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# Virginia's Approach to Performance Leadership and Accountability



NOVEMBER 16, 2011

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# Outline

## Outline

- Overview
- Virginia Performs Scorecard
- From Assessment to Positive Change
- Complementary Initiatives
- Class Exercise
- Concluding Remarks

# Overview



# Purpose of the Council on Virginia's Future

- Created in fiscal year 2003 (Code of Virginia, § 2.2-2683 et seq.), the Council serves as an advisory board to the Governor and the General Assembly, and is a forum where legislative, executive branch, and community leaders come together for work that transcends election cycles, partisanship, organizational boundaries, and short-term thinking.
- The Council:
  - Provides a long-term focus on high-priority issues
  - Creates an environment for improved policy and decision-making
  - Increases government accountability, operations, and performance
  - Informs citizens about performance and engages them in dialogue about Virginia's future

# Council Membership

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The Honorable Robert F. McDonnell, Chair  
Governor, Commonwealth of Virginia

The Honorable William T. Bolling  
Lieutenant Governor, Commonwealth of Virginia

Mr. John O. (Dubby) Wynne, Vice Chair  
President & CEO (retired), Landmark Communications

## General Assembly Members

The Honorable Ward L. Armstrong  
Minority Leader, Virginia House of Delegates

The Honorable Charles J. Colgan  
President *pro tempore* & Chairman, Senate Finance Committee, Senate  
of Virginia

The Honorable M. Kirkland (Kirk) Cox  
Majority Leader, Virginia House of Delegates

The Honorable William J. Howell  
Speaker of the House, Virginia House of Delegates

The Honorable Yvonne B. Miller  
Member, Senate Finance Committee,  
Senate of Virginia

The Honorable Thomas K. Norment, Jr.  
Minority Leader, Senate of Virginia

The Honorable Lacey E. Putney  
Chairman, House Appropriations Committee, Virginia House of  
Delegates

The Honorable Richard L. Saslaw  
Majority Leader, Senate of Virginia

## Citizen and Business Community Leaders

The Honorable William D. Euille  
Mayor, City of Alexandria

Mr. W. Heywood Fralin  
President & CEO,  
Medical Facilities of America, Inc.

Mr. Edward W. Gillespie  
Principal & Founder, Ed Gillespie Strategies

Mr. Harris N. Miller  
President & CEO, Harris Miller and Associates

Dr. Edward G. Murphy  
Associate, Towerbrook Capital Partners, L.P.

The Honorable Michael J. Schewel  
Partner, McGuireWoods LLP

## Cabinet Members

The Honorable Richard D. Brown  
Secretary of Finance

The Honorable Martin L. Kent  
Chief of Staff to Governor Robert F. McDonnell

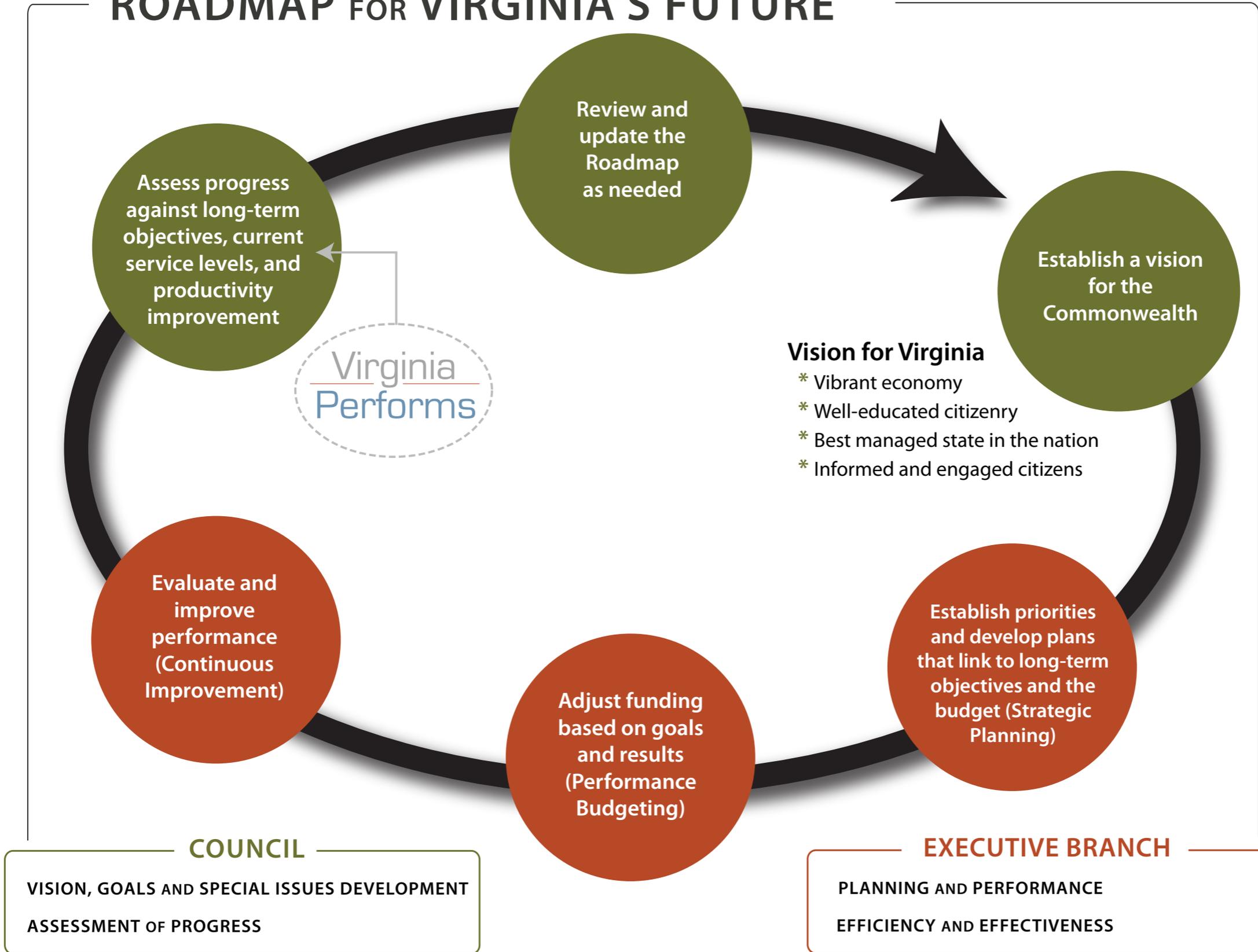
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Council support provided by the Weldon Cooper Center for Public Service at the University of Virginia and the Virginia Department Planning and Budget, in cooperation with the Governor's Office.

