



RESULTS-BASED ACCOUNTABILITY NEWSLETTER

A CULTURE OF CONTINUOUS IMPROVEMENT

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...Oh, no! Not another methodology for measuring performance, strategic planning and budgeting! Why do we keep having to reinvent the wheel? We start one, throw it out and start another - yikes!

Hopefully, those days are behind us. The statutory Population-Level Outcomes, associated Indicators and requirement for Programmatic Performance Measures as part of the Budget process are all part of the same effort.

The Outcomes are at a level high enough to be truly representative of "What Government Does" in serving citizens, beneficiaries, taxpayers and our employees. Strategic plans will fit easily under these Outcomes. From time to time, certain programs or

special initiatives may rise to become a top priority. Those too, will fit under the overall umbrella of the Outcomes.

Our historical (or hysterical?) approach to performance management has been one that comes and goes. An Administration starts one, and another eliminates it. In order to truly imbed performance management into the "DNA" of state government operation, ideally, it would become a named program, with appropriate staffing and funding resources and a driving mindset of **Continuous Improvement (CI)**. The CI mindset must be adopted, supported, nurtured and encourage to grow. CI should be a natural part of managing operations, and programs, providing service, and developing policies

and procedures. Everyone, from the staff accepting client calls, or public inquiries, to Executive Branch managers and Legislators, need to keep open minds and asking themselves: Is there a better, faster, less burdensome way to: do this task; deliver this service; process this application; change this policy; or help this person?

Continuous Improvement is a way of thinking, a commitment to making things better...a **CULTURE**. CI comes with a toolbox filled with any number of different tools to use. No idea is a bad idea... regardless of whether an idea will work or not - keep thinking!

How do we imbed such a culture in a complex and always

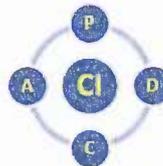
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"You can't measure what you do not have data for. And, you can't improve what you can't measure."

TOOLS IN VERMONT'S CONTINUOUS IMPROVEMENT TOOLBOX

The Continuous Improvement Toolbox includes tools directed at Performance Management and Process Improvement. These tools come in many shapes and sizes. They have one thing in common - they are all focused on improving results through the monitoring of data, comparing to benchmarks, collaboratively sharing ideas that work across department and programs, and striving for the most efficient operations possible.

Most CI methodologies share a basic process of Plan, Do, Check and Act.



In Vermont, we are using the following tools:

Results-Based Accountability™ (RBA), is a disciplined way of thinking and taking action that states, municipali-

ties and organizations can use to improve the lives of children, youth, families, adults, customers and, the community or organization, as a whole. RBA is the primary methodology used to develop Population-Level Outcomes and Indicators. By using the Turn-The-Curve exercise tool, organizations can analyze ways to improve their results in their programs or services. In Vermont, we currently monitor and report on nine (9) Outcomes and almost eighty

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*** RBA ***

Outcome/Result:

a condition of well-being for children, adults, families, and communities.

"Outcome" is generally used at the population level. When delving down to the department or program level, "result or goal" may be substituted.

Indicator/ Benchmark:

a measure that helps quantify the achievement of an outcome/results/goal.

Performance Measure:

a measure of how well a program, agency, department, or division is working. There are three types of performance measures, the most important of these are #3 and #2, respectively:

- 1) "How much did we do" (effort/ quantity);
- 2) "How well did we do it" (effort/ quality); and
- 3) "Is anyone better off" (effect/ quantity/ quality).

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changing organization such as the State of Vermont government? The answer is with commitment at all levels.

A clear commitment from the Governor, Executive Branch Management and the Legislature is critical - as is the commitment to support the resources needed to collect, analyze and report on the data. You can't measure what you do not have data for. And, you can't improve what you can't measure.

To succeed, CI does not need to be made up of earthshattering and costly changes. Small, baby step changes cost little and may yield great results. Keeping CI close to

the line-staff, who best know the programs and workflows, facilitates acceptance among staff and can be very empowering and fun.

"You can't measure what you do not have data for. And, you can't improve what you can't measure."

