Virginia's Performance Leadership and Accountability System

- May 2008 -

COUNCIL ON VIRGINIA'S FUTURE

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Introduction

This document is a brief introduction to the Council on Virginia's Future, which is chaired by Governor Timothy M. Kaine, and Virginia's performance leadership and accountability system. Included is a discussion of recent accomplishments and the enhancements underway in 2008 for three focus areas (assessment, service performance, and productivity improvement) and activities related to the development of special issues.

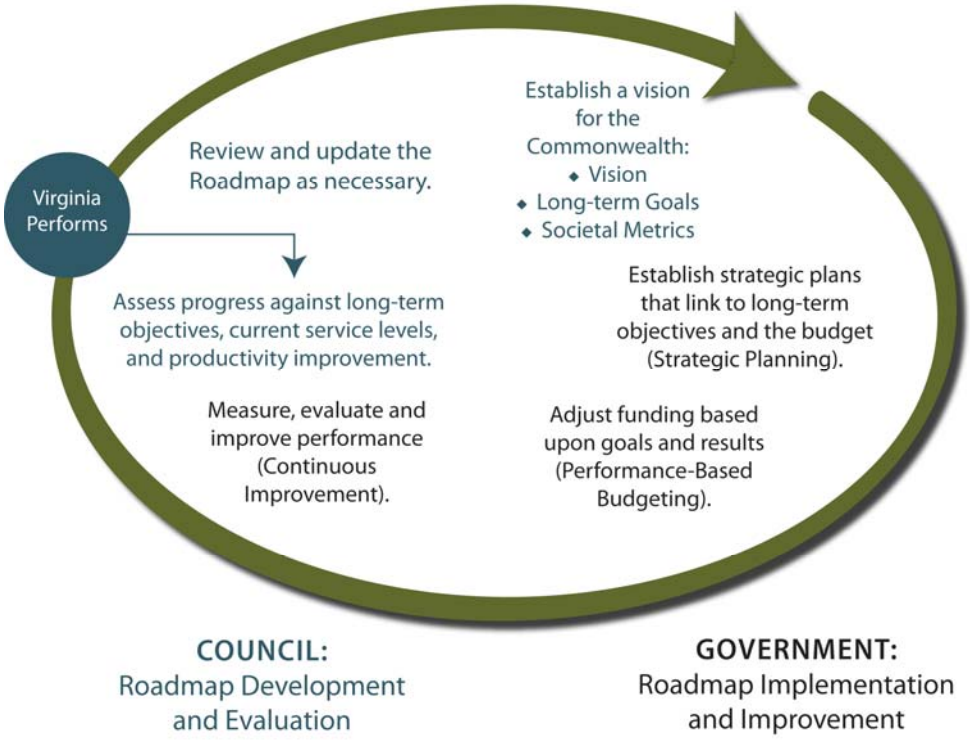
The Council on Virginia's Future – which is comprised of state, business, and community leaders from across the state – was established by the 2003 Session of the General Assembly to advise Virginia's leaders on the development and implementation of a roadmap for Virginia's future. The Council is committed to improving the quality of life and the effectiveness of state government in Virginia.

The Council works to create these improvements by:

- Providing a long-term focus on high-priority issues;
- Creating an environment for improved policy and budget decision-making;
- Increasing government accountability and transparency;
- Improving government performance; and
- Engaging citizens in dialogue about Virginia's future.

The Council began its work in 2003 by designing the Roadmap for Virginia's Future (Figure 1), a model for improving performance leadership and accountability in state government.

Figure 1: Roadmap for Virginia's Future



The Council then began working with its partners to set long-term goals for the Commonwealth and to develop a performance leadership and accountability system that would help ensure that state government is both efficient and effective in improving outcomes and the quality of life for Virginians.

The performance leadership and accountability system establishes a vision-driven, disciplined approach for encouraging collaboration, facilitating change, setting policies, making decisions, and ensuring accountability for producing positive results for citizens. It starts with a shared vision for Virginia – one of responsible economic growth, an enviable quality of life, good government, and a well-educated citizenry prepared to lead successful lives and to be engaged in shaping the future of the Commonwealth. This vision, together with the high-level goals established by Council and championed by Governor Kaine, serves as a compass to guide state government decisions and actions.

