

COUNCIL ON  
**VIRGINIA'S  
FUTURE**

## **Council Meeting** December 16, 2005



## **MEETING AGENDA**

Welcome & Opening Remarks – The Honorable Mark R. Warner

Agenda Overview – Jane Kusiak

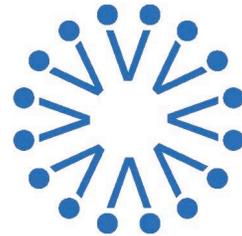
The Virginia Report – John O. (Dubby) Wynne & Jane Kusiak

- Virginia Futures Forum
- Business Climate Survey
- Information Management System – Rodney Willett

The Virginia Scorecard – Jane Kusiak & Ric Brown

- Agency Panel
  - Department of Environmental Quality - Robert G. Burnley
  - Department of Motor Vehicles - DB Smit
  - Department of Medical Assistance Services - Patrick W. Finnerty
  - Department of Forensic Science - Paul Ferrara
  - Department of Social Services - Anthony Conyers

Closing Remarks & Adjournment – The Honorable Mark R. Warner



## **The Virginia Report**

John O. (Dubby) Wynne

Jane Kusiak



# THE VIRGINIA REPORT - CONTENTS

Letter from Governor Mark R. Warner  
Members of the Council on Virginia's Future

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- Council Purpose, Structure & History
- Performance Leadership – Current Model & Next Evolution
- Current and Future Scope of Work, 2005 Milestones
- A Look Ahead

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- Issue Analysis - Economy & Education Connection and Human Capital Development, Business Climate Survey, Regional Divisionary System
- Public Dialogue - *Virginia Futures Forum, Competing in the 21st Century: Moving Virginia's Human Capital Development Meter*
- Future Scope

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- Budget Bill & Budget Document
- Planning & Budgeting Platform – FY 2007 & 2008
- The Virginia Scorecard

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- Creating a New Efficiency & Effectiveness System

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## WORK COMPONENTS



The focus of this category of work is to deepen understanding and elevate thinking about selected high priority issues in order to provide input for the development of strategies designed to improve quality of life or management outcomes.

This area encompasses the Virginia Futures Forum, associated regional forums, public dialogue, and research studies that provide insight into emerging trends and the factors that drive performance outcomes.

The focus of this category of work is on how state government plans for the future, makes budget decisions and communicates performance data to citizens and decision makers.

This area encompasses the creation of the model for the performance leadership system, the *Budget Bill*, *Budget Document*, and Cabinet and agency level performance data. It also includes publication of the Council's annual performance scorecard (*The Virginia Scorecard*).

The focus of this category of work is to continually improve state government performance.

This area encompasses an efficiency/effectiveness support system (e.g., training, methodology, incentives), the selection of enterprise and agency level reengineering initiatives and the evaluation of improvement initiative results.

### Overall Direction Focus & Description

The focus of this category of work is to design a performance leadership model that establishes a vision for Virginia and creates mechanisms to continually evaluate and inspire progress toward the vision.

This area encompasses ongoing Council development (e.g., membership and meetings), definition of the Council's scope of work, communication and public relations, the creation of an organization structure to carry out the work, the development of an information system to support planning and analysis, and publication of the Council's annual report (*The Virginia Report*).

#### Quarterly Emphasis

- **First Quarter:** Development of new state agency strategic planning and performance budgeting model
- **Second Quarter:** Convening Council workgroups to develop performance indicators - implementation of the new state agency strategic planning and performance budgeting model - planning for Virginia Futures Forum
- **Third Quarter:** Preparations for the Council's August retreat - initiation of work on business climate survey and information management platform research
- **Fourth Quarter:** Virginia Futures Forum - refinement of strategic planning and performance budgeting model - refinement of performance leadership model - determination of appropriate information management system - further development of the business climate survey



## CURRENT SCOPE OF WORK (1/1/05 – 6/30/06)

### Overall Direction

#### Council Meetings

- 5/12/05, 8/29/05, 12/6/05

#### Activities

- Performance leadership and budgeting model refinement
- David Osborne review and subsequent refinement of long-term objectives
- Council on State Governments award nomination
- World Future Society presentation
- Information management system model development

#### Products

- 2004 Annual Report
- 2005 Annual Report

### Issue Analysis & Public Dialogue

Emphasis on determining the macro indicators for the economy and education; analysis of the intersection between the economy and education, including the identification of human capital development for the *Virginia Futures Forum*.