# Guiding Principles

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- Early in its development, the Council established a number of guiding principles:
- Focus research and dialogue on the drivers of high-level outcomes, not on development or implementation of specific strategies or policies
  - Provide a forum for dialogue and assessment, not budget decision-making
  - Share accountability, with Council concentration on the Scorecard (societal-level indicators) and Executive Branch concentration on enterprise and agency plans and measures

# ROADMAP FOR VIRGINIA'S FUTURE



# Virginia Performs Architecture

## Charting a Course for Excellence



# Evolution of Virginia Performs

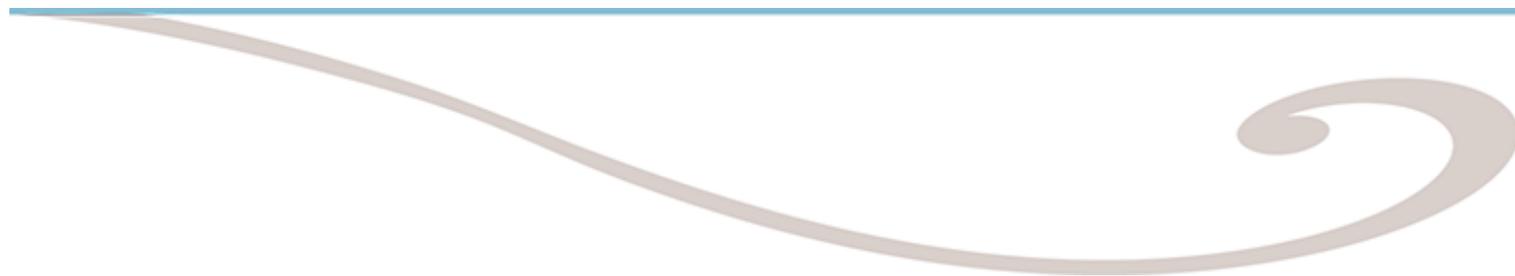
--- Council ---

--- Executive Branch ---

Level	Implementation Phase (2004-2009)	Current Status	Next Steps (2011-2013)
<b>Societal</b> How Is Virginia Doing?	<ul style="list-style-type: none"> <li>Developed Virginia Performs, which integrated societal and agency-level views</li> <li>Focused on educational attainment</li> <li>Developed Hampton Roads Performs</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to refine the societal-level system</li> </ul>	<ul style="list-style-type: none"> <li>Focus on economic growth; identify and track the critical few drivers of economic growth</li> </ul>
<b>Enterprise</b> Are We Getting Results on Our Highest Priorities?	<ul style="list-style-type: none"> <li>Established agency key measure platform to recognize high-priority objectives and targets</li> </ul>	<ul style="list-style-type: none"> <li>Developing a more comprehensive enterprise level strategic planning platform that identifies priorities and strategies which transcend secretarial and agency boundaries</li> </ul>	<ul style="list-style-type: none"> <li>Solidify enterprise level and ensure that measures and targets are established for high-priority issues</li> <li>Develop reporting capabilities to support ongoing assessment and progress</li> </ul>
<b>Agency</b> Are We Improving Government Services and Operations?	<ul style="list-style-type: none"> <li>Restructured state budget to support performance link</li> <li>Launched comprehensive strategic planning system</li> <li>Strengthened the focus on agency outcomes and results</li> <li>Began development of a new enterprise planning and performance budgeting system</li> <li>Created the Productivity Investment Fund</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to assess and evaluate strategic planning process and metrics</li> <li>Completing implementation of the first phase of the Performance Budgeting System</li> <li>Providing ongoing agency training and technical assistance</li> <li>Supporting agency-level reengineering through the Productivity Investment Fund</li> </ul>	<ul style="list-style-type: none"> <li>Continue integration of enterprise priorities into agency planning</li> <li>Fully implement the Performance Budgeting System, including strategic planning</li> <li>Integrate the new Executive Progress Reports into agency strategic planning processes</li> <li>Continue training and technical assistance</li> <li>Determine the future direction of the Productivity Investment Fund</li> </ul>