Data is critical to the success of CI. Accurate and timely Data should be accessible to everyone - both inside and outside state government. Instead of creating one-off datasets in response to a public information request, wouldn't it be efficient and effective to be able to point the inquirer to an open data portal where they would have access to the data they want (not including confidential data, of course!). If we all commit to this **Culture of Continuous Improvement**, State government will be viewed as people, committed to doing their best, to achieve the best results for our departments, our clients, our taxpayers and ourselves. ▲

CONTINUED FROM PAGE 1—TOOLBOX

(80) statewide Indicators.

LEAN is a business - process improvement system using training, techniques and tools to assist a Kaizen Team to diagram the "current state" and revamp the workflow to remove waste and achieve, first, a "good state" and then, a "great state". Lean works well for programs with a lot of process or workflow "steps".

Lean helps a program achieve the results which may have been developed using RBA. DEC and VTrans have achieved good success using Lean.

AIM (Agency Improvement Model) is a simple, straightforward approach to identify changes which would benefit the customer and then engage a staff change team to plan and measure incremental change. Because one change is made at a time and results are tracked against baseline data, the tangible progress made is exhilarating and rewarding for staff on the change teams. Improvement projects are also selected to support key priorities of upper management in our departments.

Results Scorecard is a software tool originally developed for use with RBA. However, it works well with reporting the Outcomes, Indicators, Performance Measures and other information outside of RBA. Additional information includes graphs for results, targets/benchmarks, narrative, strategies, partners, and notes on methodology. It can be customized to include budget data. Used by AHS, this software tool could be rolled out to other agencies and departments for a consolidated, statewide reporting capability. ▲

PERFORMANCE ACCOUNTABILITY & THE BUDGET

2014 Act 186 called for the expansion of the FY 2015 Programmatic Performance Measure Budget Pilot program, where performance measures are reported as part of the Governor's Budget Recommendation submission. Each Fiscal Year the Program has grown from 13 programs across 11 departments for FY 2015 to 41 programs across 31 departments for FY 2016. We expect FY 2017 to grow even more. The program will continue to roll-out to all Executive Branch units under the direction of Susan Zeller, State Chief Performance Officer, within the Agency of Administration. Sue may be reached at: Susan.Zeller@vermont.gov. Programmatic Budget submissions by fiscal year are available at: http://spotlight.vermont.gov/performance_measures. ▲

WHO ARE THE PALs?

The designation of Performance Accountability Liaison or "PAL" was created in 2014 Act 186. Two PALs are designated in each Executive Branch agency and department to work with the Chief Performance Officer (CPO) and inside their respective agencies and departments on performance accountability reporting and budgeting. The CPO continues to hold refresher RBA training for PALs and their departments. ▲

DATA, DATA – WHOSE GOT THE DATA?

Data - accurate, timely and accessible data. This is the "holy grail" of performance accountability. Data can reveal trends, demographic variances, geographic issues, and programmatic impact.

"Data" is a challenge for the State. Valid concerns exist about governance, integrity, confidentiality, security, accessibility and ownership.

Data has historically been locked away within legacy system to which only the host department had access. Consequently, departments have been very protective of their data. Legacy systems are being replaced with current systems that allow for open data. To the extent that we have analyzed data, it has been more for internal use in

budgeting and policy making. Much of the analysis done is done "off line" in Excel. Shortages of fully qualified data analysts and data resources have not been helped by ongoing budget constraints. DII has created a Cross-Agency Data Governance Group which is just beginning to deal with the governance and policy issues. ▲

EVERYBODY'S DOIN' IT - MULTI-STATE CONFERENCES

2015 was the year for Performance Management conferences, directed at states.

In January, the National Association of State Budget Officers (NASBO) held a **Performance Management Roundtable** at which CPO Zeller presented.

In April, the National Governors' Association (NGA) held their **Delivering Results Summit** and attended by CPO

Zeller. July saw the **2015 LEAN System Summit** attended by the CPO and key Lean staff (Justin Kenney -DEC and Paul Keegan, AOT). In August, the PEW Charitable Trust and the MacArthur Foundation held the **2015 Results First States Convening**. The Convening was attended by Senators Kitchel and Balint, Rep. Fagen, Dru Roessle (AHS Performance Improvement Manager) and

the CPO. Senator Diane Snelting also attended RBA conferences in South Africa and Australia.