The Council's enabling legislation (§ 2.2-2684 of the *Code of Virginia*) defines the three core components of the performance leadership and accountability system:

Assessment:	Effective measurement and analysis of outcomes and productivity.
Service Performance:	Outcome-driven, performance-based planning and budgeting processes.
Productivity Improvement:	Innovative methods for improving efficiency and effectiveness.

These elements – assessment, service performance, and productivity improvement – represent the interrelated core components of the Council's scope of work.

Assessment

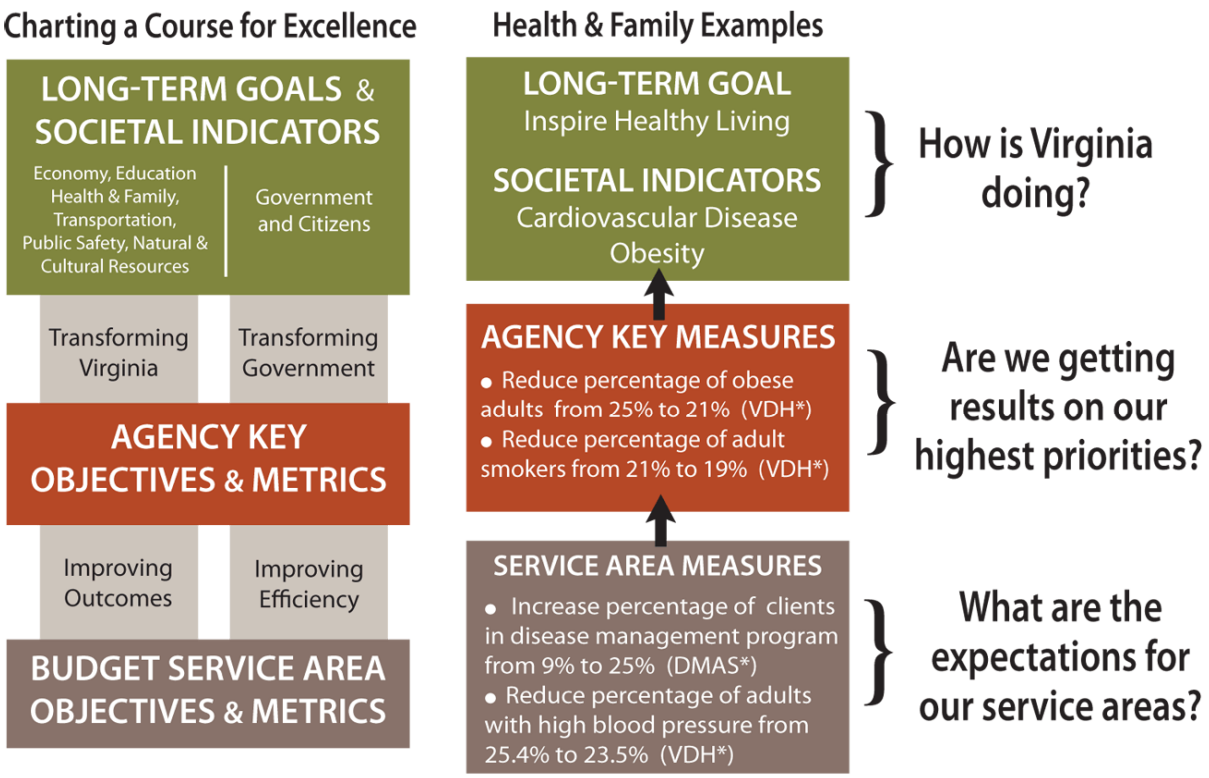
The performance leadership and accountability system aligns agency-level outcomes with broader statewide goals. The system:

- Serves as a catalyst for better strategic thinking and policy, enterprise solutions, performance-driven decision-making, and improving outcomes;
- Supports strategic state, regional, and local planning; and
- Informs and engages citizens about Virginia's progress and its future.