# Vehicles for Communication and Dialogue

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# Vehicles for Communication and Dialogue

Measuring what matters to Virginians

brought to you by the Council on Virginia's Future

## Virginia Performs

VISION  
FOCUS  
RESULTS

Regions | Trends | Demographics | Map It  
Agency Planning and Performance | Scorecard at a Glance

- Economy
- Education
- Health & Family
- Public Safety
- Natural Resources
- Transportation
- Government & Citizens

Search the Site



**SCORECARD**  
AT A GLANCE  
See how Virginia measures up.

**A message from the Governor of Virginia:**

The Commonwealth of Virginia is a spectacular place to live. We treasure the heritage and resources that contribute to our high quality of life, but it takes constant planning and fine tuning to maintain this quality and make needed improvements.

This website, brought to you by the Council on Virginia's Future, shows you how we measure the state's performance, plan for the future and monitor our progress. Explore the links above to see how we're working to make Virginia strong and healthy.

Thanks for visiting.



**Agency Performance Plans**

Key Objectives at a Glance

Explore by Secretariat how state agencies set and measure their performance goals and targets.

- Administration
- Agriculture & Forestry
- Commerce & Trade
- Education
- Finance
- Health & Human Resources
- Natural Resources
- Public Safety
- Technology
- Transportation
- Veterans Affairs and Homeland Security

**State Agencies**

Explore performance measures by agency

## Measuring Virginia

Virginia Performs shows you how the state is doing in areas that affect the quality of life for you and your family. Explore these pages ([main menu above](#)) to learn more about the Commonwealth's performance from region to region and compared to other states. For more about your own community, [try out our Map It tool](#). You can also see how Virginia state government is working on your behalf on our [Agency Planning and Performance pages](#).

**Measuring What Matters**

**Scorecard at a Glance: 2011 Trend Changes**

The 49 societal indicators tracked through Virginia Performs show that the Commonwealth continues generally to acquit itself well.

Over the 2010-11 fiscal year, 9 societal indicators have seen shifts in performance significant enough to warrant a trend (arrow) change. Some of these shifts are the result of recent improvements; some reflect how, after years of steady progress, it can be hard to find that next surge forward; and a few indicate some slippage in performance. You can [read more about these recent shifts in the summer issue of Virginia Performs](#).

**Trending Upward**

- [Infrastructure Condition](#)
- [Waste and Recycling](#)
- [Voter Registration and Turnout](#)

**Shifting Downward**

- [Adoption](#)
- [3rd Grade Reading](#)
- [4th Grade Reading & Math](#)
- [High School Dropout](#)
- [Immunization](#)
- [Smoking](#)

# Council Products

## Information / Business Intelligence



**Virginia Performs website:** User-friendly data at state, region and locality levels; portal to state agency strategic plans and performance measures

## Analysis, Dialogue & Recommendations

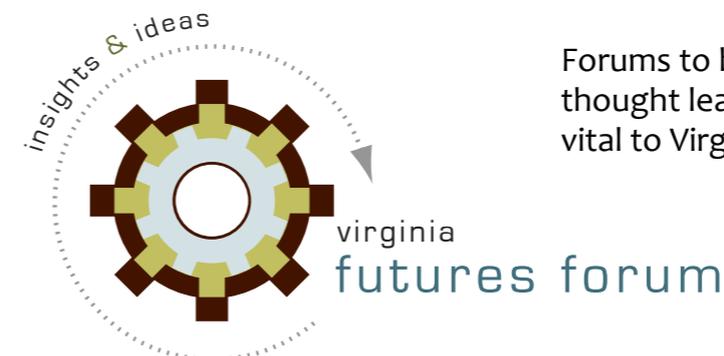


### Publications and Research:

1. Outcome data by legislative district compiled for members of the General Assembly
2. White papers and custom presentations on key topics
3. Council e-newsletter with updates on the Roadmap and special issues, assessment, performance, and productivity improvement



**The Virginia Report:** Annual report with high-level assessment of Virginia's progress in areas important to quality of life; highlights challenges and provides analytic information for decision-making



Forums to bring together thought leaders on issues vital to Virginia

# Regional View: Hampton Roads Performs

Virginia Performs | VISION | FOCUS | RESULTS | Virginia Performs Home | About Virginia Performs

Measuring the quality of life in Virginia's Hampton Roads

## Hampton Roads★Performs

Home | About Hampton Roads Performs | Contact Us  
Hampton Roads Scorecard | Regional Profile | Locality Profiles

Economy | Education | Health & Family | Public Safety | Natural Resources | Transportation | Government & Citizens

Search the site... Go

### Vision Hampton Roads

**Goal:** With proper foresight, continuous planning, and dynamic economic development, Hampton Roads will be recognized internationally as a region fueled by:

- ★ Innovation
- ★ Intellectual & Human Capital
- ★ Infrastructure
- ★ Sense of Place



### Measuring the Quality of Life in Virginia's Hampton Roads

Hampton Roads is a vibrant region for people to live, work, and visit. People in the region are unified by a common desire to improve their quality of life through ever-greater economic opportunities and an outstanding environment.

