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STATE OF VERMONT
GENERAL ASSEMBLY
Government Accountability Committee

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To: Vermont General Assembly
From: Government Accountability Committee
Date: [TBD]
Subject: January 2017 Report

I. Introduction

The Government Accountability Committee (GAC) focuses on how Vermont State government can be more accountable to Vermonters. Pursuant to [2 V.S.A. § 970\(g\)](#), this annual report sets forth GAC's activities and recommendations to the General Assembly. Below you will find a summary of the topics and recommendations discussed in this report, with details on these topics and recommendations provided following this summary.

(1) Current RBA framework set forth in [3 V.S.A. § 2311](#).

Recommendations:

(a) The General Assembly and the Executive Branch should make it a priority to analyze the annual report on State outcomes and indicators that is submitted by the Chief Performance Office (CPO) in accordance with [3 V.S.A. § 2311](#).

(b) These two branches should make it a priority to use the information in that State outcomes report to help inform the development of the budget process.

(c) Legislative policy committees should use this information to help them determine whether legislation is necessary to improve outcomes for areas within their jurisdiction.

(d) The State should have a strategic plan that is based on the outcomes set forth in [3 V.S.A. § 2311](#).

(2) Indicator review; data development.

Recommendations:

(a) Legislative policy committees of jurisdiction, particularly the House and Senate Committees on Education, should review the current indicators for each outcome set forth in [3 V.S.A. § 2311](#) and — in consultation with the Executive Branch’s performance accountability liaisons (PALs) — recommend to the GAC revisions to the indicators in any instances in which there is better data available to help measure the State’s progress in reaching those outcomes.

(b) Agencies should consult with stakeholders to consider and recommend indicators for outcomes.

(3) Review of the Governor’s Programmatic Performance Measure Budget.

Recommendation: The Committees on Appropriations should continue to require agencies to present performance measure data for their programs as part of the agencies’ budget presentations, and legislative policy committees should also familiarize themselves with that data applicable to their jurisdiction, in order for all legislative

committees to understand the collective impact that the State’s investments and policies have on Vermonters.

(4) Additional tools for performance accountability in State government.

Recommendation: State government should expand the use of additional tools for performance accountability — such as the LEAN process and the Genuine Progress Indicator — to help make it more accountable to Vermonters.

(5) RBA training.

Recommendation: Legislators, especially those who are newly-elected, should receive an RBA briefing to help them understand how to be accountable to Vermonters by measuring the State’s results. The House Speaker and the Senate President *Pro Tempore* should make this RBA briefing available to all legislators during the first week of session. This briefing could be provided by legislators trained in RBA, the CPO, PALs, or an outside consultant, or some combination thereof.

(6) GAC-sponsored legislation.

Recommendation: The General Assembly should enact legislation sponsored by GAC members that proposes to amend the State’s outcomes **[and GAC’s charge, and other changes, as determined by the GAC at future meetings]**.

II. Overview of GAC’s Purpose and Charge and the State’s Current Use of RBA

The GAC was created in 2008 to focus specifically on establishing a system of greater accountability and effectiveness in State government.

GAC’s charge is set forth in [2 V.S.A. § 970](#). This statute requires the GAC to “recommend mechanisms for State government to be more forward-thinking, strategic,

and responsive to the long-term needs of Vermonters” and provides ten specific tasks in pursuit of this goal. These tasks include determining that data-based program-level performance measures have been adopted for programs, assessing the effectiveness of population-level indicators in measuring progress in achieving population-level outcomes, and revising those indicators as necessary.

In order to enhance government accountability, GAC has been focusing on results-based accountability (RBA). To summarize, RBA involves setting goals; using data to measure progress in reaching these goals; analyzing how that data changes over time; and determining what changes need to be made in order to improve that data and to therefore make progress in reaching the goals.

In State government, RBA can be used at the population level (meaning Vermonters as a whole, or specific segments of Vermonters, such as youth) and the program level (meaning State programs). Different terminology is used at the two levels. On the population level, the State has set “outcomes” (goals) for our populations, and “indicators” (data) help measure the State’s progress in reaching the outcomes. On the program level, “performance measures” (data) help demonstrate a program’s “results” (and therefore, how well a program is performing in pursuance of its goals).

This report will elaborate on the use of RBA in State government as it provides details for the topics and recommendations described in the report’s introduction.

