



STATE OF VERMONT
GENERAL ASSEMBLY
GOVERNMENT ACCOUNTABILITY
COMMITTEE

To: Vermont General Assembly
From: Senator Snelling and Representative O'Brien, Co-Chairs, Government Accountability Committee
Date: January 15, 2016
Subject: Introduction to 2016 Government Accountability Committee Report

The Government Accountability Committee (GAC) was created in 2008 to focus specifically on establishing a system of greater accountability and effectiveness in State government. The Committee's charge was to investigate and recommend consistent improvements to long-term planning and budget accountability. Constant budget challenges have made it clear that it is the General Assembly's responsibility to demonstrate the result of tax dollars spent.

In the past eight years significant progress has been made. Agreement among the Legislative and Executive Branches and our community partners has created a solid structure of accountability based on outcomes and performance, using common language. Those discussions established a list of quality of life population-level outcomes that Vermont considers priorities.

The Committee respectfully proposes a central focus of the 2016 legislative session be about the priorities for government. The structure is in place, with a process that allows flexibility to accommodate new learning and best practices. It is critical that the General Assembly continue to seek full knowledge and accountability in all policy decisions.

Members of the Committee have introduced legislation in both Chambers — [H.521](#) and [S.198](#) — to make amendments to the population-level outcomes and their related indicators, and to further the collection of the data most informative to policy decisions in the General Assembly. **The Committee strongly recommends the passage of this legislation to improve and expand use of the common sense principles embedded in [3 V.S.A. § 2311](#) and in [2014, Act No. 186](#).**

We have worked closely with the Agency of Administration's Chief Performance Office, Sue Zeller, who has developed an initiative of over 60 programs across all areas, where the program staff have established performance measures, and all budget elements of the program have been determined.

Committees of jurisdiction are strongly encouraged to work with the performance accountability liaisons, designated under [3 V.S.A. § 2312](#), on a program in their policy area to understand better the benefits of using specific data analysis to achieve improved outcomes.

There are many success stories in government and the community that provide substantial evidence that using the principles of performance-based accountability improves outcomes.

The Committee strongly supports resources for the General Assembly, the Administration, and the community to continue to work collaboratively to achieve the best outcomes for Vermont.

We know the process works, and it is urgent that its practice be expanded.

Government Accountability Committee January 2016 Report

The GAC focuses on how Vermont State government can be more accountable to Vermonters. Pursuant to [2 V.S.A. § 970\(g\)](#), this reports sets forth GAC's activities and recommendations to the General Assembly. This report will detail the following issues:

1. Performance accountability in State government.

Recommendations:

- a. The General Assembly and the Executive Branch should continue to use results-based accountability (RBA) for the population-level outcomes as set forth in [3 V.S.A. § 2311](#) and for program-level results as used in the Executive Branch's Performance Budget.
- b. The General Assembly should enact the legislation proposed by the GAC that helps refine this performance analysis.
- c. Committees of jurisdiction should also consider what data are necessary to assist in performance analysis to aid in achieving the population-level outcomes.
- d. The LEAN process, piloted in ANR and AOT, should continue to be replicated throughout State government to assist in making government more effective through identifying and enacting process improvements.

2. Policy committees of jurisdiction using RBA to assist the budget process.

Recommendation: Committees of jurisdiction should analyze the performance of programs within their jurisdiction and prioritize the ones that are necessary to help the State reach its desired population-level outcomes.

3. Common language to discuss performance accountability.

Recommendation: Legislators should become familiar with performance

accountability terminology so that we are speaking the same language. We also recommend continued education for legislators on the population-level outcomes and indicators described in [3 V.S.A. § 2311](#) during new member orientation.

1. Performance Accountability in State Government

It is practically impossible to know whether taxpayer dollars are being spent effectively unless the State analyzes its performance using data that demonstrate the results of its previous spending. RBA is a type of performance analysis. The GAC has been working to establish RBA as a tool to assist State government to be more accountable to Vermonters. In a nutshell, RBA involves setting goals and then collecting and analyzing data to gauge the State's performance in meeting those goals. RBA is a tool that can be used for the State's overall population level (meaning, Vermonters as a whole, or certain overall populations of Vermonters, such as Vermont youth), as well as on the program level (meaning, individual programs). Analysis of past performance — and basing future decisions on that analysis — helps make government more accountable to the people of Vermont.

Over the past two years we have been successful with the creation of statewide population level outcomes and indicators, which are discussed later in this section. There is still more work to be done to ensure that the data and systems in State government provide meaningful indicator data that are useful to drive decisions.

Performance accountability is at the heart of the GAC's charge. GAC members in both chambers have introduced legislation to amend GAC's charge to provide greater oversight over the State's performance.¹

¹ The Senate version is [S.198](#); the House version is [H.521](#).

Additional resources and investments are necessary to help keep performance accountability functioning. Performance accountability is needed most when the State budget is constrained, but that is also a time when it is difficult to make that type of appropriation. However, performance accountability has been demonstrated to make the State more effective and at the same time save costs. For example, the Department of Environmental Conservation recently used LEAN — another type of performance accountability that helps improve system operation — with a result of approximately \$1.1 million in savings.

