



STATE OF VERMONT
GENERAL ASSEMBLY
GOVERNMENT ACCOUNTABILITY
COMMITTEE

Government Accountability Committee
January 2016 Report

Introduction

The Government Accountability Committee (GAC) continues to focus on how Vermont State government can be more accountable to Vermonters. Over the past two years we have been successful with the creation of statewide population outcomes and indicators. There has been significant progress toward our goal of developing a system for accountability reporting as evidenced by the recent report from the Chief Performance Officer; the 2015 report can be found [here](#). There is still more work to be done to ensure the data and systems in State government provide meaningful indicator data that is useful to drive decisions.

It is difficult 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. The GAC has been working to establish results-based accountability (RBA) as a tool to assist State government to conduct this performance analysis. 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 outcomes, as well as for program-level results. Analysis of past performance — and basing future decisions on that analysis — helps make government more accountable to the people of Vermont.

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. Current use of performance accountability in State government.

Recommendation: The General Assembly and the Executive Branch should continue to use RBA for the population-level as set forth in 3 V.S.A. § 2311 and for the program-level as used in the Vantage Performance Budget in accordance with 32 V.S.A. § 307(c)(2). Relatedly, the General Assembly should enact the legislation proposed by the GAC that helps refine this performance analysis. Committees of jurisdiction should also consider what data are necessary to assist in performance analysis.

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

Recommendation: In order to ensure that budget appropriations are policy-driven, not money-driven, 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 outcomes.

3. Using performance accountability terminology consistently.

Recommendation: Legislators should become familiar with performance accountability terminology so that we are speaking the same language. Toward that goal, we also recommend continued education on the performance accountability focus in 3 V.S.A. § 2311 for members of the General Assembly during new member orientation.

1. Current Use of Performance Accountability in State Government

A. Overview

Using RBA, the State's performance is evaluated at two different levels: population-level (meaning, Vermonters as a whole, or certain overall populations of Vermonters, such as Vermont youth) and program-level (meaning, individual programs).

The General Assembly, as the Legislative Branch, sets the policy for the State. By the laws it enacts, it sets the course for the population-level, and funds programs that support the population-level outcomes. The Executive Branch implements legislative policy by administering the programs that contribute to population-level outcomes.

Performance accountability is at the heart of the GAC's charge. In 2016, GAC members in both chambers will introduce legislation to amend GAC's charge to provide greater oversight over the State's performance.¹

B. Population-Level

In 2014, as a result of GAC legislation, the General Assembly enacted [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 *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.

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

- 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. 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.

C. Program-Level

As previously discussed, the General Assembly funds programs, but the Executive Branch administers them. [32 V.S.A. § 307\(c\)\(2\)](#) has required 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 Vantage 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 31 programs 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

However, the Committees on Appropriations need the help of the policy committees of jurisdiction during the budget process. While the Committees on Appropriations are tasked with understanding and formulating the State's budget, the policy committees of jurisdiction have the policy knowledge that should be helping to drive the budget. 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, understanding our budget constraints, the GAC recommends that the committee prioritize those programs between those that must be funded, and those that the committee would like to be funded. 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?

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. *Using Performance Accountability Terminology Consistently*

Finally, the GAC recommends that legislators become familiar with performance accountability terminology so that we are speaking the same language when analyzing the State's performance. 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

- **Indicator**: Data that helps gauge 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.
- **Outcome**: A goal for the State's population-level.
 - For example, "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.