which may include customized coaching for legislative committees and the use of RBA report cards; and
- Advanced coaching and training to further deepen and expand RBA in State government, which may include RBA training of additional trainers and RBA basic training for committees who have not yet received it.

Moreover, the data that are used to support RBA should be easily accessible. The GAC recommends that there be an evaluation of the State's IT capability to provide meaningful, accurate data to State agencies and to the General Assembly. House rules have recently been amended to give the House Committee on Government Operations the jurisdiction over the State's IT systems policies. The GAC suggests that Senate rules be similarly amended so that both the House and Senate Committees on Government Operations have the formal jurisdiction over the concept of providing public access to the State's data.

*Determining and Reporting on Population-Level Outcomes
and Indicators*

Part of the process in moving toward fully embracing RBA is agreeing on the right population-level outcomes for different areas of State government, and establishing the right population-level indicators that are necessary to gauge the State's progress in reaching those outcomes. Moreover, the average Vermonter should be able to review a report on the status of those population-level outcomes and indicators and understand why State funds are appropriated to programs that work effectively toward those outcomes.

The current method of quarterly reporting on population-level outcomes and indicators has proven to be unwieldy for both the General Assembly and the Executive Branch. House and Senate members of the GAC will be introducing legislation that would enact into law the current report's

fundamental population-level outcomes for different areas of State government; a legislative process to establish population-level indicators for those areas; and an annual report on the outcomes and indicators. Until any new population-level indicators are established by the bill's legislative process, the 31 population-level indicators that are set forth in this report as Attachment A would apply for each area of State government.

If enacted into law, this legislation will produce a better way to evaluate the results of how taxpayer dollars are spent. This improved method of evaluating results should allow the General Assembly to be more forward-thinking, strategic, and responsive to the long-term needs of Vermonters and allow the Executive Branch to consider how the programs it administers could be further refined in order to produce better results.

Nonprofits

Pursuant to 2 V.S.A. § 970(h), the GAC was required by January 15, 2014 to report its findings or recommendations on the following directives with which it was tasked:

- 1) Review whether and under what conditions or situations the State should provide funding, grants, or other financial awards to nonprofits subject to results-based accountability;
- 2) If it determines results-based accountability should be required of nonprofits as a condition of a financial award from the State, review whether a special fund should be created to provide nonprofits with funding to develop

the resources to support results-based accountability at an organizational level; and

3) If it determines that a special fund should be created, examine how the special fund would be financed.

The GAC has discussed and taken testimony on these directives and, while it fully encourages nonprofits to use results-based accountability — especially the RBA model — the GAC at this time does not believe results-based accountability should be required of nonprofits in order for them to receive financial awards from the State. This is because the consistent use of RBA has not yet been fully established within State government, and therefore it does not make sense at this time to mandate the use of RBA by nonprofits as a condition of financial award.

However, GAC encourages nonprofits to pursue training on RBA and to use this tool. GAC would also like to hear from the Agency of Human Services in 2014 on how it has used RBA with its nonprofit partners. And as State government increases its use of RBA, the tool becomes more likely to reach more of our community partners.

Genuine Progress Indicator

The steps to create Vermont's own Genuine Progress Indicator (GPI) were established pursuant to 2012 Acts and Resolves No. 113. It is the GAC's understanding that the GPI is still being developed, but the GAC does look

forward to its debut because it should be another tool to measure the well-being of the State.

The GAC recommends that there be a presentation on the GPI during the upcoming Consensus Revenue Forecast that will be made to the General Assembly. That way, legislators can understand the value that GPI might offer. The GAC looks forward to the GPI giving Vermonters another picture of the State's well-being that could help determine what should be done to improve our State.