#### Council Workgroup Meetings

- Education – 6/1/05, 7/15/05, 8/11/05
- Economy – 6/14/05, 7/12/05, 8/11/05
- Best-Managed State – 3/8/05, 4/8/05, 4/27/05, 6/13/05, 7/13/05, 8/4/05

#### Activities

- Charting the Course for Economic Change: Next Generation of Thought (8/05)
- Virginia Futures Forum - *Competing in the 21<sup>st</sup> Century: Moving Virginia's Human Capital Meter* (11/30/05 - 12/1/05)
- Regional follow-up to Virginia Futures Forum
- 2006 Virginia Futures Forum planning
- Business Climate Survey

#### Product

- Virginia Futures Forum Issues Book

### Strategic Planning, Budgeting & Performance Measurement

New service structure for the budget to enable performance budgeting.

#### Performance-Based Planning and Budgeting Model Implementation

- Training and technical assistance for agencies (4/05)
- Agency strategic and service area plan submission in new, consistent format (9/05)
- Budget submission in new format with new service structure (12/05)
- Publication of a budget document that enables performance-based decision-making (12/05)
- Revisions to agency plans to reflect the introduced budget (1/06)
- Development and implementation of the next phase of metric refinement

#### Products

- Budget Document (12/05)
- Budget Bill (12/05)
- 2005 Virginia Scorecard (1/06)

### Efficiency & Effectiveness

#### Phase I Reengineering Projects:

- Administrative Dispute Resolution
- Fleet Management
- Mail Services at the Seat of Government
- Procurement: eVA, VaPP
- Receivables
- Real Estate Portfolio Management
- VITA (Virginia Information Technology Agency)

#### Phase II Reengineering Projects

- DOE – Web-based Process for Federal Reimbursement
- State Police – Amber Alert Upgrade
- VDH – On-Site Sewage System Review and Approval Process
- HCD – Electronic Reporting
- DHRM – Recruitment Management System
- Enterprise Architecture Project
- DMME – Electronic permitting, reporting, governance



## FUTURE SCOPE OF WORK (FY 2007 & FY 2008)

Overall Direction	Issue Analysis & Public Dialogue	Strategic Planning, Budgeting & Performance Measurement	Efficiency & Effectiveness																		
<p>Overall direction and support for the continual refinement of performance leadership in the Commonwealth</p> <p>Special emphasis to be given to:</p> <ul style="list-style-type: none"> <li>Developing shared accountability models to support government programs that are financed and/or delivered by multiple entities (i.e., federal, local and/or private involvement)</li> <li>Determining the regional role in performance leadership</li> <li>Developing an information management platform to support performance measurement and issue analysis</li> <li>Developing a citizen education initiative</li> </ul> <p><i>Budget:</i></p> <table border="1"> <thead> <tr> <th></th> <th>Base</th> <th>New</th> </tr> </thead> <tbody> <tr> <td>FY 07</td> <td>\$600,000</td> <td>\$200,000</td> </tr> <tr> <td>FY 08</td> <td>\$600,000</td> <td>\$200,000</td> </tr> </tbody> </table>		Base	New	FY 07	\$600,000	\$200,000	FY 08	\$600,000	\$200,000	<p><i>Issue Analysis:</i></p> <ul style="list-style-type: none"> <li>Analyze Virginia's current and probable competitive advantage and identify "break out" strategies; create competitiveness index to benchmark performance using a composite index of the quality of life indicators</li> <li>Focus on educational excellence, including a comparative analysis of Virginia students' math and science skills</li> <li>Implement an information technology platform to disseminate demographic, economic, education and employment data and enhance decision-making</li> </ul> <p><i>Public Dialogue:</i></p> <ul style="list-style-type: none"> <li>Continuation of the Virginia Futures Forum as a vehicle to promote identification of and public debate on emerging trends</li> <li>Facilitate regional follow-up to Virginia Futures Forum</li> <li>2006 &amp; 2007 Virginia Futures Forums and planning</li> <li>2006 possible theme: creating and retaining competitive advantage in Virginia, including <i>Competitiveness Index</i></li> </ul> <p><i>Budget:</i> Included in Council budget</p>	<p>Critique and refinement of agency performance measures</p> <p>Mapping agency and programmatic metrics to macro-level metrics</p> <p>Mapping existing programs to desired outcomes through the use of subject area results teams</p> <p>Full integration of performance budgeting into planning and decision-making processes</p> <p>Reconciliation of Enterprise Business Architecture model with agency service structure</p> <p><i>Budget:</i> Consultant support provided in Council budget</p>	<p>Creation of a high level locus of responsibility for efficiency and effectiveness work</p> <p>Establishment of public/private results teams to reengineer processes to improve productivity</p> <p>Continuation of agency-generated reengineering efforts</p> <p>Continuation and refinement of incentive program for agencies and staff to support efficiency and effectiveness initiatives</p> <p><i>Budget:</i></p> <table border="1"> <thead> <tr> <th></th> <th>Base</th> <th>New (reengineering efforts)</th> </tr> </thead> <tbody> <tr> <td>FY 07</td> <td>\$1.0m</td> <td>\$3.5m</td> </tr> <tr> <td>FY 08</td> <td>\$1.0m</td> <td></td> </tr> </tbody> </table>		Base	New (reengineering efforts)	FY 07	\$1.0m	\$3.5m	FY 08	\$1.0m	
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## **OVERVIEW – Budget Bill, Budget Document, Virginia Scorecard, Virginia Report**