A. Population Level

In 2014, as a result of GAC legislation enacted as [Act No. 186](#), the General Assembly codified [3 V.S.A. § 2311](#). This statute does several important things for the State's performance analysis on the population level. First, it established the following State population-level *outcomes*:

1. Vermont has a prosperous economy.
2. Vermonters are healthy.
3. Vermont's environment is clean and sustainable.
4. Vermont's communities are safe and supportive.
5. Vermont's families are safe, nurturing, stable, and supported.
6. Vermont's children and young people achieve their potential, including:
 - a. Pregnant women and young people thrive.
 - b. Children are ready for school.
 - c. Children succeed in school.
 - d. Youths choose healthy behaviors.

- e. Youths successfully transition to adulthood.
- 7. Vermont's elders and people with disabilities and people with mental conditions live with dignity and independence in settings they prefer.
- 8. Vermont has open, effective, and inclusive government at the State and local levels.

It also codified a process to establish *indicators* — which are data — that help gauge the State's progress in reaching these outcomes. For example, median household income is an indicator for the outcome that Vermont has a prosperous economy.

Most importantly, the statute requires the Agency of Administration's Chief Performance Officer to report annually on the State's progress in reaching the outcomes using the indicators. The 2015 report can be found [here](#). Over time, this annual report will help the General Assembly identify trends in how we are performing as a State by showing areas in which the State is performing well, and areas that need improvement.

The GAC recommends that the General Assembly enact the GAC's 2016 legislation, which would also make several amendments to this annual report. This legislation would amend one of the outcomes regarding Vermont's having an open, effective, and inclusive government, and add another outcome regarding Vermont's State infrastructure's meeting the needs of Vermonters, the economy, and the environment. The legislation would also amend some of the indicators that inform these outcomes, and amend the process by which the indicators may be revised.

The GAC also strongly recommends that committees of jurisdiction review the indicators so that the General Assembly has the most informative data available. For example, one outcome is that "Vermont's environment is clean and sustainable." In its

legislation, the GAC recommends that the indicator “total number of days with air quality alerts” be added to inform that outcome. The GAC asks committees with jurisdiction over natural resources to determine whether there are other, better indicators that would help gauge the State’s progress in reaching a clean and sustainable environment. The GAC requests committees with jurisdiction over the other outcomes to conduct similar indicator reviews. Developing the right data is an extremely important aspect of performance analysis.

B. Program Level

[32 V.S.A. § 307\(c\)\(2\)](#) requires the Governor’s budget to include a description of “program performance measures used to demonstrate output and results.” This budget requirement is being met in part with the help of the Executive Branch’s Performance Budget, through which programs present to the House and Senate Committees on Appropriations *performance measures*, which are data that help demonstrate the *results* of programs. This is how RBA can assist performance analysis on the program level.

For FY16, there were 41 programs in 31 departments that presented performance measure data as part of their budget process. The FY16 performance measure data for those programs can be found [here](#). It is expected that for FY17, even more programs will present performance measure data during the budget process so that the Committees on Appropriations can analyze how well these programs are performing, which in turn assists them in making budgetary decisions.

2. Policy Committees of Jurisdiction Using RBA to Assist the Budget Process

The Committees on Appropriations need the input from the policy committees of jurisdiction during the budget process. The Committees on Appropriations are

responsible for understanding and formulating the State budget to meet the needs necessary to implement the policy decisions of the General Assembly. The standing committees of jurisdiction have the specific policy knowledge that must inform budget priorities. RBA is an excellent tool to bring policy and budgeting together for the common purpose of effectively meeting Vermonters' needs.

The GAC recommends that each policy committee of jurisdiction review the State's programs within its jurisdiction, and analyze whether the goal of each program helps support one of the outcomes set forth in [3 V.S.A. § 2311](#). Next, the GAC recommends that the committee prioritize those programs. This prioritization can happen with the help of three questions commonly used in RBA's performance analysis:

- 1) How much did we do?
- 2) How well did we do it?
- 3) Is anyone better off?

If it needs assistance in these exercises, a committee can request the help of a legislator who is trained in facilitating performance analysis. The committees with jurisdiction over the State's policies should play this important role in the work of the Committees on Appropriations to help ensure that our State budget is policy-driven and is meeting the long-term needs of Vermonters.

3. Common Language to Discuss Performance Accountability

Finally, the GAC recommends that legislators become familiar with performance accountability terminology so that we are using common language. In 2015, the General Assembly enacted [Act No. 11](#), which was a bill sponsored by GAC members that amended our statutes containing performance accountability language, so that this

terminology is being used consistently in law. Legislators should likewise use that common language. Below please find a mini-glossary that should help legislators become familiar with the main performance analysis terms that apply on the population level and program level.

Population Level Terms

- Outcome: A shared priority for the well-being of all Vermonters.
 - For example, “Vermont’s communities are safe and supportive.”
- Indicator: Data that helps measure the State’s progress in reaching a population-level outcome.
 - For example, “rate of violent crime per 1,000 crimes” is an indicator for the outcome that Vermont’s communities are safe and supportive.

Program Level Terms

- Performance Measure: Data that helps inform how well a program is performing.
 - For example, “successful completion rate of Court Diversion cases” is a performance measure established by the Judicial Branch for its Court Diversion Program.
- Result: What a program actually produced.
 - For example, in FY14, the Court Diversion Program had an 81 percent successful completion rate of Court Diversion cases.