Figure 2 presents a high-level example of the "architecture" of the performance leadership and accountability system. At the highest level, quality-of-life measures known as societal indicators provide a snapshot of how Virginia is doing with respect to several broad issues (e.g., water quality, educational attainment). Agency key objectives and measures help us understand whether we are achieving high-priority performance targets and improving the factors that influence the targets. At the foundation or agency detail level, service area measures are used to

provide budget transparency and monitor whether state government programs and services are producing desired results. This structure also supports innovation and improvement projects by providing data for analysis and assessment. Combined, the goals and performance measures ensure that results accountability exists throughout all levels of state government.

Figure 2: Virginia Performs Architecture / Example



* The acronym VDH stands for the Virginia Department of Health; DMAS stands for the Department of Medical Assistance Services.

The Virginia Performs website (www.VaPerforms.virginia.gov), launched in early 2007, provides a window into the state's evolving performance leadership and accountability system. The website gives citizens an opportunity to see the real world results of efforts to make Virginia's government more effective and efficient. Citizens can:

- See how the Commonwealth is performing from region to region and compared to other states;
- Track performance in their communities;
- Monitor activity on important issues such as health care, educational attainment, workforce quality, and voter turnout; and
- See how state government is working for them.

It is an easy-to-use portal that provides one-stop data and analyses on quality-of-life indicators and state agency performance, enabling improved planning and implementation and significantly enhancing government transparency and accountability.

Quality-of-life Indicators

Quality-of-life indicators (e.g. personal income, high school graduation, air quality) are linked to Council long-term goals and are used to measure and assess Virginia's overall quality of life and progress towards improvement. For each Council long-term goal, indicators answer the question, "How is Virginia doing?" Included on the website is a description of each indicator, a summary of its importance, Virginia's progress, major influences, and the state's role. Approximately 50 societal indicators, shown in the Scorecard at a Glance (Figure 3), are measured over time, and, where possible, by region and in comparison to other states.