### **BUDGET BILL**

Purpose: Introduced to the General Assembly to delineate the appropriation of funds to service areas. Includes language that provides general guidance on how money is spent in the Commonwealth (i.e., delegation of authority from the General Assembly to the Executive Branch) and details human resources issues.

Refinements:

- Changes in language to align with new service area structure (i.e., elimination of program, sub-program taxonomy)
- Reorganization of budget amounts by service areas

### **BUDGET DOCUMENT**

Purpose: To provide information in narrative form to further explain the information presented in the budget bill.

Refinements:

- This year, the format has been revised as follows:
- Provides an overview of each state agency that includes the agency's mission, strategic goals and customers in addition to information that has previously been included (i.e., historical and projected budget information, budget addenda and associated explanations)
- Provides service area information: service area name and description, base budget and addenda, highlights of objectives, measures, performance baselines and targets

### **VIRGINIA SCORECARD**

Legislation calls for a scorecard that measures the following:

- Progress against the Council's long-term objectives
- Current service performance
- Productivity improvement

Provides data and information that are not available in the budget document or budget bill

Initial scorecard will include several examples designed to demonstrate how scorecard and agency performance data can be used in policy decision making.

Examples will illustrate:

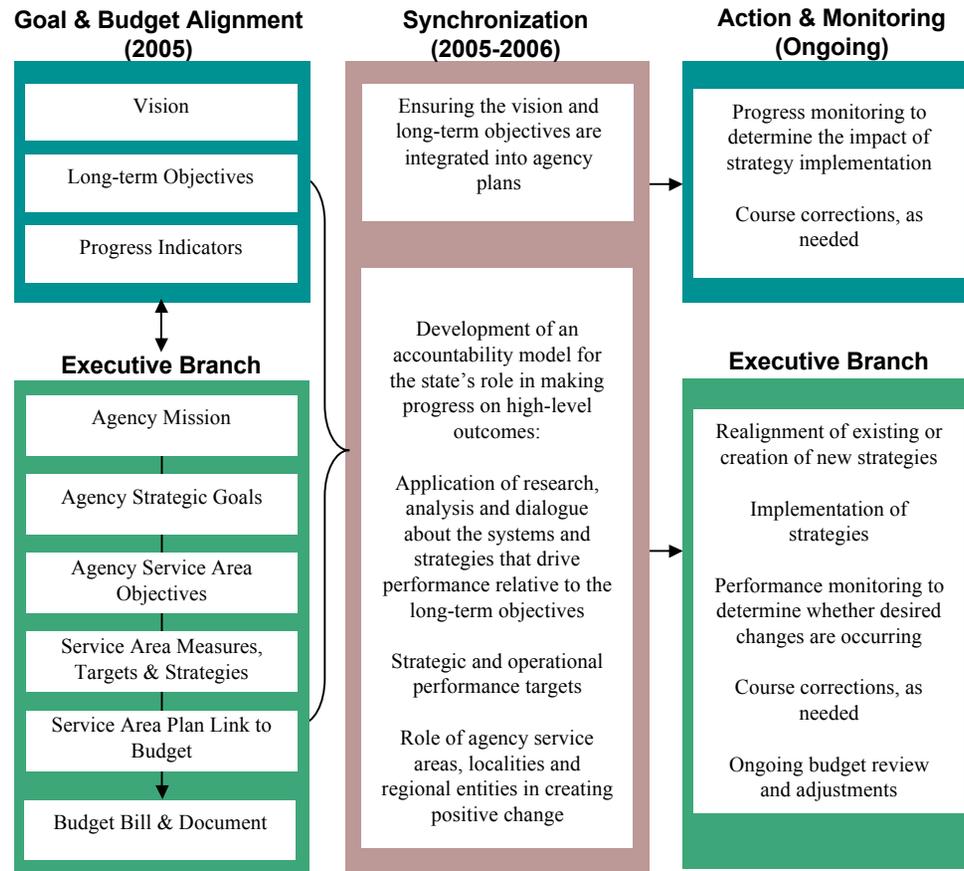
- Linkage of agency objectives to Council's long-term objectives
- High dollar budget items with alternate delivery systems (e.g., "pass-throughs")
- Specific examples of expected results to be achieved with associated changes in allocated budget dollars (to track decision process)

