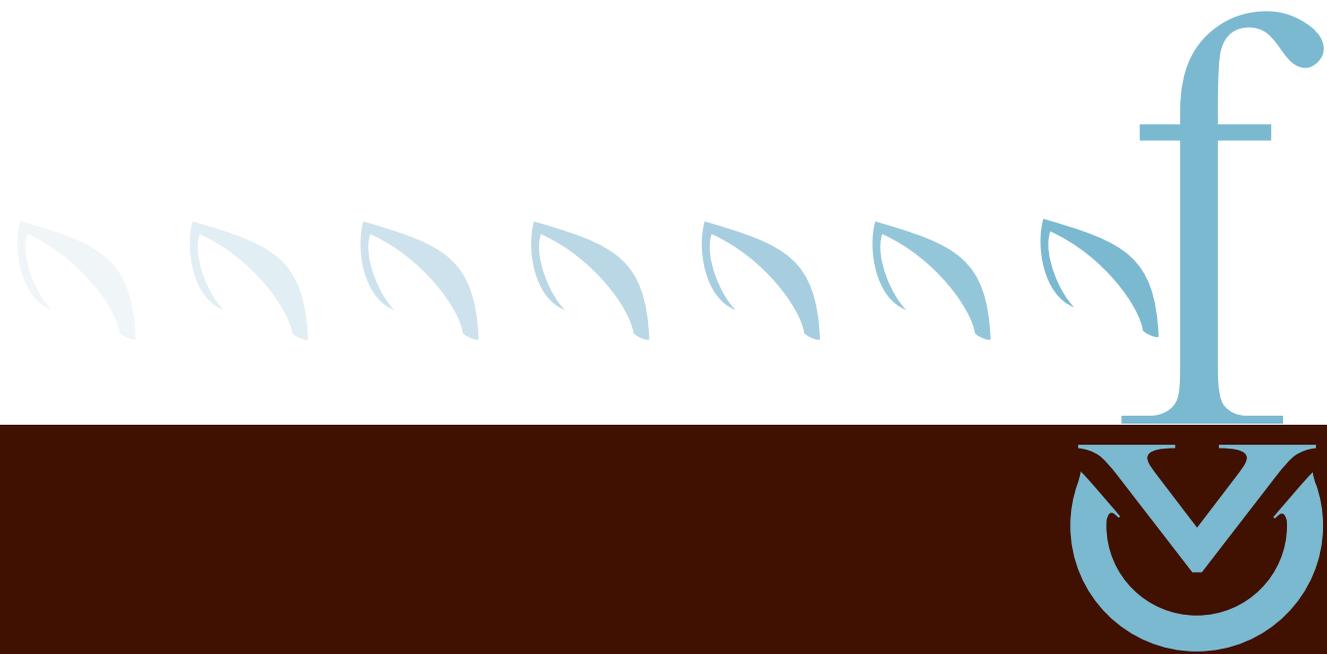


COUNCIL ON VIRGINIA'S FUTURE



Executive Summary 2007

# Council on Virginia's Future

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Governor, Commonwealth of Virginia

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Landmark Communications

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### Cabinet Members

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Secretary of Technology

**The Honorable Jody M. Wagner**  
Secretary of Finance

## ■ Council on Virginia's Future: Background ■

The Council on Virginia's Future – which is comprised of state, business, and community leaders from across the Commonwealth – 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 in Virginia and helping to ensure that the state is as effective as it can be in making Virginia a better place in which to live, work, and raise a family.