Hampton Roads Performs tracks our progress and provides insight into those aspects of life that will ensure the region's competitive position in the global economy. See how the region is doing overall on [the Hampton Roads Scorecard](#). And explore the 7 quality-of-life categories above (Economy, Education, etc.) to see how Hampton Roads compares to other regions of Virginia and to metropolitan areas outside the state.

### Measuring Up in Hampton Roads

#### Aligning and Implementing Regional Goals

How do you implement a roadmap to diversify and strengthen a region's economy? With new thinking, innovative planning and creative minds.

*Vision Hampton Roads*, the product of nearly one year of involving more than 150 community volunteers in the planning and 500 citizens in a public survey, is the final Comprehensive Economic Development Strategy (CEDS) document. It will serve as the guide for regional goals and objectives and aid local governments in decision-making, identifying investment priorities and funding sources.

The CEDS experience in Hampton Roads is about creating an ongoing economic development process that is embraced by our region. *Vision* planning has placed Hampton Roads on a path to regional transformation by embedding a working process in all that we do as we ... *think, live and act regionally*.

**Hampton Roads is a region that will thrive as we cultivate innovation, truly educate our workforce, invest in infrastructure and create quality places. We will be successful as the entire region aligns to achieve the goal and objectives of *Vision Hampton Roads*.**

Learn more about [Vision Hampton Roads](#).



**What is Hampton Roads?**

- Southeastern corner of Virginia
- Population exceeding 1.6 million
- America's largest natural deepwater harbor
- More than 106,000 students enrolled in 13 colleges/universities and 3 community colleges

[Explore our Regional Profile](#) for more information.

◀ Home page

Hampton Roads★Performs "Measuring the quality of life in Hampton Roads, Virginia"

The Economy, Education and Transportation indicators represent the current Strategic Goals of the Hampton Roads Partnership.

Economy	Education	Transportation	Natural Resources
<a href="#">Business Startups</a> →	<a href="#">School Readiness</a> ↑	<a href="#">Land Use</a> ↑	<a href="#">Land Preservation</a> ↑
<a href="#">Employment Growth</a> →	<a href="#">3rd Grade Reading</a> →	<a href="#">Public Transit</a> ↓	<a href="#">Solid Waste and Recycling</a> ↓
<a href="#">Modeling &amp; Simulation</a> ↑	<a href="#">High School Graduation</a> ↑	<a href="#">Traffic Congestion</a> →	<a href="#">Water Quality</a> ↑
<a href="#">Net Migration</a> ↓	<a href="#">High School Dropout</a> →		
<a href="#">Personal Income</a> ↑	<a href="#">College Graduation</a> ↑		
<a href="#">Port/Maritime</a> →	<a href="#">Educational Attainment</a> ↑		
<a href="#">Poverty</a> →			
<a href="#">Research and Technology</a> →			
<a href="#">Unemployment</a> ↓			
<a href="#">Workforce Quality</a> ↑			
	Health & Family		
	<a href="#">Cancer</a> ↑		
	<a href="#">Cardiovascular Disease</a> ↑		
	<a href="#">Child Abuse and Neglect</a> ↑		
	<a href="#">Foster Care</a> ↑		
	<a href="#">Health Insurance</a> →		
	<a href="#">Infant Mortality</a> ↑		
	<a href="#">Obesity</a> ↑		
	<a href="#">Suicide</a> →		
	<a href="#">Teen Pregnancy</a> ↑		
		Public Safety	
		<a href="#">Crime</a> ↑	
		<a href="#">Juvenile Intakes</a> →	
		<a href="#">Traffic Fatalities</a> →	



Scorecard ▶

### Government & Citizens

[Taxation](#) ↓

[Voter Registration and Turnout](#) ↑

**Note:** Bolded indicators are unique to Hampton Roads Performs.

Performance Trend	
↑	improving
→	maintaining
↓	worsening

Last updated: April 2011

# Virginia Performs Scorecard

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# SCORECARD AT A GLANCE

## Economy

**Goal:** Be a national leader in the preservation and enhancement of our economy.

Business Climate	↑
Business Startups	→
Employment Growth	→
Personal Income	↓
Poverty	↓
Unemployment	↓
Workforce Quality	↑