Figure 3: Scorecard at a Glance

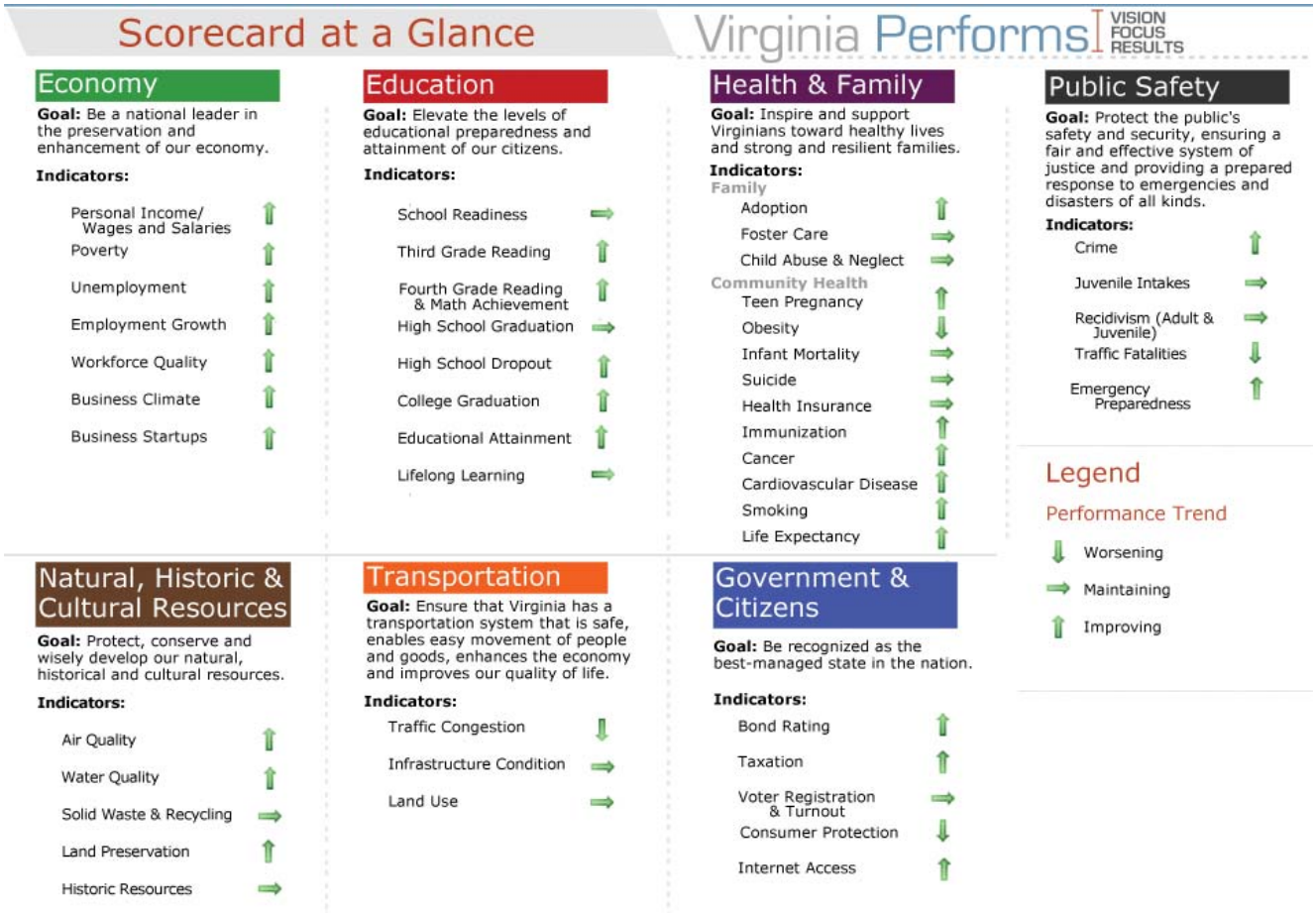
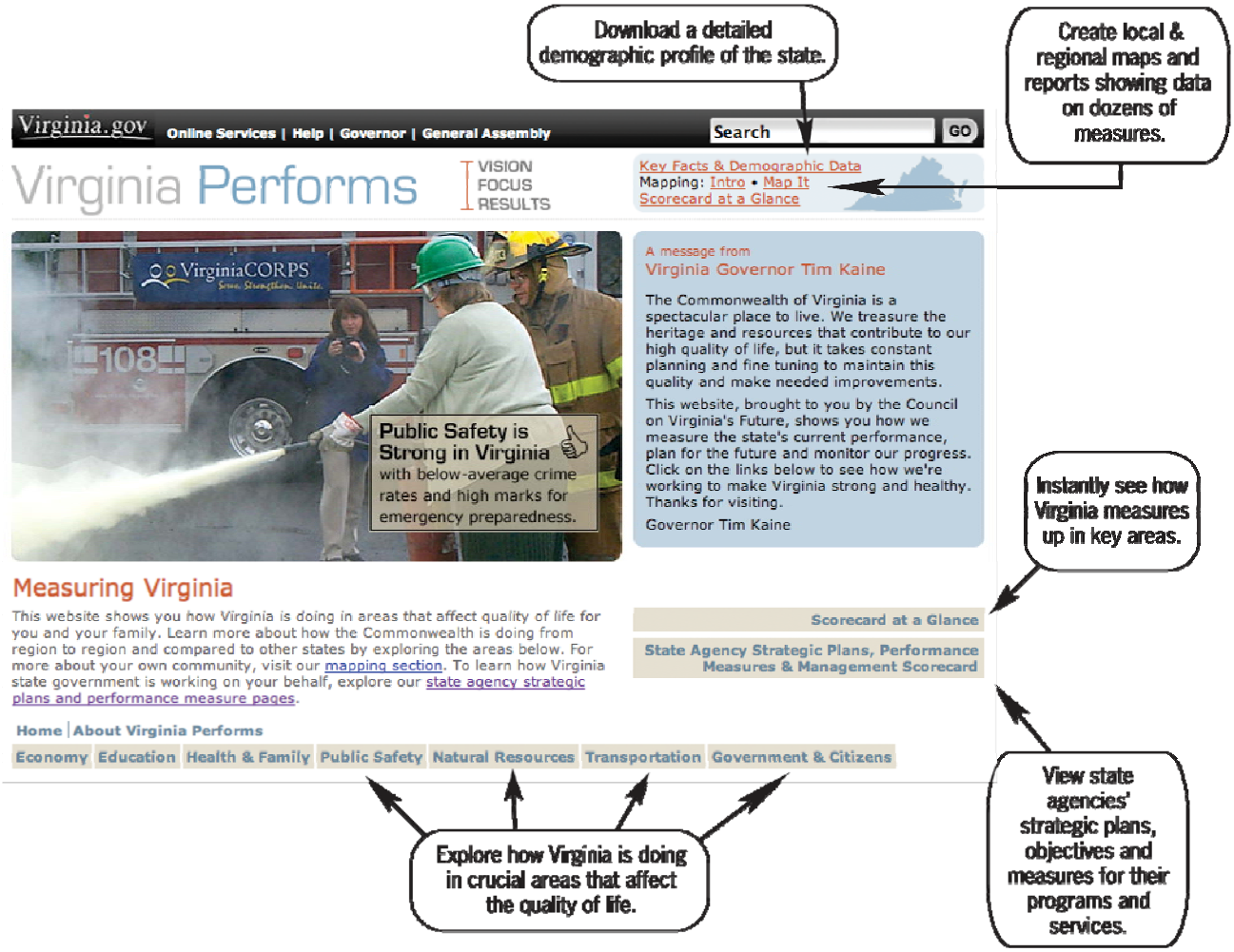


