



**Agency of Administration/ Chief Performance Officer
Transition Document**

Contents

- I. Agency Overview 2
- II. Agency Major and Evolving Issues 3
 - a. Continuous Improvement: 3
 - i. Results-Based Accountability. 3
 - ii. Lean. 4
 - iii. Other Performance Management Systems. 4
 - b. Financial Transparency..... 4
 - c. Strategic Planning..... 4
 - d. Data. 5
- III. Inter-Agency Issues 5
- IV. Key Decision Dates 6
- V. Legislation 6
- VI. External Group and Organizations 6
- VII. General Information 6
- VIII. Anything Else 6

I. Agency Overview

The Agency of Administration (AoA) is comprised of the Office of the Secretary, central office divisions, and operational Departments which provide supportive services to all Vermont state government agencies and departments, as well as Vermont taxpayers and citizens. With primary responsibilities related to human resources, revenues, accounting and budget management, physical plant, IT infrastructure, contracting, and general services, the AoA promotes the effective and efficient coordination of state programs and services by responding to changing administrative, policy and fiscal environments, while ensuring transparency and accountability of and value for public tax dollars.

The Agency is comprised of the following department and divisions:

Departments	Divisions
Buildings & General Services	Office of the Secretary
Finance & Management	Chief Performance Officer (CPO)
Human Resources	Health Care Reform
Information & Innovation	Office of Risk Management
Libraries	Office of Workers' Compensation
Tax	Agency Financial Services

The CPO oversees legislatively required continuous performance and fiscal transparency reporting improvements within the state government. This includes administrative bulletins (policies), fiscal transparency (website), operational and process efficiencies, strategic planning, the implementation of performance-based budgeting, and the annual Legislative Population-Level Outcomes and Indicators Report. All of these areas should be a priority for both the Administration and the Legislature. The CPO is the Governor's appointed representative on the legislature's Joint Government Accountability Committee.

The CPO also develops and provides training sessions on performance acceptability – for both individual departments and statewide staff. Most recently the CPO provided 14 “road-show” training sessions around the State for the recently revised Bulletin 3.5, along with the Director of Contracting and Purchasing and an Assistant Attorney General. The CPO will be working with Human Resources Workforce Development division to make this 3.5 training available twice a year.

Annual CPO reports include [Population-Level Outcomes and Indicators Report](#) the [Programmatic Performance Measure Budget](#), and the annual report of Contracts for Services executed. The CPO provides back-up for the Budget Office's assignments for monthly Revenue Press Releases and the annual presentation Budget Book.

II. Agency Major and Evolving Issues

a. Continuous Improvement:

The State has embarked on initial efforts to roll out RBA and Lean, within certain agencies and departments, under the CPO. Numerous department staff have been trained, however, lack of a budget, dedicated staff, **open data**, and a **reporting system/dashboard** allow for incremental and manual progress, only. If Continuous Improvement is to be accelerated and fully adopted, executive sponsorship, leadership involvement and support, appropriate resources and a new strategic plan which drives the CI initiative are required. **Developing a comprehensive CI Plan should be facilitated by the establishment of an Office of Continuous Improvement (OCI) and the development of a Statewide Steering Committee. A CI Team (CPO and 3 state RBA and Lean subject-matter experts) have developed a draft CI Work Plan (attached).**

i. Results-Based Accountability.

In 2014, the legislature adopted Results-Based Accountability (RBA) as a results improvement framework and developed a total of 9 Population-Level Outcomes with Population-Level Indicators. The CPO was assigned to create and train statewide Performance Accountability Liaisons (PALs) who would be responsible for the reporting of Indicators. The CPO consolidates the data into an annual report. Although departments have assigned PALs, only the Agency of Human Resources has 1 full-time process improvement staff. The remaining PALs perform their RBA duties in addition to their official job duties. Many AHS staff members and the CPO have been certified as RBA Masters and Trainers.

ii. Lean.

Initially begun by the Department of Environmental Conservation, and in cooperation with the CPO, Lean has been used as a process improvement tool for operational efficiency at DEC. Subsequently, the Agency of Transportation (AOT) adopted and is using Lean. Both DEC and AOT have 1 full time Lean staff member, each. Currently AOT is running training programs to certify additional Lean Green-Belt staff. By year's end DEC, AOT and CPO will have an estimated 90 staff Green-Belt certified.

iii. Other Performance Management Systems.

Regardless of the performance management system used, most are similar enough to allow use within the overall Continuous Improvement System. As long as the highest level Outcomes are driven by the State Strategic Plan and the Indicators used are useful, timely accurate and of high communication value, the methodology for business process improvement and programmatic performance improvement measurement can be more flexible. Whether reporting Performance Measures (PM), Key Performance Indicators (KPI) or other, it is all allowable and good.

b. Financial Transparency.