## Education

**Goal:** Elevate the levels of educational preparedness and attainment of our citizens.

School Readiness	↑
3rd Grade Reading	→
4th Grade Reading/Math	→
High School Graduation	↑
High School Dropout	→
College Graduation	↑
Educational Attainment	↑
Lifelong Learning	→

## Health and Family

**Goal:** Inspire and support Virginians toward healthy lives and strong and resilient families.

Adoption	→
Cancer	↑
Cardiovascular Disease	↑
Child Abuse and Neglect	↑
Foster Care	↑
Health Insurance	↓
Immunization	↓
Infant Mortality	↑
Life Expectancy	↑
Obesity	↓
Smoking	↓
Suicide	↓
Teen Pregnancy	↑

**Each topic covers:**

**Why Is This Important?**

**How Is Virginia Doing?**

- Over Time
- By Region
- Compared to Other States

**What Influences the Indicator?**

**What Is the State's Role?**

## Public Safety

**Goal:** Protect the public's safety and security, ensure a fair and effective system of justice, and provide a prepared response to emergencies and disasters of all kinds.

Crime	↑
Emergency Preparedness	↑
Juvenile Intakes	↑
Recidivism	↑
Traffic Fatalities	↑

## Natural Resources

**Goal:** Protect, conserve and wisely develop our natural, cultural and historic resources.

Air Quality	↑
Energy	→
Historic Resources	→
Land Preservation	↑
Solid Waste and Recycling	↑
Water Quality	↑

## Transportation

**Goal:** Ensure Virginia has a transportation system that is safe, enables the easy movement of people and goods, enhances the economy, and improves our quality of life.

Infrastructure Condition	→
Land Use	→
Traffic Congestion	↓

## Government & Citizens

**Goal:** Be recognized as the best-managed state in the nation.

Bond Rating	↑
Civic Engagement	→
Consumer Protection	↓
Government Operations	↑
Internet Access	↑
Taxation	→
Voter Registration & Turnout	↑

**Performance Trend**

- Improving ↑
- Maintaining →
- Worsening ↓



# How Does Virginia Compare to Other States?\*

INDICATOR RANK	1-10	11-20	21-30	31-40	41-50	INDICATOR RANK	1-10	11-20	21-30	31-40	41-50
<b>ECONOMY</b>						<b>EDUCATION</b>					
Business Climate	●					College Graduation (4-Year)	●				
Business Startups			●			College Graduation (2-Year)		●			
Employment Growth		●				4th Grade Reading	●				
Personal Income	●					4th Grade Math		●			
Poverty	●					High School Dropout		●			
Unemployment	●					<b>PUBLIC SAFETY</b>					
Workforce Quality	●					Emergency Preparedness	●				
<b>HEALTH &amp; FAMILY</b>						Property Crime		●			
Cancer Deaths			●			Violent Crime	●				
Cardiovascular Disease			●			Traffic Fatalities		●			
Health Insurance			●			<b>TRANSPORTATION</b>					
Immunization (Childhood)			●			Infrastructure (Deficient Bridges)			●		
Infant Mortality				●		Traffic Congestion (Commute Time)					●
Obesity		●				<b>GOVERNMENT &amp; CITIZENS</b>					
Smoking				●		Bond Rating	●				
Suicide		●				Charitable Giving				●	
Teen Pregnancy		●				Consumer Protection (Fraud)					●
<b>NATURAL RESOURCES</b>						Internet Access (Broadband)				●	
Historic Districts	●					Taxation (State and Local)		●			
Energy			●			Voter Turnout		●			

\* Rankings between 1 and 10 denote top national performance.

# Are Agency Measures Aligned with High-Priority Goals?

SOCIETAL INDICATOR		AGENCY PERFORMANCE MEASURES		
Indicator	Performance Trend	Agency	Key Measure	Baseline / Target
<b>Education</b>				
Third Grade Reading	→	Education	Third graders passing the reading SOL test	84%/95%
High School Graduation	↑	Education	High school students exiting with a diploma	74%/80%
<b>Health and Family</b>				
Foster Care	↑	Social Services	Children discharged to permanent living arrangements	71%/81%
Immunization	↓	Health	Two-year old children fully immunized	81%/90%
<b>Public Safety</b>				
Traffic Fatalities	↑	Transportation	Traffic crash-related fatalities	946/846
Recidivism	↑	Juvenile Justice	Juveniles convicted of a new crime within a year of release	38.3%/35.8%
<b>Natural, Cultural, and Historic Resources</b>				
Water Quality	↑	Environmental Quality	Nitrogen nutrients discharged in the Chesapeake Bay watershed (millions of lbs.)	25.7/22.3
Land Preservation	↑	Conservation & Recreation	Cumulative acres (000s) preserved for conservation purposes	67.3/400