And finally, Vermont's Department of Finance & Management hosted the **NASBO annual meeting**. The program included speakers from other states describing their performance management efforts along with tips for success. ▲

THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION'S (DEC) LEAN STORY

The Vermont Department of Environmental Conservation (DEC) began its Lean journey in earnest in 2013 with support from the Vermont legislature. Since that time, DEC has applied Lean to over 15 distinct processes including grant and contract processing, petroleum cleanup fund reimbursements, public noticing, groundwater reclassification, and state revolving loan fund audits. In each case, diverse teams of staff

were brought together over the course of several days to analyze an existing process and recommend improvements. Those recommendations serve as the basis for project specific implementation plans that outline the steps needed to move from ideas to reality. As implementation steps are carried out, key performance indicators (quantifiable measures of success identified during the Lean process) are used

to determine if the changes are helping to achieve the ultimate goal of a more effective and efficient government.

Lean is an effective, common sense problem solving approach that's really taken root in the DEC culture. DEC is excited to see it take root in other state agencies like VTTrans, and hope that many more will follow suit. Contact Justin.Kenney@vermont.gov for more information. ▲

***** LEAN *****

5 Principles of LEAN

1. *Identify Value through the customer's eyes;*
2. *Define the Value Stream;*
3. *Create Flow where possible;*
4. *Establish Pull where Flow is not possible;*
5. *Continually pursue perfection.*

7 Types of Waste:

1. *Transport (moving from one place to another);*
2. *Waiting (idle time regardless of why);*
3. *Overproduction (duplication of effort);*
4. *Defect (errors, corrections)*
5. *Inventory (backlog);*
6. *Motion (unnecessary walking, reaching for materials, searching, etc.);*
7. *Extra Processing (work that does not add value).*

ABOVE AND BELOW THE DOTTED LINE

The Population-Level and Performance Level are often confused. The focus for each level is different. **Population-Level:** Outcomes are set by the Legislature as the statement of what we ultimately wish to achieve (Health Vermonters, Strong Families, etc.). Population-Level Indicators are the way for the Legislature to evaluate how we are doing on achieving our Outcomes. In order to get there, the Legislature and Administration develop strategies that work, such as particular legislation, rules, specific programs, and working relationships with partners (local, federal, other states, organizations). When considering new bills, Policy Committees will want to ask themselves if this bill will: 1) solve the real problem; 2) enhance or improve the indicator; and, therefore, 3) help us better achieve the Outcome. Performance Measures (PM) are established by department/program management and used to monitor program performance. PMs inform an Indicator and should be valuable, clear and based on reliable data. A chart showing the different Levels is at the top of page 4. ▲

Tools, Techniques & Tips

Sponsors and Links:

▲ The Government Accountability Committee, Sen. Diane Snelling and Rep. Anne O'Brien, Co-Chairs.

▲ The House and Senate Appropriations Committees, Rep. Mitzi Johnson and Sen. Jane Kitchel, Chairs, respectively.

▲ The Vermont Agency of Administration, Susan Zeller, Chief Performance Officer.

http://spotlight.vermont.gov/performance_measures

▲ Agency of Human Services Population-Level Scorecard

<https://app.resultsscorecard.com/Scorecard/Embed/8131>

▲ Benchmarks for a Better Vermont, Marlboro College Graduate & Professional Studies: <http://www.bbvvt.marlboro.edu/>