SPOTLIGHT.vermont.gov, the State's fiscal transparency website was developed by the CPO in 2012, in reaction to USPIRG's *Follow the Money* grade for Vermont of "F" in 2010 and "D" in 2011. After SPOTLIGHT was established, the State received a B+ for 2012 and rose to an "A" for 2013. Subsequently the State grade has been dropped to a "B" due to two primary factors: 1) each year USPIRG requires additional functionality and data be available, for which VT does not have the resources to add; and 2) Vermont has not, to date, adopted statewide policy, governance nor technology to manage, share and utilize "data" internally or externally.

A page has been added to SPOTLIGHT to include Performance Accountability information, reports, training material, newsletter, etc. Ideally, this page could and should be the state dashboard. The existing Governor's dashboard was developed before Outcomes and a Strategic Plan were established. In many cases, the data is not the most useful or informative data and is often not compared to a benchmark or even an internal goal.

c. Strategic Planning.

Governor Shumlin's State Strategic Plan covered FY 2012 – FY 2015. The Plan was not updated for FY 2016 and beyond. Some agencies and departments do have current Strategic Plans, but not all. Vermont needs a fully functioning and regularly updated State Strategic Plan, based on individual agency and department Plans. The State Plan should include core sections related to on-going primary government functional areas (Economy, Health Status, Environment, Protection, Families/Adults/Children, Education, Government Access/Efficiency and Infrastructure) and a "Governor's section" which would reflect the Governor's specific programs and could change with each new Administrations. The core Strategic Plan sections would remain and be updated annually or every two years. This would allow the core of the Plan to move from one Administration to the next providing continuity while the Governor's section would

apply to gubernatorial initiatives specific to a particular Administration. Specific initiatives which remain and carry over into a new Administration could be moved to the core section(s), as appropriate. An organization as complex as Vermont State government needs an active and ongoing Strategic Plan with periodic reporting on performance progress to the Plan.

d. Data.

Utilizing data for informed decision making and to gauge collective impact for State programs and services is a major challenge for the State. Access to data, utilization of data and sharing data (or rather the lack of these) persists. The lack of a statewide policy (data plan), governance and technology to manage, share and utilize “open data” internally and externally results in a good deal of manual work on public information requests and does not provide agency and State leaders, nor the public, with the requisite data to knowledgably manage, govern, make policy and laws or for public evaluation. To illustrate how important data has become, the PEW Charitable Trust is currently doing a 50-state research project entitled “Data as a Strategic Asset”. In January 2016, the legislatively established Special Committee on the Utilization of Information Technology in Government’s issued their [Final Report](#), listing Data as one of the 5 top themes highlighted in the executive summary and detailed in the report:

5. Data should drive the approaches to meeting the State’s challenges. There is a need to ensure that business process and IT systems consider the essential nature of collecting, sharing, analyzing, enabling decision making through such mechanisms as data visualization, and transparency. Transparency is most often thought of as a window to monitor what government is doing and how it is performing. Transparency can have a host of other benefits. Software systems should have open Application Program Interface (API) to data that is not private to enable study of the State’s information so that others, such as researchers and students, can seek solutions, and to illuminate both challenges and possible solutions or better practices.

Many US states and a number of Vermont non-government entities are far ahead of Vermont state government where Data is concerned. Both the Chittenden County ECOS Project ([report](#) and [on-line scorecard](#)) and [Vermont Insights](#) are examples where State generated data, provided by departments is analyzed, reported and made available to the public. Some of this data is not used by or accessible through the State – and that which is, is scattered around various agency and department websites, not collected in a unified, accessible State Data Portal. Data ownership (“mine, mine, mine”) and a technology solution continue to be limiting factors.

III. Inter-Agency Issues

Leadership on Performance Management, Financial Transparency, Strategic Planning and Data Governance must come from the top. Agency and Department heads will do only what is “required” and will not become invested in these areas unless executive leadership is not 100% supportive. This is understandable as support from the top without resources to do the job results in mixed messages and conflicting priorities. In addition, the ever present “silo” mentality continue to be a challenge for unified growth and progress.

IV. Key Decision Dates

No key decisions dates.

V. Legislation

The 2016 session saw the passage of a bill (Act 58) which markedly changed statutory definitions and practice in 3rd party contracting. Working with the VSEA, Human Resources and the Attorney General's Office, the CPO successfully shepherded this legislation through. This allowed for major revisions to Administrative Bulletin 3.5 ~ Procurement & Contracting Procedures, to provide direction and documentation necessary to ensure compliance with certain IRS and USDOL rules. This legislation will also provide better and more granular information about State contracting and a better base from which to upgrade the VISION financial system, adding an e-Procurement front end.

VI. External Group and Organizations

The CPO works regularly with external non-profits on RBA panels and presentations, including the Vermont Accountability Group (hosted by AHS) and Benchmarks for a Better Vermont (through Marlboro College). She is also called to testify most often before the House and Senate Government Operations Committees and Appropriation Committees and as a panel member at a number of annual conferences.

VII. General Information

VIII. Anything Else