# **From Assessment to Positive Change**

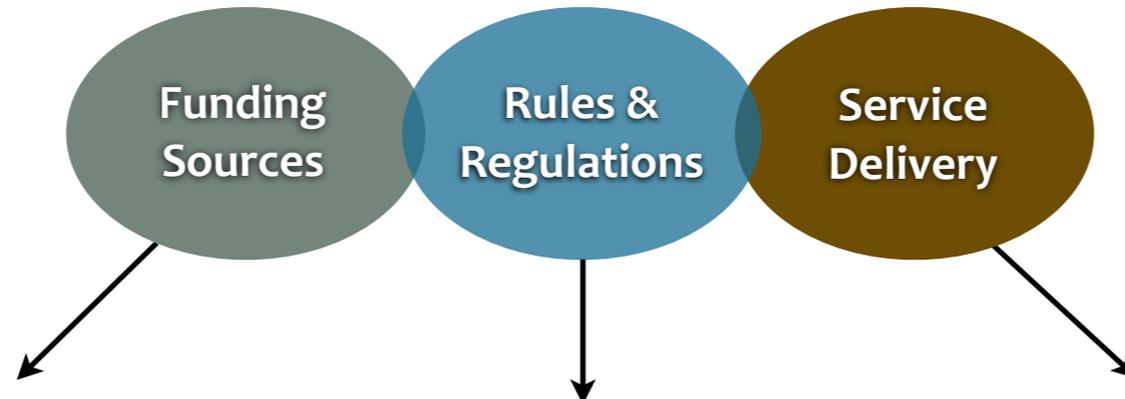
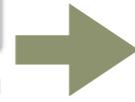
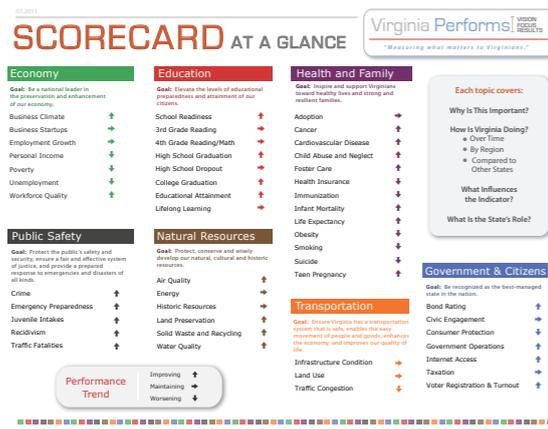
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# From Assessment to Positive Change

- Understanding the complexity of change:
  - Funding flows matter
  - Relationships among outcomes matter
  - Regional variations matter
- Investing in strong analytics
  - Educational Attainment
  - Regional Perspectives
  - Economic Growth
- Providing effective performance management

# Understanding the Complexity of Change



- Both private and public forces affect societal outcomes
- Government, by its nature, is multi-layered and complex, with responsibility for key outcomes shared among agencies and levels of government
- About 52 percent of the state's general fund budget for fiscal year 2009 was aid to localities
- Accountability systems sometimes operate at a different level than rules, regulations, and funding
- Accountability for outcomes is often weakened and diffused when the service or program has multiple funding sources, and the links between performance and funding are sometimes limited

# Funding Flows Matter

Government Spending by Functional Area, FY 2009 (in billions unless otherwise specified)

## Federal Government Total Spending: \$3.4 trillion

Total Health & Social Services 31.1% \$1,075.4					Defense	Debt Service	Econ. Affairs	Other	Education	Gen'l Gov.
Income Security	Social Services	Medicare	Other Health	Medicaid						
28.3%	5.5%	14.5%	3.9%	7.1%	19.3%	7.4%	4.4%	3.3%	3.1%	3.1%
\$977.6	\$191.0	\$502.3	\$135.1	\$247.0	\$668.0	\$254.0	\$153.3	\$112.9	\$108.6	\$107.8

## Commonwealth of Virginia <sup>1</sup> Total Spending: \$38.8 billion <sup>2</sup>

Total Education 34.8% \$13.5		Total Health & Social Services 27.8% \$10.8			(includes \$8.3 of federal support for state & local governments)					
K-12 Education	Higher Ed & Other	Medicaid	Other Health	Social Services	Transportation	General Gov.	Public Safety & Judicial	Other	Income Security	Debt Svc.
18.6%	16.2%	15.7%	6.4%	5.6%	10.6%	9.3%	6.8%	6.5%	3.2%	1.2%
\$7.2	\$6.3	\$6.1	\$2.5	\$2.2	\$4.1	\$3.6	\$2.6	\$2.5	\$1.2	\$0.4