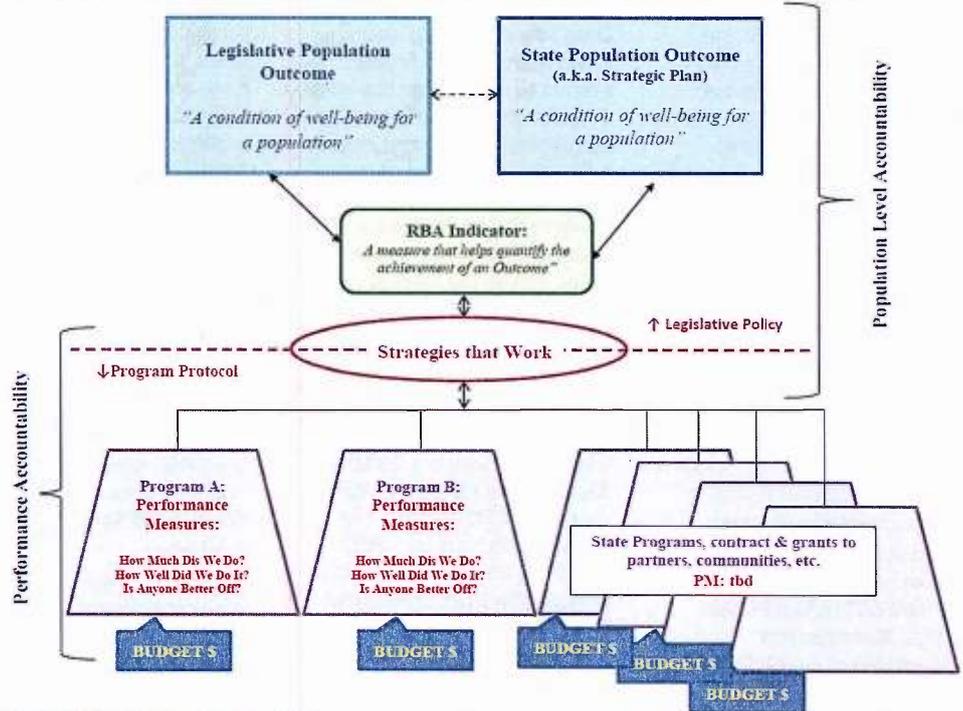
▲  http://spotlight.vermont.gov/sites/finance_transparency/files/PerformanceMeasures/BTI_Internal_Progress_Report_October%202015..pdf

▲ 2015 Population-Level Outcomes & Indicators Report:

http://spotlight.vermont.gov/sites/finance_transparency/files/PerformanceMeasures/2015_Population-Outcomes-Indicators.pdf

Published by the Office of the Chief Performance Officer, Agency of Administration. Visit our performance Accountability website at: http://spotlight.vermont.gov/performance_measures

POPULATION OUTCOMES & STRATEGIC PLAN → PERFORMANCE BUDGET PROGRAM



Office of the Chief Performance Officer/Agency of Administration 1-5-16

Figure1: See Article on page 3 "Above and Below the Dotted Line"

TURN THE CURVE (RBA) OR BEND THE CURVE (LEAN) EXERCISE

When desired results are not being achieved, a "Turn (or Bend) the Curve Exercise" is a collaborative technique that allows interested parties to discuss and understand where the trend in the baseline data is going, if things continue as they are. The group then runs through a list of questions designed to enhance understanding of the challenge and illicit new and often simple ideas that may be put in place, often for little or no cost. The "best ideas" believed to be able to mitigate and/or improve results, are planned and executed. These new ideas are tracked over time and performance measures should show mitigation or improvement, if they work as expected. If not? It is back to another round of Turn (or Bend) the Curve.

LEAN VALUE STREAM MAPPING (KAIZEN EVENT)

Value Stream Mapping (VSM) is a powerful tool that allows you to visualize your business process with an eye towards identifying waste, duplication of effort, down-time, waiting, unproductive effort and bottlenecks. This initial VSM is your process' "Current State." Only steps in the process which add value should be maintained. Non-value adding steps should be eliminated or changed to add value. You may be able to implement a number of changes rapidly or without disruption. This is your process' "Good State." Other changes may require additional work, money, system changes, statutory changes, etc. that may require time to achieve. After achieving all desired changes your process will be in its "Great State."

Sounds simple? It is in concept, but it takes a great deal of hard work by the team of employees and leaders involved and a real commitment to improving the process by eliminating waste and building capacity by redeploying and effectively utilizing the time saved to better the results.