



STATE OF VERMONT
GENERAL ASSEMBLY
GOVERNMENT ACCOUNTABILITY COMMITTEE

MEMORANDUM

To: Vermont General Assembly
From: Government Accountability Committee
Date: January 11, 2019
Subject: January 2019 Report

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 corresponding details provided following this summary.

(I) Overview of GAC and Results-Based Accountability (RBA).

Recommendation: Pursuant to GAC's study of RBA for over a decade, the Legislative and Executive Branches should learn more about using RBA as a tool in State government because RBA provides data on the current condition of our State and helps make State government more accountable to Vermonters.

(II) The State Outcomes Report.

Recommendation: The Legislative and Executive Branches should become more familiar with the annual [State Outcomes Report](#) and the indicator data it contains because the Report is a useful tool for applying RBA on a population level.

(III) Using RBA in the Legislative Process.

Recommendation: Standing committees of jurisdiction should conduct their committee work with a focus on RBA, which includes using the State Outcomes Report and analyzing whether proposed legislation would have a positive impact on the State’s outcomes and their indicator data.

(IV) Performance Notes in Bills.

Recommendation: Legislators and committees should consider including performance notes in appropriate bills. A performance note would generally describe the issue the bill is designed to address, the impact the bill is meant to have, and how Vermonters could measure that impact in the future.

I. Overview of GAC and Results-Based Accountability (RBA)

Recommendation: *Pursuant to GAC’s study of RBA for over a decade, the Legislative and Executive Branches should learn more about using RBA as a tool in State government because RBA provides data on the current condition of our State and helps make State government more accountable to Vermonters.*

A. Overview of GAC

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 nine specific tasks in pursuit of this goal. These tasks generally include analyzing government effectiveness and specifically 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.

B. RBA Is a Tool for Performance Accountability

The terms “outcomes,” “indicators,” and “performance measures” are part of a common language of results-based accountability (RBA). To summarize, RBA is a performance accountability tool that involves setting goals; using data to measure progress in reaching these goals; analyzing how the data change over time; and determining what changes need to be made in order to improve that data and to therefore make better 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 youths) and the program level (meaning State programs). Different terminology is used at the two levels.

i. “Outcomes” and “Indicators” on the Population Level;

State Outcomes Report

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. The State established its 10 outcomes in [3 V.S.A. § 2311](#), and pursuant to that statute, the Agency of Administration’s Chief Performance Officer annually issues a State Outcomes Report that uses indicators approved by GAC for each outcome.

A link to the 2018 State Outcomes Report can be found [here](#). Additional information regarding the State Outcomes Report is described later in this GAC report.

ii. *“Performance Measures” and “Results” on the Program Level;*

Programmatic Performance Measure Budget Report

On the program level, “performance measures” (data) help demonstrate a program’s “results” (and therefore, how well a program is performing in pursuit of its goals). The Governor is to describe performance measures for programs as part of the Governor’s budget request pursuant to [32 V.S.A. § 307\(c\)\(2\)](#).

A link to the Governor’s FY 2019 Programmatic Performance Measure Budget Report can be found [here](#). Additional information regarding the Programmatic Performance Measure Budget Report is described later in this GAC report.

***C. The Role of the Chief Performance Officer and
Performance Accountability Liaisons***

The Agency of Administration’s Chief Performance Officer (CPO), established in [3 V.S.A. chapter 45, subchapter 5](#), has been an invaluable asset to the GAC and serves as the Governor’s nonvoting liaison to the Committee pursuant to [2 V.S.A. § 970\(b\)\(2\)](#).

The CPO further links the Executive and Legislative Branches by designating an employee in each agency of State government to be a performance accountability liaison (PAL) to the General Assembly. In accordance with [3 V.S.A. § 2312](#), a PAL is generally responsible for assisting the General Assembly with issues related to RBA.

Pursuant to [3 V.S.A. § 2311](#), the CPO is responsible for compiling the indicator data for the State Outcomes Report, and the CPO is also the officer who compiles the performance measure data for the Governor’s Programmatic Performance Measure Budget Report. However, the CPO relies on the PALs—who are the subject-matter experts for each agency’s relevant data—to provide the CPO with the data necessary for

these reports. Moreover, as described in [3 V.S.A. § 2312](#), it is an agency’s PALs who are responsible for providing legislative committees with testimony on the substance and significance of the indicator and performance measure data relevant to their jurisdiction.

II. The State Outcomes Report

Recommendation: The Legislative and Executive Branches should become more familiar with the annual [State Outcomes Report](#) and the indicator data it contains because the Report is a useful tool for applying RBA on a population level.