Figure 4 shows a snapshot of the Virginia Performs home page. The text box insets highlight the research, reporting, and mapping capabilities of the system, which all provide a view into state plans and performance, significantly increasing government's transparency and accountability.

Figure 4: The Virginia Performs Home Page (www.VaPerforms.Virginia.Gov)



Agency Objectives and Measures

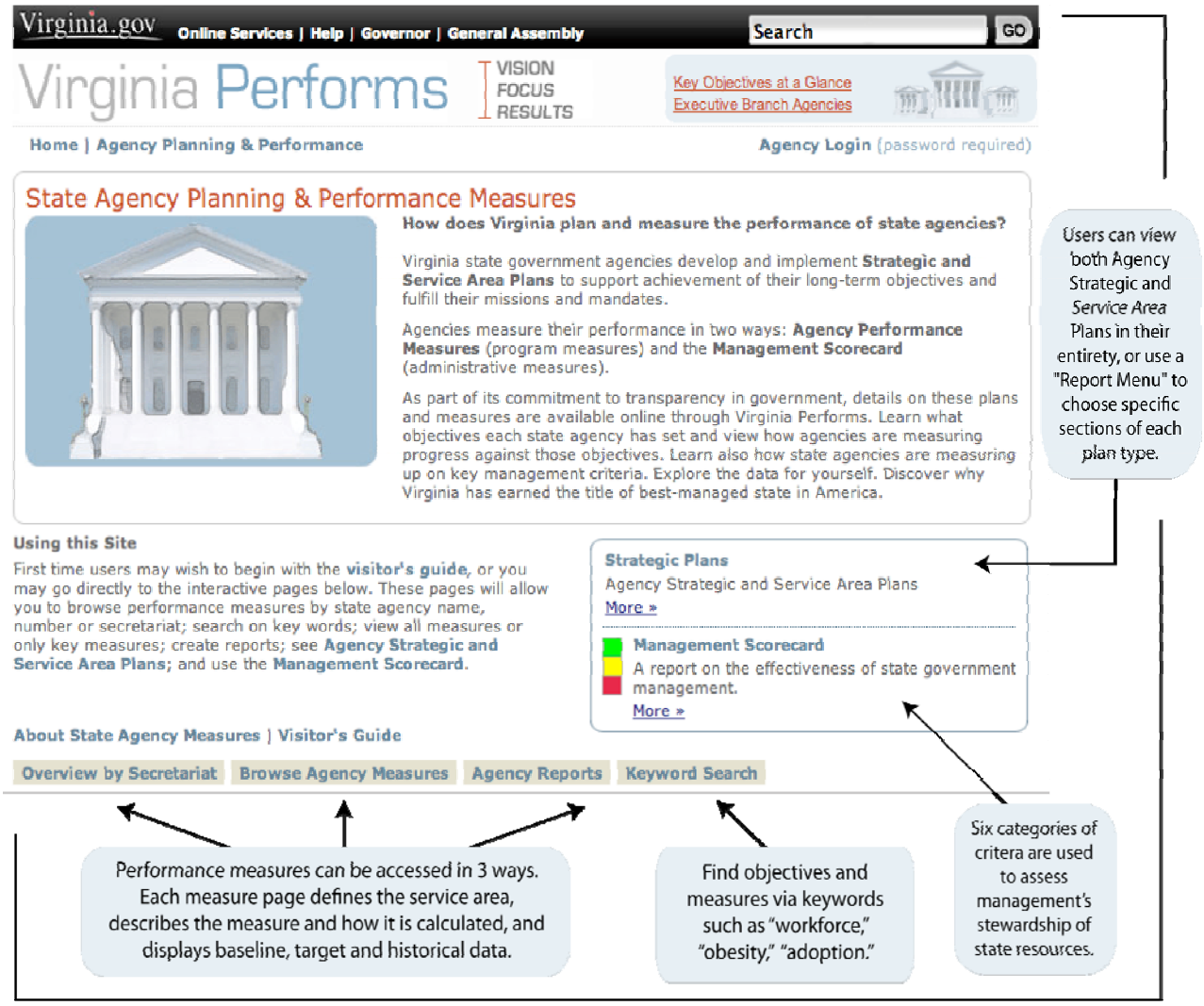
State agency key and service level objectives and measures, the middle and foundation levels of the performance data architecture (Figure 2), track state agency progress in meeting performance targets. State agencies work with the Governor, the Department of Planning and Budget, and other stakeholders to develop these objectives and measures.

