

A- Virginia

The trick to making performance measurement work is to avoid the temptation to convert it into simple formulas. Managing a state is just too complicated to yield to one-size-fits-all equations.

And that's what makes Virginia's efforts in this field so impressive: The state avoids formulas and focuses on the harder work of asking why goals and targets aren't being met, then seeks to address the underlying problems. Virginia Performs, the state's performance-accountability system, tracks measurable societal outcomes as well as the agency goals and management benchmarks that will help achieve them.

Firm knowledge of what works and what doesn't makes a difference with budget offi-

Virginia has a good handle on what works and what doesn't.

cers and agency managers—especially when they face reductions in revenue such as the \$980 million shortfall Virginia confronts in 2008. Good performance data can make otherwise clumsy cuts more precise and ensure that reductions don't frustrate state goals.

Virginia proves that tracking data—and holding employees accountable for outcomes—can work wondrous efficiencies. Five years ago, a mere 27 percent of Department of Transportation projects were completed on time. Thanks to the VDOT Dashboard, which tracks performance outcomes in seven key areas of transportation management, including construction, 87 percent of projects now come in on time.

Virginia Performs and the VDOT Dashboard aren't the state's only all-access information repositories. Commonwealth Datapoint displays complete financial figures and demographic statistics for the entire state, detailing where every penny came from, where it was spent and how much each locale gets back from Richmond. The state's eVA procurement system is another big cost-saver. In fact, eVA is the first state procurement system anywhere that integrates with that of the federal General Ser-

vices Administration, allowing Virginia to easily access federal contract discounts.

Virginia's information technology isn't perfect. Its financial information system, for example, isn't "functionally rich," according to Comptroller David Von Moll. But lacking the money to buy a new system, the state experimented in order to upgrade. A partnership with Northrop Grumman provided an infusion of expertise and cash to replace the system without raising the overall IT budget.

In a state blessed with such abundant data and careful planning, Virginia's infrastructure management is playing catch-up. The governor and legislature currently are negotiating formal prioritization criteria that would guide the capital budget agenda. Whatever criteria they choose, an improved assessment of the state's maintenance needs will help the planning process. A 2005 report from a task force on deferred maintenance led to the implementation of a Facility Inventory and Condition Assessment System, which still is gathering information on more than 10,000 state buildings. It would be better to have regular full assessments of all state buildings—until this happens, the state won't fully know the extent of its deferred maintenance.

Virginia has worked hard to improve its long-term fiscal outlook over the past few years. It has enhanced tax administration and compliance activities to speed the receipt of tax revenue, with good results. It has made payments and even prepayments into its mandatory Revenue Stabilization Fund in order to have contingency funds in periods of fiscal decline.

Still, the state has to scramble relentlessly to attain structural balance. Virginia is constantly tweaking its revenue code—it has made tax changes in 15 of the past 20 years. Many of the adjustments have been made in an attempt to undo the lasting budget effects of a poorly planned car-tax repeal and other tax cuts that were made just prior to the 2001-02 recession. Virginia needs to continue working on a thoughtful plan to maintain structural balance in the future.

For additional data and analysis, go to pewcenteronthestates.org/gpp

Money A-

Long-Term Outlook	●
Budget Process	●
Structural Balance	●
Contracting/Purchasing	●
Financial Controls/Reporting	●

People A

Strategic Workforce Planning	●
Hiring	●
Retaining Employees	●
Training and Development	●
Managing Employee Performance	●

Infrastructure B+

Capital Planning	●
Project Monitoring	●
Maintenance	●
Internal Coordination	●
Intergovernmental Coordination	●

Information A

Strategic Direction	●
Budgeting for Performance	●
Managing for Performance	●
Performance Auditing & Evaluation	●
Online Services & Information	●

Population (rank): 7,642,884 (12)
Average per capita income (rank): \$29,899 (5)
Total state spending (rank): \$34,776,228,000 (13)
Spending per capita (rank): \$4,550 (36)
Governor: Tim Kaine (D)
First elected: 11/2005
Senate: 40 members: 21 D, 19 R
Term Limits: None
House: 100 members: 44 D, 54 R, 2 I
Term Limits: None