A. Overview

Established pursuant to [2014, Acts and Resolves No. 186](#) (Act 186), Sec. 2 and codified in [3 V.S.A. § 2311](#), the State Outcomes Report was created so that the General Assembly can “obtain data-based information to know how well State government is working to achieve the population-level outcomes the General Assembly sets for Vermont’s quality of life” and to “assist the General Assembly in determining how best to invest taxpayer dollars.”¹

B. Outcomes

As the policy-making branch of State government, the General Assembly established in [3 V.S.A. § 2311\(b\)](#) the following 10 outcomes (goals) for the State on a population level:

- (1) Vermont has a prosperous economy.
- (2) Vermonters are healthy.
- (3) Vermont’s environment is clean and sustainable.
- (4) Vermont is a safe place to live.
- (5) Vermont’s families are safe, nurturing, stable, and supported.

¹ Act 186, Sec. 1.

- (6) Vermont's children and young people achieve their potential.
- (7) Vermont's elders live with dignity and in settings they prefer.
- (8) Vermonters with disabilities live with dignity and in settings they prefer.
- (9) Vermont has open, effective, and inclusive government.
- (10) Vermont's State infrastructure meets the needs of Vermonters, the economy, and the environment.

C. Indicators

While the outcomes are codified in law and can only be amended via legislation, and while Act 186 established initial indicator data to measure the State's progress in reaching those outcomes, [3 V.S.A. § 2311\(c\)](#) of the State Outcomes Report statute allows either a legislative committee that has jurisdiction over an outcome or the Chief Performance Officer (CPO) to submit to the GAC a request to revise an indicator. If GAC approves an indicator revision, the CPO will include that revised indicator data in the next annual State Outcomes Report.

GAC has been considering indicator data revisions since the passage of Act 186 and has been working with committees of jurisdiction, the Executive Branch performance accountability liaisons (PALs), and the CPO to create the current list of indicators for each outcome, which is attached to this report as **Attachment A**. While GAC retains the ability to further revise these indicators and may pursue adding indicators for the outcomes with fewer than three indicators, it is GAC's intention that the current indicators be considered finalized for the time being. GAC reached this finalized list of indicators based on the following principles:

- *Number.* Having too many indicators for an outcome can overwhelm a person who would like to review an outcome’s indicator data and have a general idea of how well the State is performing in reaching an outcome. You’ll see that no outcome currently has more than seven indicators.
- *Communication power.* An indicator should communicate to a broad and diverse audience.
- *Proxy power.* An indicator should say something of central importance about the outcome.
- *Data power.* An indicator should be based on quality data that is timely, reliable, and consistent.

D. Using the State Outcomes Report

Now that GAC has finalized its current list of indicator data, any person may use the [State Outcomes Report](#) to track that data over time to measure the State’s progress in reaching an outcome. For example, Outcome #2 is “Vermonters are healthy.” The second indicator for this outcome is “percent of adults who smoke cigarettes.” When reviewing the State Outcomes Report, one can see that 17% of adults smoke cigarettes; that the current trend is a decline in this percentage (shown by a “down” arrow in **green**, which reflects a positive trend for this outcome); that, aside from somewhat of a spike to 20% in 2011, this indicator has remained mostly steady for the past decade; but that Vermont is still above its target of a 12% adult smoking rate.

The Report also shows the source of this indicator data. Moreover, like many other indicators—particularly those related to the work of the Agency of Human Services—by clicking on additional information below this indicator, one can obtain

many more details regarding this data, including the Agency's partners who work to improve this data; the strategies that can be used to improve it; and why it is important to measure and track this data.

III. Using RBA in the Legislative Process

Recommendation: Standing committees of jurisdiction should conduct their committee work with a focus on RBA, which includes using the State Outcomes Report and analyzing whether proposed legislation would have a positive impact on the State's outcomes and their indicator data.

A. Overview

As described above in Section I(B) of this report, RBA is a performance accountability tool that involves setting goals; using data to measure progress in reaching these goals; analyzing how the data change over time; and determining what changes need to be made in order to improve that data and to therefore make better progress in reaching the goals.

By using RBA in the legislative process, the General Assembly can demonstrate to Vermonters that it is focusing on Vermonters' needs; enacting legislation designed to address those needs; and later analyzing whether that legislation is making a positive difference, and if not, considering what may need to change to make that happen. This makes the Legislative Branch more accountable to Vermonters because it helps show that taxpayer dollars are being spent in an effective manner.

The Legislative Branch relies on its partnership with the Executive Branch to provide this accountability to Vermonters, since it is the Executive Branch that collects

the necessary data and provides testimony to the Legislative Branch regarding the significance of this data.