III. Current RBA Framework Set Forth in [3 V.S.A. § 2311](#)

A. Summary

In 2014, the General Assembly enacted [Act No. 186](#), which codified in [3 V.S.A. § 2311](#) an RBA process for the population level. In that statute, the General Assembly established the following nine 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 with a supported, motivated, and accountable State workforce.
- (9) Vermont's State infrastructure meets the needs of Vermonters, the economy, and the environment.

2014's Act No. 186 also established initial population-level indicators that help measure the State's progress in reaching those outcomes. Those indicators were subsequently revised by the General Assembly via [2016, No. 124, Sec. 3](#), but the GAC has also revised those indicators using the process set forth in [3 V.S.A. § 2311\(c\)](#) that allows the GAC to do so. A current list of the indicators for each outcome is attached to this report as **Attachment A**.

Pursuant to [3 V.S.A. § 2311\(a\)](#), the Agency of Administration's Chief Performance Officer (CPO) annually reports on these indicators by September 30th. A link to the CPO's 2016 annual report can be found [here](#).

B. Recommendations

(a) *The General Assembly and the Executive Branch should make it a priority to analyze the annual report on State outcomes and indicators that is submitted by the CPO in accordance with [3 V.S.A. § 2311](#). This annual report contains hard data that helps demonstrate the current state of Vermont's populations. For example, we all want Vermonters to be healthy (Outcome #2). But what does our current health look like? The indicators in the CPO's report demonstrate different aspects of our health, such as the number of people who are homeless and the percent of adults who are obese. The CPO's report includes data on these indicators for 2016, but also from previous years, so that the two branches are able to see how this data changes over time. The branches' analysis of this data should help them determine areas of Vermont's quality of life in which the State is performing well, but also, areas in which the State needs to improve.*

(b) *These two branches should make it a priority to use the information in that State outcomes report to help inform the development of the budget process.*

Understanding the areas in which the State is performing well — and not so well — should help the branches formulate the State budget. For example, if the indicator data shows that **the percent of public drinking water supplies in compliance with health-based standards [should another indicator be used? Substitute another indicator after review of the CPO report?]** has decreased over time, that may be a signal that more money should be appropriated to address that issue. On the other hand, the branches might find that the **recidivism rate [same question]** has improved, but that might be a reason to continue to fund recidivism programs at the current or even a higher rate, because those programs are working.

(c) *Legislative policy committees should use this information to help them determine whether legislation is necessary to improve outcomes for areas within their jurisdiction.* Not only is this indicator data important for the work of the legislative money committees that recommend the State budget, but it should also prove useful for legislative policy committees, which recommend the programs that, if enacted, the money committees propose to fund. The policy committees should use the CPO report to identify areas in which the State is performing well — and those areas that aren't — in order to recommend to the General Assembly how the State's policies should change so that the State can provide better results to Vermonters.

(d) *The State should have a strategic plan that is based on the outcomes set forth in [3 V.S.A. § 2311](#).* Finally, as the branch of State government that sets the policy for the State, the General Assembly has enacted the nine outcomes in 3 V.S.A. § 2311 to

essentially say, “This is what we want Vermont to be.” For example, taking the first three outcomes, the General Assembly has established that it wants Vermont to have a prosperous economy, it wants Vermonters to be healthy, and it wants Vermont’s environment to be clean and sustainable. Any Governor’s strategic plan should therefore align with the General Assembly’s established outcomes, so that both the Legislative and Executive Branches are working toward the same goals for the State.

IV. Indicator Review; Data Development

A. Summary

As discussed above, [3 V.S.A. § 2311\(c\)](#) provides a process that allows GAC to revise the indicators that help inform the State’s progress in reaching the State’s nine population-level outcomes. This process allows a legislative policy committee or the CPO to submit to the GAC a request that an indicator be revised. If that request is approved by the GAC, the CPO will report on that revised indicator in the CPO’s next annual report. This flexibility in revising indicators is important because the goal is to have the best, most informative data possible to help gauge the State’s success in reaching the outcomes, and sometimes it becomes evident that there is better data available for this purpose than what is set forth in our current indicators.

GAC has taken testimony on what constitutes an effective indicator. Generally speaking, an indicator should have effective communication, proxy, and data power. “Communication power” means the indicator communicates to a broad and diverse audience. “Proxy power” means the measure says something of central importance about the desired result. “Data power” means the data is timely, reliable, and consistent.

Moreover, it is important to not have too many indicators for an outcome. GAC has been reviewing each outcome's indicators with a goal of having three to five indicators per outcome, so that a person can more easily analyze the State's progress in reaching each outcome by reviewing the most important, communicative, and reliable pieces of data.