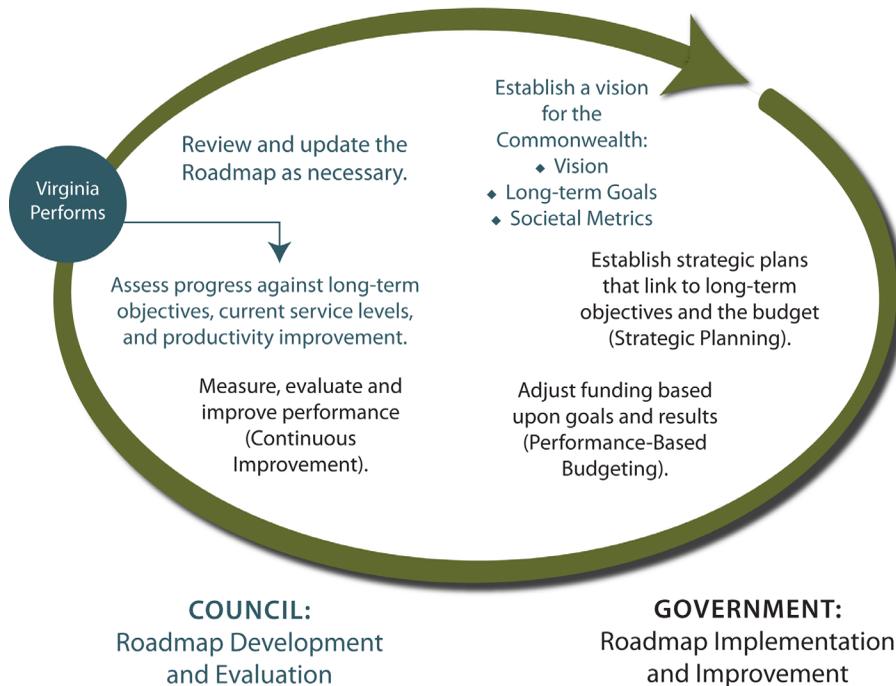
The Council works to create these improvements by:

- 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.

This Executive Summary provides a brief introduction to the Council's scope of work and accomplishments. More information is available at [www.future.virginia.gov](http://www.future.virginia.gov).

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 within state government that is accountable for improving outcomes and the quality of life for Virginians.

Performance leadership is 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, serves as a compass to guide state government decisions and actions.

The Council’s enabling legislation (§ 2.2-2686 of the *Code of Virginia*) defines the three core components of the performance leadership and accountability system:

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

## ■ Scope of Work ■

These elements – assessment, service performance, and productivity improvement – represent the inter-related core components of the Council’s scope of work.

### Assessment

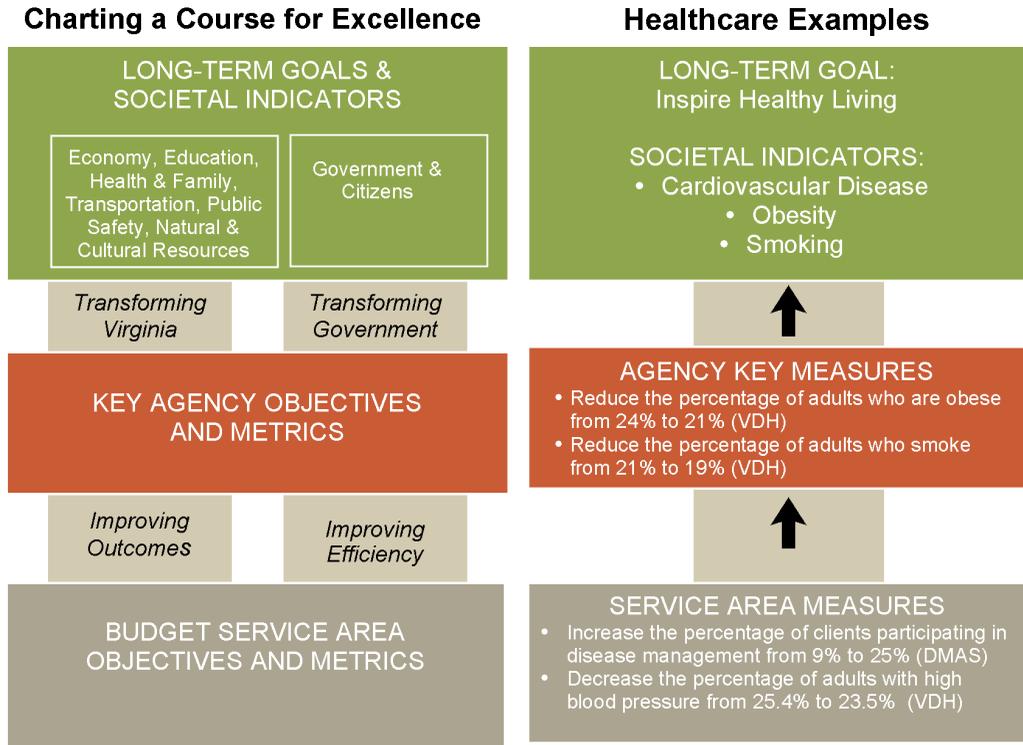
The performance leadership and accountability system aligns agency-level outcomes with broader state-wide goals. The system:

- Serves as a catalyst for better strategic thinking and policy development, 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 model of the “architecture” of the system. At the highest level, quality-of-life measures known as societal indicators provide a snapshot of how Virginia is doing with respect to numerous broad issues (e.g., water quality, educational attainment). Key measures – at the middle or “enterprise” level – 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 promote 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 that are part of Virginia’s performance leadership system ensure that accountability for results exists through all levels of state government.

**Figure 2: Performance Leadership Model**



The Virginia Performs website ([www.VaPerforms.virginia.gov](http://www.VaPerforms.virginia.gov)) provides a window into the state’s performance leadership system and gives citizens an opportunity to see the real world results of our efforts to make Virginia 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.

Approximately 50 societal indicators are used to monitor how Virginia is progressing in achieving its goals. These 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

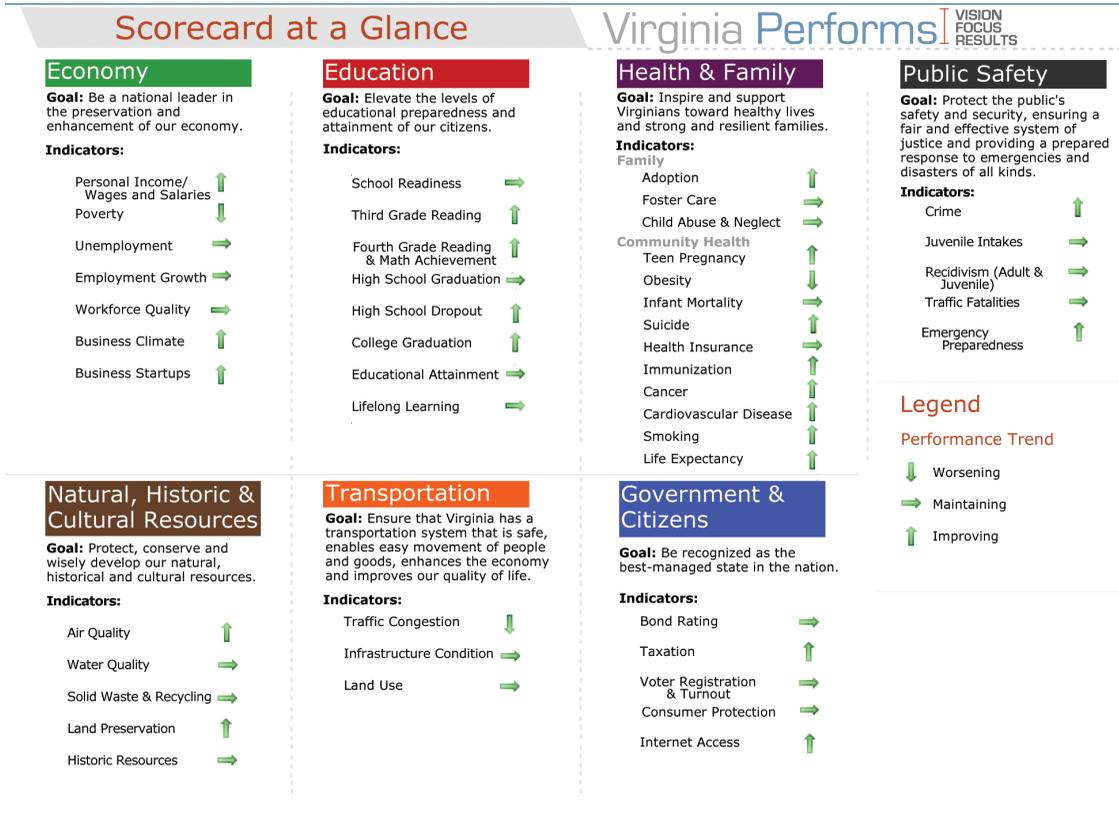


Figure 4 shows a snapshot of the Virginia Performs home page. The text box insets highlight the research, reporting, and mapping capabilities of the system, which all provide a view into state plans and performance, significantly increasing government's transparency and accountability.