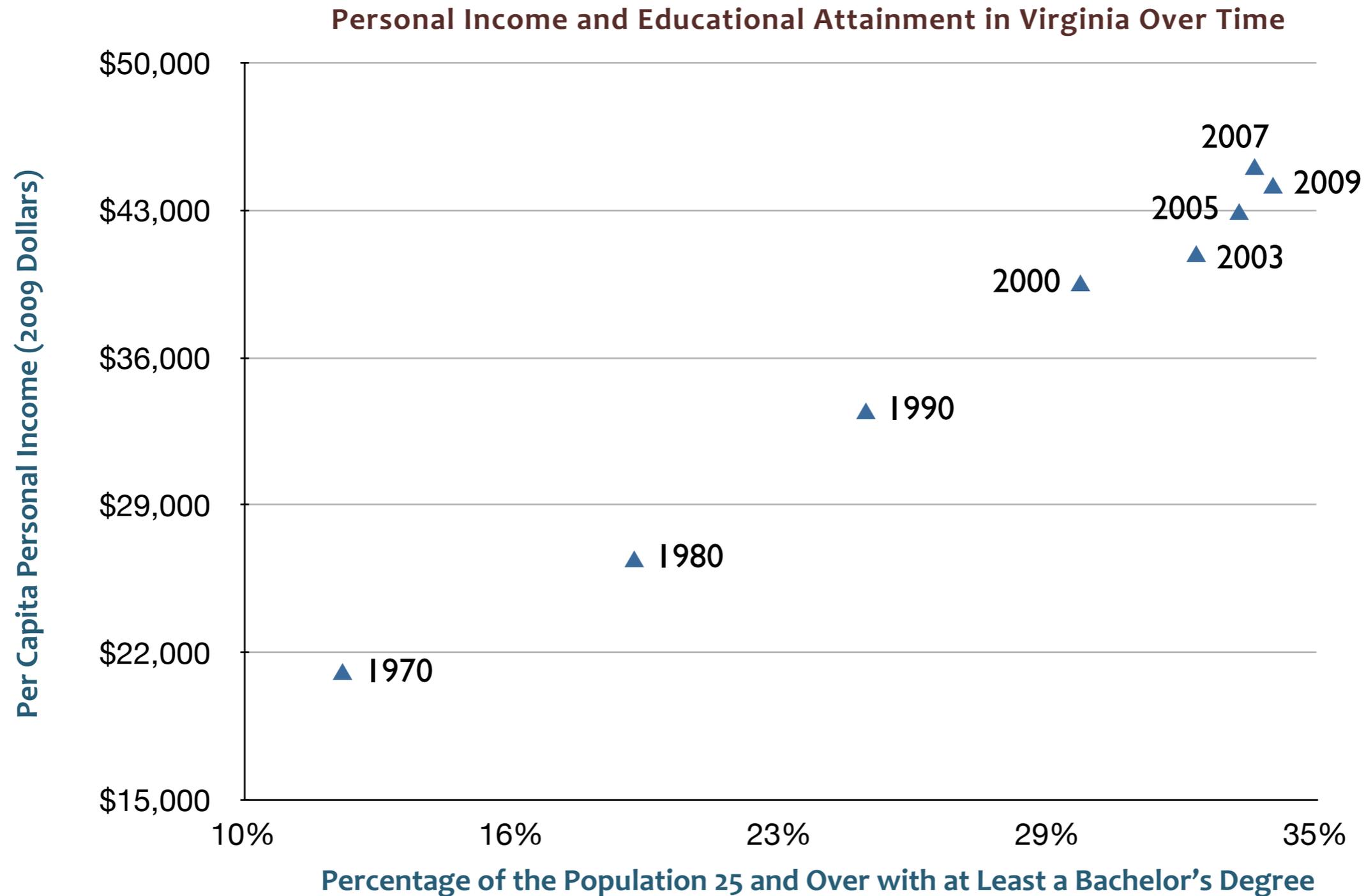
## Virginia's Local Governments <sup>1</sup> Total Spending: \$32.1 billion

Total Education 43.9% \$14.1		Total 8.8% \$2.8		(includes \$1.9 of federal support & \$8.9 of state general fund support)							
K-12 Education		Other Ed.	Social Services	Health	Public Safety & Judicial	Capital Outlay	Debt Service	General Gov.	Housing & Comm. Dev.	Parks & Rec.	Transportation
43.1%		0.8%	5.2%	3.4%	13.8%	12.2%	8.4%	6.1%	2.9%	2.0%	1.8%
\$13.8		\$0.3	\$1.7	\$1.2	\$4.4	\$3.9	\$2.7	\$1.9	\$0.9	\$0.6	\$0.6

<sup>1</sup> Spending totals do not include enterprise activities, such as higher education auxiliary enterprises, utilities, lottery, alcoholic beverage control, etc.

<sup>2</sup> Total spending for the Commonwealth of Virginia includes general and nongeneral funds.