Key objectives and measures are designed to identify and track progress on vital, mission-related priorities that, when addressed, will positively affect desired outcomes. Some of the measures are drawn from agency outputs, while others reflect desired outcomes that are influenced by many factors, not just state services. This is an important step forward for Virginia's performance leadership and accountability system. State strategies and spending can be more clearly linked with shared long-term goals and actual performance and results.

State agency strategic plans and budgets identify desired performance results for defined budget service areas. This more comprehensive data set ensures a high level of accountability and alignment of resources with citizen priorities and allows agencies and executive leadership to ensure that programs and services are meaningful, effective, and efficient. Agencies report their progress at regular intervals directly on the Virginia Performs website for both sets of metrics.

This information is available through the state agency planning and performance measures section (Figure 5) of the Virginia Performs website.

Figure 5: State Agency Planning and Performance Measures Page (illustrated)



Next Steps

In 2008 the emphasis for the Assessment component of Virginia Performs includes:

- Continuing to refine and analyze agency and societal-level assessment data;
- Implementing technical and analytic enhancements for the website, including improved GIS usability, custom reporting, and refined navigation; and
- Launching a Hampton Roads version of the Virginia Performs model.

Service Performance

As the demand for scarce resources intensifies, those states that develop a long-term direction and act most effectively on long-term objectives and priorities increase their chances of future success. The focus of the service performance component has been on the development of a new planning and budgeting system. The old system presented numerous challenges, including variations in how planning was accomplished across agencies, differences in planning language, and the segregation of planning from budgeting processes. The Department of Planning and Budget (DPB) created a new service area structure that now serves as the "taxonomy" for budgeting, accounting, and planning. These and other changes have produced a significant shift in how planning and budgeting occur at the agency level.

- All agency strategic plans follow a consistent format that includes information on the agency's mission, customer base, products and services, statutory authority, and strategic goals. The agency strategic plan also includes an executive progress report.
- Service area plans provide a key link to the state budget. They outline the agency budget, objectives, measures, and performance targets for each service area. These plans and data enable agency leaders and other decision makers to compare goals and appropriations against reported results.
- Agency key objectives help sharpen the enterprise view of progress on improving effectiveness, customer service, and critical outcomes. These objectives and their related measures continue to be refined, with particular attention on their alignment with desired societal level outcomes.
- DPB has increased its training and technical assistance efforts to enhance the system and improve its usefulness in planning and budgeting processes.