However, in considering indicator revisions, GAC needs to hear from legislative policy committees, agencies in the Executive Branch, and stakeholders, all of whom have the subject-matter expertise necessary to assist GAC in choosing the best data available.

B. Recommendations

(a) *Legislative policy committees of jurisdiction, particularly the House and Senate Committees on Education, should review the current indicators for each outcome set forth in [3 V.S.A. § 2311](#) and — in consultation with the Executive Branch's performance accountability liaisons (PALs) — recommend to the GAC revisions to the indicators in any instances in which there is better data available to help measure the State's progress in reaching those outcomes.* The policy committees and the PALs know their subject matter the best. It is imperative that these entities work together and with the GAC to help find the best data for State government to be accountable to Vermonters.

The House and Senate Committees on Education are specifically referenced in this recommendation because most of the education-related indicators are under Outcome #6 (Vermont's children and young people achieve their potential), which is such a large outcome that it has five suboutcomes. In particular, Suboutcome #6(E) (youths successfully transition to adulthood) appears to have several somewhat repetitive indicators with little distinction among them. It is GAC's understanding that the Agency

of Education has found it challenging to report on the indicators for which it collects data and, coupled with the concern that too much data can impede an overall understanding of how well the State is performing in a quality of life outcome, the GAC believes education is an area that is ripe for review.

(b) *Agencies should consult with stakeholders to consider and recommend indicators for outcomes.* Stakeholders in the private sector partner with State government to help improve the State's outcomes. These stakeholders have the experience and expertise to make recommendations regarding indicators within their practice area. Their work with Vermonters and on issues affecting the State make them important partners in the State's work to improve outcomes. Their hands-on knowledge and feedback to the State is very important in establishing the best data to help the State be more accountable to Vermonters.

V. Review of the Governor's Programmatic Performance Measure Budget

A. Summary

In addition to population-level accountability, the State has made progress in program-level accountability. [32 V.S.A. § 307\(c\)](#) — a statute regarding the form of the Governor's proposed State budget — requires the Governor to provide in that budget a description of program performance measures that demonstrate the results of programs. The Governor has been fulfilling this requirement with a Programmatic Performance Measure Budget Report; for example, see the 2017 Budget Report [here](#).

The Governor's report has been an excellent tool for the House and Senate Committees on Appropriations. When State agencies testify to those committees

regarding their budget proposals, they are able to use the report's performance measure data to demonstrate the results of their programs.

For example, the Attorney General's Office provides the following performance measure data on its Court Diversion Program: 1) the percentage of successful completion of that program; 2) the percentage of successful completion of the Youth Substance Abuse Safety Program; and 3) the percent of victim restitution paid. The Office provides data for these performance measures from Fiscal Year 2014 through the Fiscal Year 2017 budget, so that the Committees on Appropriations can analyze the results of this program over time. Moreover, like other programs, the Office provides a written narrative that describes the program and who it serves, and that explains trends.

The data provided in the Governor's report can help agencies justify their budget proposals. But that data can also be useful for the money and policy committees to identify programs that may be working as desired, or that may need further review.

B. Recommendation

The Committees on Appropriations should continue to require agencies to present performance measure data for their programs as part of the agencies' budget presentations, and legislative policy committees should also familiarize themselves with that data applicable to their jurisdiction, in order for all legislative committees to understand the collective impact that the State's investments and policies have on Vermonters. The more informed legislative committees are in regard to how well programs are performing, the better they will understand the impact of the legislative decisions they make. This in turn should result in better future decision making, which in turn helps make State government more accountable to Vermonters.

VI. Additional Tools for Performance Accountability in State government

A. Summary

RBA is not the only performance accountability tool available to State government. For example, LEAN is a tool that focuses on eliminating waste in the business process. LEAN was successfully used by the Department of Environmental Conservation to improve the way it manages its duties.

Moreover, in [2012, Act No. 113](#), the General Assembly required the Secretary of Administration to enter into a memorandum of understanding with the Gund Institute to establish a Genuine Progress Indicator (GPI) for Vermont. As provided in that act, the purpose of the GPI is to measure the State's economic, environmental, and societal well-being as a supplement to other measurements, such as gross domestic product. It is the GAC's understanding that the GPI is still in the process of being developed, and the GAC looks forward to how this tool can assist State government.

B. Recommendation

State government should expand the use of additional tools for performance accountability — such as the LEAN process and the Genuine Progress Indicator — to help make it more accountable to Vermonters. The State should continue to research how it can demonstrate what it is doing to improve the well-being of Vermonters, and to implement tools that help make government more effective.