### **VIRGINIA REPORT**

- Serves as the Council's annual report
- Reports the status of the Council's current agenda
- Defines the Council's future scope of work, i.e., its actionable agenda for the next biennium
- Stimulates high level deliberation about a topic of significant importance to Virginia's future



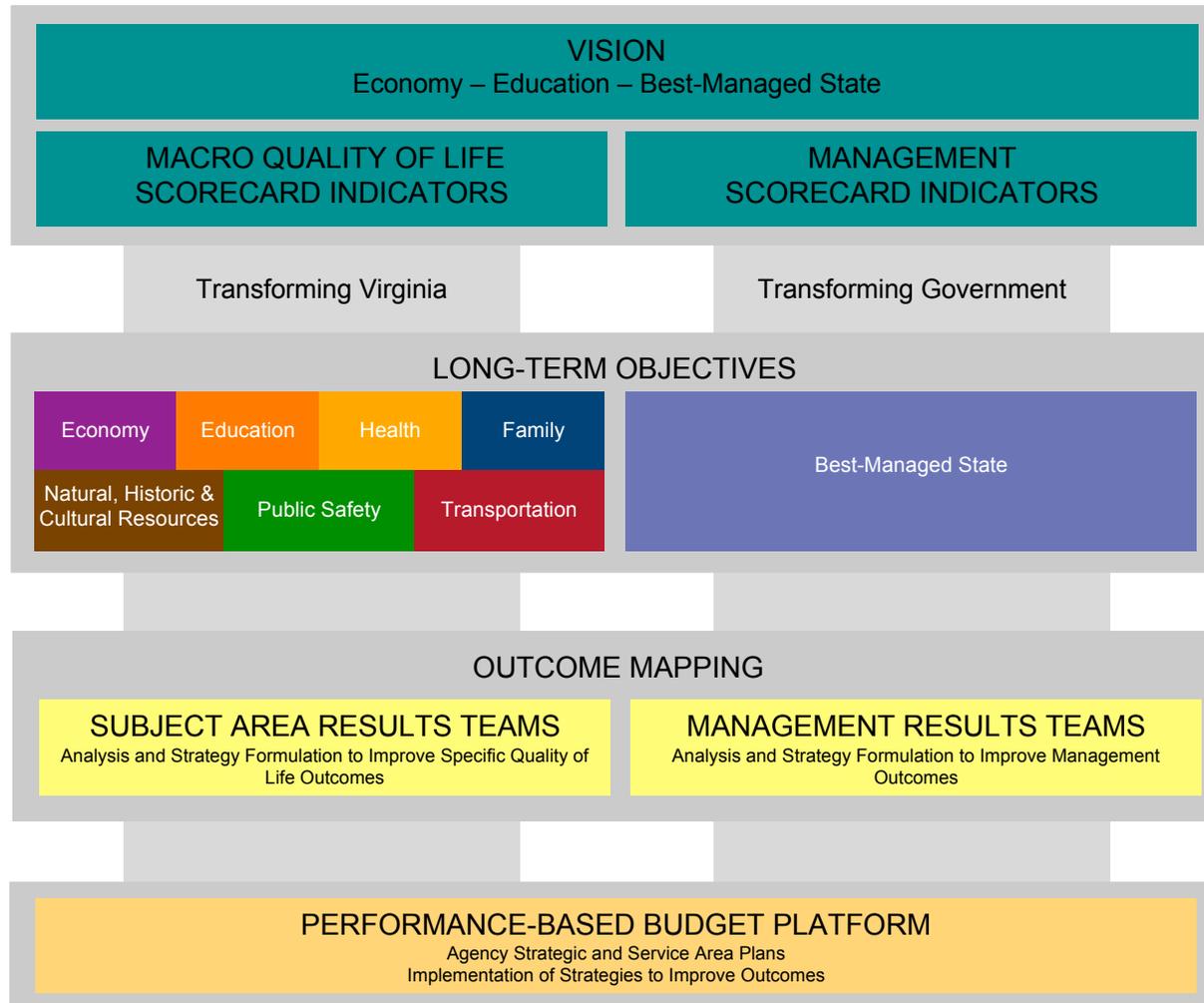
# CURRENT MODEL FOR PERFORMANCE LEADERSHIP

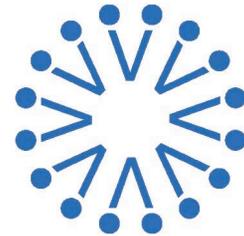




# PERFORMANCE LEADERSHIP MODEL – Next Stage of Evolution

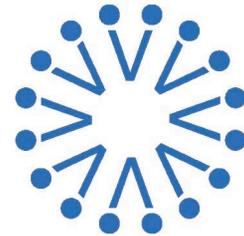
Framework for FY 2007 & 2008 Work Plan





## **Information Management Platform**

Rodney Willett



## **The Virginia Scorecard**

Jane Kusiak  
Ric Brown  
Agency Panel



## THE VIRGINIA SCORECARD

### Purpose & Focus

- Required by HB2097 (2003)
- Reports information on service performance, productivity improvement and progress against long-term objectives
- Companion document to Budget Bill and Budget Document

### Next Phase

- Automation of performance indicators: approximately 35-40 quality-of-life indicators and the management indicators listed to the right, including incorporation of the Management Scorecard currently on the Virginia Excels website
- Refinement of indicators in the scorecard at an agency level, and develop cascade to broader policy goals and objectives

### Macro Economy Performance Indicators

- Personal income
- Poverty rate
- Unemployment rate
- Employment growth
- Business start-ups
- Business climate (under construction)
- Key growth areas by cluster (under construction)
- Human capital development (under construction)

### Macro Education Performance Indicators

- Educational attainment
- School readiness
- High school graduation rate
- High school dropout rate
- Education quality (under construction)
- College participation rate
- College graduation rate
- Human capital development (under construction)