The strategic planning and performance-based budgeting elements of a comprehensive performance leadership and accountability system are now in place:

System Component	Purpose
Long-Term Goals	Desired outcomes (e.g., healthy lives, public safety) guide planning and decision-making
Agency Strategic Plans	Plans describe where an agency is going and how it will get there – major mission, goals, strategies, performance metrics, and targets
Key Outcome-Based Performance Metrics	Performance measures provide a basis for measuring the impact of core services
Service Area Metrics	Performance measures provide a basis for measuring budget service area results
Performance Targets	Targets set expectations for key and service area measures
Management Scorecard	Administrative criteria help assess the management of agencies

Next Steps

The emphasis for 2008 for the Service Improvement component is on continuing the development and refinement of core planning and budgeting systems by:

- Defining and analyzing planning and performance data to strengthen program evaluation, target-setting, and root-cause analysis;
- Strengthening the links between outcomes and budget decision-making;
- Providing additional training and technical assistance; and
- Developing a new performance budgeting system for the Commonwealth.

Productivity Improvement

Measuring and improving productivity in state government are important goals for the Council. The focus of this component has been on generating innovative ideas to reduce costs and improve service delivery and on establishing an infrastructure for continuous improvement across the government enterprise. Several initiatives are underway to reduce costs and improve service delivery:

- A Productivity Investment Fund was established to promote innovative ideas and partnerships for improvement projects. The following cost savings projects from the second round of awards are now under development and are expected to generate a substantial return on investment:

Department	Project	Objective
Taxation	Extend E-File Capabilities	Implement e-filing for corporate returns and pass-through entities
Taxation	Voucher Processing	Eliminate the need for 440,000 paper vouchers annually
Virginia Employment Commission	Enhanced Internet Claims	Improve claims processing for workers with out-of-state income
Mines, Minerals & Energy	Digital Signatures	Speed processing of engineering maps and improve customer service
Medial Assistance Services	Online Claims Submission	Continue elimination of paper-based claims processes

- A call for the third round of Productivity Investment Fund project proposals will be announced shortly.
- Eleven operational cost reviews are focusing on significant agency cost drivers, including energy, travel, communications, printing, and fleet management.
- Four projects are underway to develop innovative, web-based applications to reduce constituent transaction times by as much as 50 percent. These include a business one-stop to streamline the myriad of forms required to start a business; a "Turbo-Vet" system for veterans' benefits applications; a system to simplify and speed Medicaid applications for the aged or disabled; and an application to improve mine permitting processes.
- New public-private partnerships in healthcare administrative data exchange and identity management are being explored to leverage resources and increase functionality.

Next Steps

The emphasis in 2008 for the Productivity Improvement component is on:

- Continuing the development and implementation of Productivity Investment Fund projects;
- Establishing and reporting on a initial set of agency-level productivity measures by the end of calendar year 2008;
- Improving benchmarking for setting targets and selecting improvement projects; and
- Promoting continuous improvement and conducting pilot projects.

Special Issues Development

During 2008 the Council is developing an approach for accelerating progress on educational attainment, a high-priority issue for the Commonwealth. Working with its partners, the Council also is expanding its efforts to communicate with and engage regional leaders and citizens around the Virginia Performs model and the key issues facing Virginia.

Next Steps

In 2008 the emphasis for Special Issues Development is on:

- Accelerating emphasis on high-priority issues, beginning with educational attainment and focusing on secondary and post-secondary educational outcomes;
- Convening a statewide forum in cooperation with Virginia Tech;
- Publication of a 'business climate survey' to assess and clarify industry needs and business leaders' perceptions about Virginia's economic foundations;
- Publishing the *Virginia Report*, an analytic view of Virginia Performs; and
- Continuing and enhancing communications around issues critical to Virginia' future quality of life.

Summary

The Council, together with its partners, continues to make progress on implementing an enhanced performance leadership and accountability system for state government. The emphasis for 2008 has been on enhancing performance leadership and accountability, accelerating progress on improving educational attainment outcomes, continuing development of Virginia Performs, and promoting citizen engagement.

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