VII. RBA Training

A. Summary

Because our RBA process has been codified in the law and is being used as part of our budget process, legislators should familiarize themselves with how this process works, and the benefits it provides.

B. Recommendation

Legislators, especially those who are newly-elected, should receive an RBA briefing to help them understand how to be accountable to Vermonters by measuring the State's results. The House Speaker and the Senate President Pro Tempore should make this RBA briefing available to all legislators during the first week of session. This briefing could be provided by legislators trained in RBA, the CPO, PALs, or an outside consultant, or some combination thereof. Legislators should understand what our outcomes are and how data can show how well the State is performing in reaching those outcomes. Moreover, legislators should understand that program results can be measured, and that RBA is a method to help determine whether programs are performing the way they are intended. This information will help legislators make decisions regarding what State government needs to do to improve the well-being of Vermonters, and will demonstrate to Vermonters that State government is focusing on long-term solutions that should help improve their quality of life.

VIII. GAC-Sponsored Legislation

A. Summary

GAC members in both chambers will be sponsoring legislation during the 2017-2018 session that will recommend several amendments to the outcomes set forth in [3 V.S.A. § 2311\(b\)](#), as well as amendments to the GAC's charge [*this is TBD; GAC should review its charge to see if it would like to recommend any amendments*].

[*Further describe the purpose of these proposed amendments; for ex., potential amendments to the outcomes should become clearer after the GAC's 10/5/16 meeting.*]

B. Recommendation

The General Assembly should enact legislation sponsored by GAC members that proposes to amend the State's outcomes [and GAC's charge, and other changes, as determined by the GAC at future meetings]. These changes are being proposed by GAC members with the overall goal of enhancing the State's accountability.

IX. Conclusion

In conclusion, the GAC hopes that this report, the GAC's work and focus, and its proposed legislation will help the GAC fulfill its mission set forth in [2 V.S.A. § 970\(a\)](#) to be "more forward-thinking, strategic, and responsive to the long-term needs of Vermonters." The GAC encourages legislators, the Executive and Judicial Branches, stakeholders, and other members of the public to contact GAC members or attend a GAC meeting to learn more about the work of this committee. Thank you.

ATTACHMENT A:

*Current Outcomes and Indicators as of September 7, 2016***(1) Vermont has a prosperous economy.**

- (A) percent or rate per 1,000 jobs of nonpublic sector employment;
- (B) median household income;
- (C) median house price;
- (D) rate of resident unemployment per 1,000 residents;
- (E) annualized unemployment rate;
- (F) average wage;
- (G) percent of population living below the federal poverty, below 200% of the federal poverty level, and below 400% of the federal poverty level (children, adults, people with disabilities of working age, and adults over age 65);
- (H) gross domestic product;
- (I) gross domestic product per capita;
- (J) increase in gross working lands income over previous year, for grantees of Working Lands Program;
- (K) percent of total farm sales;
- (L) percent of fruit and vegetable farms by sales outlet; and
- (M) number of farmers' markets.

(2) Vermonters are healthy.

- (A) percent of adults 20 years of age and older who are obese;
- (B) percent of adults who smoke cigarettes;
- (C) percent of Vermonters age 65 and older who drink alcohol at a level of risk;
- (D) percent of persons age 12 and older who need and do not receive alcohol treatment;
- (E) percent of persons age 12 and older who need and do not receive treatment for illicit drug use;
- (F) percent of persons age 12 and older who misused a prescription pain reliever in the past year;
- (G) number of persons who are homeless (adults and children);
- (H) percent of adults age 18–64 with health insurance;
- (I) percent of children age 17 and younger with health insurance;
- (J) rate of suicide per 100,000 Vermonters;
- (K) fall-related death per 100,000 adults age 65 and older;
- (L) percent of adults with any mental health condition receiving treatment; and
- (M) number of Vermont food recall incidents.

(3) Vermont's environment is clean and sustainable.

- (A) percent of public drinking water supplies in compliance with health-based standards;
- (B) total greenhouse gas emissions per capita, in units of annual metric tons of equivalent carbon dioxide per capita;

- (C) percent of Vermont retail electric sales from renewable energy;
- (D) percent of Vermont’s inland waters that meet State water quality standards;
- (E) percent of Lake Champlain that meets State water quality standards;
- (F) changes in total phosphorus loading to the segments of Lake Champlain from Vermont source;
- (G) total number of days with air quality alerts;
- (H) disposal rate of municipal solid waste in pounds per person per day; and
- (I) total number of acres that have been or will be cleaned up or redeveloped based on sites enrolled in the Brownfields Program.