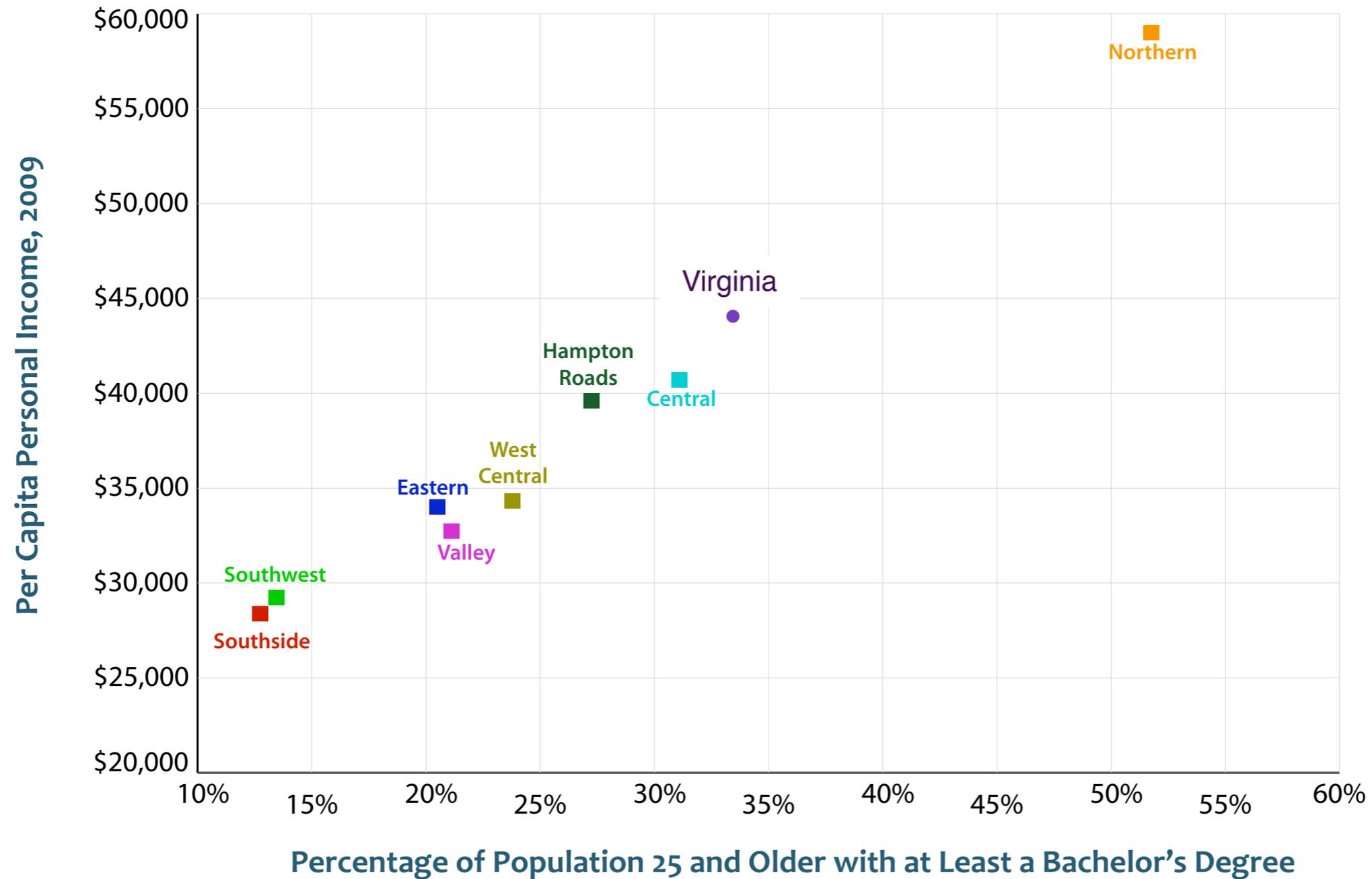
# Relationships Among Indicators Matter



Source: Educational Attainment - U.S. Census Bureau; Adjusted (2009 dollars) Per Capita Personal Income - Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.

# Regional Variations Matter

## Per Capita Personal Income and Educational Attainment



Source: Educational Attainment - U.S. Census Bureau; 2009 Per Capita Personal Income - Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.

# From Assessment to Positive Change

- Understanding the complexity of change:
  - Funding flows matter
  - Relationships among outcomes matter
  - Regional variations matter
- Investing in strong analytics
  - Educational Attainment
  - Regional Perspectives
  - Economic Growth
- Providing effective performance management

# Complementary Initiatives

## Enterprise Strategic Priorities

- This represents the next stage in the evolution of Virginia Performs: the creation of an enterprise level that clearly articulates the administration's highest priorities and the strategies needed to achieve them

## Performance Budgeting System

- This new enterprise technology replaces several outdated and non-integrated systems and represents a major step forward in a process that began 2005 with leadership from the Council

## Productivity Investment Fund

- This fund, implemented at the urging of the Council, continues to generate significant returns to taxpayers and service recipients

# Class Exercise

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# Concluding Remarks

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# Concluding Remarks

- Assessing performance is complicated, especially given the reality of the way government delivers services with shared responsibilities across multiple levels of government, diverse funding streams, multiple service delivery vehicles (including the private sector), and overlapping customer groups
- Meaningful change requires a long-term commitment: Virginia Performs continues to evolve, and full integration across units of government and regions is an aspirational goal
- It is important to measure the right things; the adage, “you can’t manage it if you don’t measure it” might be modified to read, “you can’t manage it well if you don’t measure it well”
- Encourage positive change and provide the right tools and incentives to promote innovation and productivity improvement

# Sites of Interest

**Virginia Performs:**  
[VaPerforms.virginia.gov](http://VaPerforms.virginia.gov)

**Productivity Investment Fund:**  
[www.pif.virginia.gov](http://www.pif.virginia.gov)

**Council on Virginia's Future:**  
[future.virginia.gov](http://future.virginia.gov)

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