B. Using the State Outcomes Report in Committee

i. Regarding the Committee Overall

To start to embed RBA in the committee process, a committee can discuss these three questions:

- (1) What are the State outcomes in 3 V.S.A. § 2311(b) that our committee's jurisdiction contributes to achieving?
- (2) What indicators does our committee need to monitor to gauge progress made in Vermont?
- (3) How is Vermont currently performing on these indicators, and what is the trend in this indicator data?

ii. Regarding Legislation Considered by the Committee

Then, with that knowledge, the committee can use RBA to help inform its decisions on bills before the committee. To do so, a committee can ask the following questions during deliberation of a bill:

- (1) What are we proposing to do in this bill?
- (2) What State outcome(s) in 3 V.S.A. § 2311(b) is this bill meant to help achieve?
- (3) What indicator(s) for those outcome(s) would this bill help to improve over time?
- (4) How is Vermont currently performing on these indicator(s), and what is the trend in indicator data?

(5) Who are the partners that have a potential role to play in ensuring this bill will succeed?

(6) How do we know that the strategy in this bill will work? What would it take to succeed?

(7) How will we know if this bill will make improvements over time?

***C. Using the Programmatic Performance Measure Budget Report
in the Appropriations Committees***

Similarly, the House and Senate Committees on Appropriations, the House Committee on Corrections and Institutions, and the Senate Committee on Institutions can use RBA in their budgetary decision-making by using the Governor’s Programmatic Performance Measure Budget Report. In this Report, State agencies describe programs they administer and provide performance measures for a program to generally describe 1) how much they do; 2) how well they do it; and 3) whether anyone is better off. The agencies also name the population-level outcome to which a program contributes, which helps demonstrate how that program is meant to help improve the lives of Vermonters.

For example, on page 38 of the [FY19 Report](#), the Human Rights Commission named Outcome #4’s “Vermont is a safe place to live” as the outcome to which it contributes. The Commission then provides performance measure data regarding 1) the number of complaints the Commission processed in FY18 (how much); 2) the percentage of cases that settled pre- or postinvestigation (how well); and 3) the percentage of cases that settle with monetary relief for complainants (better off). The Report tracks these Commission measures since 2015, and provides a forecast for the following year.

The Governor created the Programmatic Performance Measure Budget Report in part to comply with [32 V.S.A. § 307\(c\)\(2\)](#), which requires the Governor’s proposed budget to include for each State agency, department, office, or other entity or program a strategic plan that describes performance measures used to demonstrate output and results. While the number of programs participating in the Programmatic Performance Measure Budget Report has been steadily increasing over the past several fiscal years, not all programs are accounted for in this Report. The Administration expects that 2023 will be the fiscal year in which it will fully implement programmatic budgeting in accordance with 32 V.S.A. § 307(c)(2). The GAC recommends that the Appropriations and Institutions Committees require performance measures for all the programs in their jurisdiction that they review as part of their budgetary decision-making.

Using this Programmatic Performance Measure Budget Report helps agencies justify the work they have been doing and the basis for their budget request, and helps the Appropriations and Institutions Committees determine how to appropriate State funds.

D. RBA Training for Legislators

Some legislators may hear the phrase “results-based accountability” and not fully understand what it means, and that is understandable. But RBA is really a fancy name for a simple concept: the common sense approach of understanding the State’s needs; tailoring legislation to address those needs; and later analyzing whether the legislation is actually working. RBA helps the General Assembly understand whether the money it is appropriating is having an impact.

GAC agrees that this common sense approach is what the General Assembly already strives to do. RBA takes this approach a step further by saying it in plain

language and with hard data. As one GAC member described it, RBA makes explicit what we do implicitly.

Still, understanding how to use RBA data is important, because data provides a factual basis for decision-making. Therefore, the GAC recommends that legislators obtain training on RBA generally, on the State Outcomes Report, on the Programmatic Performance Measure Budget Report, and on using performance notes in bills (which is also discussed in the next section).

The GAC ultimately recommends that RBA training be provided at the committee level, since RBA aligns well with the committee decision-making process. Therefore, the GAC recommends that the House Speaker and Senate President Pro Tempore arrange RBA training in conjunction with committee chairs. The Chief Performance Officer has offered to assist legislative committees in this training. GAC also recommends that the Executive Branch Performance Accountability Liaison (PAL) with expertise in each committee's jurisdiction participate in this training.

GAC further recommends that in each committee, there should be a legislator designated as a performance champion. This committee designee would be provided separate performance management leadership training in order to serve as a committee resource on issues related to performance accountability.

IV. Performance Notes in Bills

Recommendation: Legislators and committees should consider including performance notes in appropriate bills. A performance note would generally describe the issue the bill is designed to address, the impact the bill is meant to have, and how Vermonters could measure that impact in the future.