(4) Vermont’s communities are safe and supportive.

- (A) rate of petitions granted for relief from domestic abuse per 1,000 residents;
- (B) rate of violent crime per 1,000 crimes;
- (C) rate of sexual assault committed against residents per 1,000 residents;
- (D) rate of reports of abuse, neglect, and/or exploitation of vulnerable adults recommended for substantiation per 1,000 vulnerable adults;
- (E) percent of residents living in affordable housing;
- (F) recidivism rate;
- (G) incarceration rate per 100,000 residents; and
- (H) number of first-time entrants into the corrections system.

(5) Vermont’s families are safe, nurturing, stable, and supported.

- (A) rate of substantiated reports of child abuse and neglect per 1,000 children;
- and
- (B) rate of children and youth in out-of-home care per 1,000 children and youth.

(6) Vermont’s children and young people achieve their potential, including:

(A) Pregnant women and young people thrive.

- (i) percent of women who receive first trimester prenatal care;
- (ii) percent of live resident births that are preterm (less than 37 weeks); and
- (iii) rate of infant mortality per 1,000 live births.

(B) Children are ready for school.

- (i) percent of children age 19–35 months receiving recommended vaccines;
- (ii) percent of children ready for school in all four domains of healthy development; and
- (iii) percent of children receiving child care subsidy attending high quality early childhood programs.

(C) Children succeed in school.

- (i) rate of school attendance per 1,000 children;
- (ii) percent of children below the basic level of fourth grade reading achievement under State standards; and
- (iii) rate of high school graduation per 1,000 high school students.

(D) Youths choose healthy behaviors.

- (i) rate of pregnancy per 1,000 females age 15–17;
 - (ii) rate of pregnancy per 1,000 females age 18–19;
 - (iii) percent of adolescents in grades 9–12 who smoke cigarettes;
 - (iv) percent of adolescents in grades 9–12 who used marijuana in the past 30 days;
 - (v) percent of adolescents age 12–17 binge drinking in the past 30 days;
 - (vi) number of youth age 17 and younger found delinquent by Family Court;
- and
- (vii) number of youth age 17 and younger who are under the supervision of the Department of Corrections;
 - (viii) percent of adolescents age 12–21 who are enrolled in Medicaid and had one or more well-care visits with a primary care provider or OB/GYN during the measurement year; and
 - (ix) percent of adolescents in grades 9–12 who had a suicide attempt that required medical attention.

(E) Youths successfully transition to adulthood.

- (i) percent of high school seniors with plans for education, vocational training, or employment;
- (ii) percent of graduating high school seniors who continue their education within six months of graduation;
- (iii) percent of students who graduated with a regular high school diploma and enrolled in postsecondary education within 16 months after high school graduation;
- (iv) percent of students who graduated with a regular high school diploma and enrolled in postsecondary education within 16 months after high school graduation, and persisted in postsecondary education for at least three semesters within two academic school years; and
- (v) percent of students who graduated with a regular high school diploma and enrolled in postsecondary education within 16 months after high school graduation, and graduated from an institution of higher education within six academic school years.

(7) Vermont’s elders and people with disabilities and people with mental conditions live with dignity and independence in settings they prefer.

- (A) employment rate of people age 65 years and older; and
- (B) employment rate of people with disabilities who are of working age.

(8) Vermont has open, effective, and inclusive government with a supported, motivated, and accountable State workforce.

- (A) percent of State employees participating in the voluntary employment engagement survey who responded that:
 - (i) they are satisfied overall with their job;
 - (ii) they would recommend the State as a great place to work;
 - (iii) they are encouraged to share ideas on efficiency;
 - (iv) their supervisor regularly provides timely and useful feedback; and
 - (v) their performance evaluations are completed annually;

- (B) percent of State employees who voluntarily leave State service;
- (C) percent of registered voters voting in the general election;
- (D) percent of State contracts that include performance measures;
- (E) percent of grants awarded that include performance measures;
- (F) number of Lean events successfully completed;
- (G) percent of juvenile abuse and neglect cases disposed or otherwise resolved within established timeframe of 98 days;
- (H) percent of criminal felony cases disposed or otherwise resolved within timeframe of six months (180 days); and
- (I) percent of criminal misdemeanor cases disposed or otherwise resolved within established timeframe of four months (120 days).

(9) Vermont's State infrastructure meets the needs of Vermonters, the economy, and the environment.

- (A) percent of Vermont covered by state-of-the-art telecommunications infrastructure; and
- (B) percent of structurally-deficient bridges, as defined by the Agency of Transportation.

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