Figure 4: The Virginia Performs Home Page

The screenshot shows the Virginia Performs website interface. At the top, there is a navigation bar with 'Virginia.gov', 'Online Services | Help | Governor | General Assembly', and a search bar. Below this is the 'Virginia Performs' logo and a vertical menu with 'VISION', 'FOCUS', and 'RESULTS'. To the right of the logo are links for 'Key Facts & Demographic Data', 'Mapping: Intro • Map It', and 'Scorecard at a Glance'. A callout points to the search bar: 'Download a detailed demographic profile of the state.' Another callout points to the 'Map It' link: 'Create local & regional maps and reports showing data on dozens of measures.'

The main content area features a large image of a family unpacking boxes. A callout over the image reads: 'Personal Income is Up. That means more Virginians are able to enjoy a higher standard of living.' To the right of the image is a message from Governor Tim Kaine, with a callout: 'Instantly see how Virginia measures up in key areas.' Below the image is the 'Measuring Virginia' section, which includes a paragraph about the website's purpose and links to 'mapping page' and 'state agency performance measures'. Below this is a horizontal menu with categories: 'Home | About Virginia Performs', 'Economy', 'Education', 'Health & Family', 'Public Safety', 'Natural Resources', 'Transportation', and 'Government & Citizens'. A callout points to this menu: 'Explore how Virginia is doing in crucial areas that affect the quality of life.' To the right of the menu are two buttons: 'Scorecard at a Glance' and 'State Agency Performance Measures & Management Scorecard'. A callout points to these buttons: 'View state agencies' objectives and measures for their programs and services.'

[www.VaPerforms.virginia.gov](http://www.VaPerforms.virginia.gov)

## Service Performance

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 done 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 new “taxonomy” used for budgeting, accounting, and planning. These and other changes have produced a significant shift in how planning occurs 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, baseline performance, and performance targets for each service area. These plans and data allow 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 given to their alignment with desired societal level outcomes.
- Most recently, DPB has increased training and technical assistance efforts to enhance the system and improve its usefulness in budgeting and planning processes.

The key planning and 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 Plan	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 areas
Performance Targets	Targets set expectations for key and service area measures
Management Scorecard	Administrative criteria help assess the management of agencies

See **State Agency Measures** at [www.VaPerforms.virginia.gov/agencylevel/](http://www.VaPerforms.virginia.gov/agencylevel/) for more information.

## Productivity Improvement

Measuring and improving productivity in state government is an important goal for the Council. The focus of this component is to generate innovative ideas for leveraging multi-agency and private-public partnerships to reduce costs and improve service delivery and to establish an enduring infrastructure for continuous improvement in efficiency and effectiveness 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. These examples of cost savings projects from the first round are expected to generate a 5-to-1 return on investment:

Department	Project	Objective
Taxation	Image Cash Letter	Shorten deposit cycle times
Motor Vehicles	Workforce Management	Improve planning for staffing at customer service centers
Mines, Minerals & Energy	Field Systems Upgrades	Reduce printing costs and improve customer service
General Services	Agency Mail Presort	Implement a presort system for bulk rates

- A second round of Productivity Investment Fund project proposals is underway.
- Eleven operational cost reviews are focusing on significant agency cost drivers, including energy, travel, communications, printing, and fleet management policies.
- Four projects are developing 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 Medicaid system to simplify and speed 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.

The longer-term goal of establishing an infrastructure for continuous improvement is being supported by a Productivity Advisory Committee that will provide guidance on various aspects of the overall project portfolio, suggest best practices for continuous improvement and change management, and identify additional opportunities for simplifying government and leveraging resources with the private sector.