### Macro Best-Managed State Performance Indicators

- Bond rating
- Performance against critical success indicators (under construction)
- Productivity index (under construction)
- Employee retention and satisfaction (under construction)
- Citizen satisfaction with state government services (under construction)
- Voter registration
- Voter turnout
- Management scorecard (Virginia Excels)



## **AGENCY MEASURES - CHALLENGES**

Are the measures meaningful?

- Compliance measures rather than measures consistent with public perception of agency

Are the measures too technical?

Are targets appropriate?

- Some targets are determined by national standards and, therefore, they reflect nothing about actual targeted performance (i.e., target may be lower than baseline)

Are some of the measures "data for data's sake?"

How do we develop outcomes based measures for programs that are driven by formulas and services are not provided by the state?



## **THE VIRGINIA SCORECARD – PERFORMANCE BUDGETING SECTION**

### **Purpose**

- Demonstrate use of agency planning and budgeting information in the decision-making process

### **Scorecard Information for Performance Budgeting Chapter**

- Agency name and mission
- List of all service areas for the agency and their associated budgets
- Service area name and description
- Service area delivery method
- Service area financials
- Service area objective and the Council's long-term objective to which it aligns
- Measure and associated information: baseline and target levels of performance, reporting frequency, Virginia ranking, data table, data source and calculation method

### **Agency Panel**

- Department of Environmental Quality - Robert G. Burnley
- Department of Motor Vehicles - DB Smit
- Department of Medical Assistance Services - Patrick W. Finnerty
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