Once legislators have a greater understanding of how to use RBA, they can use it in the bills they introduce in the form of a performance note. A performance note is a new concept for bills. A performance note would generally describe the issue the bill is designed to address, the impact the bill is meant to have, and how Vermonters could measure that impact in the future.

For example, a performance note may be in the form of a Findings, Purpose, and Intent section of the bill to generally describe:

- (1) the issue the State is currently facing (Findings);
- (2) how the bill is generally meant to address this issue (Purpose); and
- (3) the indicator data the bill is designed to impact and the expected change in that indicator data (Intent).

In general, a bill would refer to the indicator data set forth in the State Outcomes Report in that Intent portion of the bill, or in special situations, a bill may require a State agency to report back in future years on special data it collects to analyze whether the bill has made an impact.

Conclusion

The GAC's overall hope is that the Legislative and Executive Branches will continue to use RBA in order to make the State more accountable to Vermonters. Thank you for considering our recommendations to increase the benefits of this helpful tool.

ATTACHMENT A: CURRENT OUTCOMES AND INDICATORS

(1) Vermont has a prosperous economy.

Indicators (A)–(D) of this Outcome shall be reported in three sets: 1) State of Vermont; 2) Chittenden County; and 3) Non-Chittenden County

- (A)(i) percent or rate per 1,000 jobs of nonpublic-sector employment;
- (ii) net change in nonpublic-sector employment; and
- (iii) rate of resident unemployment per 1,000 residents;
- (B) median household income;
- (C) net new jobs;
- (D) net new business establishments;
- (E) percent of population living at or below 185% of the federal poverty level;
- (F) gross State product (GSP) per capita; and
- (G) genuine progress indicator (GPI) on a three-year basis.

(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 18 and older who binge drank in last month;
- (D) number of persons who are homeless (adults and children);
- (E) rate of suicide per 100,000 Vermonters;
- (F) fall-related deaths per 100,000 adults age 65 and older;
- (G) percent of adults with any mental health condition receiving treatment;
- (H) number of accidental (nonsuicide) drug deaths involving opioids; and
- (I) number of opioid analgesic morphine milligram equivalents (MMEs) dispensed per 100 residents.

(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's rivers and lakes (excluding Lake Champlain) that meet State water quality standards for fishing and for swimming;
- (D) changes in total phosphorus loading to Lake Champlain from Vermont sources in metric tons per year;
- (E) number of days air quality in Vermont posed a moderate or greater risk to sensitive populations; and
- (F) disposal rate of municipal solid waste in pounds per person per day.

(4) Vermont is a safe place to live.

- (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) recidivism rate;

- (E) incarceration rate per 100,000 residents;
- (F) number of first-time entrants coming into the corrections system; and
- (G) number of highway fatalities involving no or the improper use of seatbelts.

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

- (A) rate of substantiated reports of child abuse and neglect per 1,000 children;
- (B) rate of children and youth in out-of-home care per 1,000 children and youth;
- (C) rate of reports of abuse, neglect, and/or exploitation of vulnerable adults recommended for substantiation per 1,000 vulnerable adults;
- (D) percent of residents spending less than 30% of income on housing; and
- (E) percent of Vermont households with food insecurity [placeholder].

(6) Vermont's children and young people achieve their potential.

- (A) percent of women who receive first trimester prenatal care;
- (B) percent of children ready for school in all four domains of healthy development;
- (C) percent of children below the basic level of fourth grade reading achievement under State standards;
- (D) percent of high school seniors with plans for education, vocational training, or employment;
- (E) percent of adolescents in grades 9–12 using marijuana within the last 30 days; and
- (F) percent of adolescents in grades 9–12 who had a suicide plan.

(7) Vermont's elders live with dignity and in settings they prefer.

- (A) AARP State ranking on long-term services and supports for older adults, people with physical disabilities, and family caregivers; and
- (B) hospice enrollment: percent of chronically ill Medicare decedents age 65 and older who were enrolled in hospice during the last six months of life.

(8) Vermonters with disabilities live with dignity and in settings they prefer.

- (A) estimated employment rate of Vermonters age 21–64 with all disabilities.

(9) Vermont has open, effective, and inclusive government.

- (A)(i) percent of people who are eligible to register to vote and who have registered; and
- (ii) percent of registered voters voting in the general election;
- (B) percent of State contracts and grants awarded that include performance measures;
- (C) number or percent of departments that are able to accept online payments; and
- (D) number or percent of agencies or departments using an up-to-date website template.

(10) 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;

(B) percent of structurally deficient bridges, as defined by the Agency of Transportation;

(C) percent of Vermont retail electric sales from renewable energy;

(D) State highway pavement condition ratings; and

(E) public transit ridership.