See the **Enterprise Solutions site at [www.innovations.vi.virginia.gov](http://www.innovations.vi.virginia.gov)** for more information.

## Productivity Advisory Committee

Marge Connelly, COO, Wachovia Securities, Co-Chair

Dr. Kent Murphy, CEO, Luna Innovations, Co-Chair

Michael D'Amato, Former Partner, Bain & Co.

Mary Doswell, President, Dominion Resources

Carly Fiorina, Former CEO, Hewlett-Packard

Dr. Abul Hossam, Chemistry, George Mason University

David Hummelberg, Managing VP, Capital One

John Kamensky, IBM Business and Government Center

Scott McKay, Senior VP, Genworth Financial

John Nolan, Deputy US Postmaster General (retired)

Jeneane Rae, CEO, Peer Insight

Bo Willis, Director, Va. Dept. of Mines, Minerals & Energy

John "Dubby" Wynne, Former CEO, Landmark Communications and Vice-Chair of the Council on Virginia's Future

Dr. Jeff Young, UVA Health Systems

## ■ Roadmap Development and 2008 Enhancements ■

In 2008, the Council and its partners will build upon the strong foundation established for the three core components of the performance leadership and accountability system envisioned in the Roadmap for Virginia's Future. Highlights include:

**Assessment:** Refine and update data; undertake in-depth analysis of high-priority issues and long-term targets, beginning with educational attainment; implement regional approaches based on the Virginia Performs model; and develop strategies to enhance citizen engagement (i.e., forums).

**Service Performance:** Refine and analyze performance data and continue development of a new performance budgeting system.

**Productivity Improvement:** Implement an expanding array of cost reduction and service improvement projects, and accelerate development of the infrastructure necessary for continuous improvement.

# Recap and Plans at a Glance

## Recap

### Assessment

- The Council established a vision and long-term goals for the Commonwealth.
- A new performance leadership and accountability system aligns statewide goals, high-level quality of life indicators, and agency-level outcomes.
- The Virginia Performs website ([www.VaPerforms.virginia.gov](http://www.VaPerforms.virginia.gov)) was launched in January 2007 to provide a window into the state's evolving performance leadership and accountability system.

### Service Performance

- Agencies submitted strategic plans and service area plans in a consistent format and posted their plans on their websites.
- A link between agency plans and budgets was established to facilitate performance-based budgeting.
- All agencies identified key objectives and associated measures for use by the Governor to monitor service performance.
- The Appropriation Act and Budget Document were revised to reflect agency planning and performance measurement information and the new service structure.

### Productivity Improvement

- Existing re-engineering projects continued.
- Several new re-engineering initiatives were launched and funded to improve state government efficiency and effectiveness.
- A high-level leadership group was put in place to provide oversight for productivity improvement efforts and enterprise solutions. The group will be supported by a public-private advisory committee that will provide guidance and advice on best practices and proven approaches to improve operational effectiveness and efficiency.

## Plans at a Glance

### Assessment

- Initiate in-depth analysis of high-priority issues such as educational attainment.
- Implement regional approaches based on the Virginia Performs model.
- Update and refine measures and data, including new indicators for government operations and at-risk populations.
- Enhance reporting capabilities, usability, navigation, and regional mapping functionality.
- Strengthen links between societal level and state agency data.

### Service Performance

- Continue to refine objectives and performance measures and expand their use in performance-based budgeting and decision-making.
- Continue development of the Performance Budgeting module of the Enterprise Applications Program.
- Integrate state-level strategic plans and other high-level metrics (Higher Education).
- Continue training and leadership reviews to enhance and improve planning and budgeting processes.

### Productivity Improvement

- Implement and monitor projects funded in the first round of grants from the Productivity Improvement Fund. Develop a second round of projects.
- Continue development of enterprise efficiency and effectiveness projects that focus on core business systems, operating efficiencies, improving outcomes, and reducing the time required for citizen- and business-government transactions.
- Begin building an infrastructure that will support broader and more innovative approaches to improve operational effectiveness and efficiency across state government.



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