

A- Virginia

There is little that Virginia does not do well in government management. That's been true for a while. But it keeps looking for improvements, and very often finds them. Outsiders might wonder how the only state that bars its governor from seeking reelection could provide its administrations with sufficient clout to make difficult decisions. But it consistently does. Virginia has an ethos of good management that has genuinely been institutionalized. Even if a governor betrays that culture—as did Jim Gilmore when he opened a \$1 billion budget shortfall in the late 1990s with a cut in car taxes that was politically popular but fiscally unsound—the state seems able to find its way back to the path of good managerial sense.

Possibly Virginia's most notable way to make sure it's not dependent on the whims of any four-year chief is what it calls the Council on Virginia's Future. This planning effort—manned by both legislative, executive branch and private-sector leaders—creates powerful long-term goals for the state, coupled with specific indicators to make sure those goals are being met—or that managers are held accountable if they're not. Couple that with excellent use of performance management by state agencies and by Virginia's Joint Legislative Audit and Review Commission—a national leader in performance auditing—and you have a formula for potent planning and accountability.

That doesn't mean, of course, that individual governors don't make their mark. Incumbent governor Mark Warner, who followed Gilmore, got off to a running start by instituting performance contracts for top officials throughout state government. These "executive agreements" provide a clear and measurable way to communicate priorities to the 10 cabinet secretaries and roughly 100 agency heads. Warner personally evaluates each agreement along with a coordinating scorecard for each agency, holding every major instrument of government that reports to him accountable for meeting specific goals and objectives.

Virginia has implemented one of the strongest workforce planning efforts in the country and is a leader in solid succession planning, as evidenced by an innovative Learning Management System that identifies the knowledge that will need to be

Virginia excels at long-term planning in nearly every area.

transferred as leaders retire. "Looking at an executive leadership turnover rate of 100 percent and agency leadership turnover at 76 percent every four years forces you to have succession planning," says Sara Wilson, the state's director of Human Resource Management.

After years of making informal long-term revenue and expenditure projections, Virginia's General Assembly mandated this practice on a formal basis in 2002. Now the state produces detailed six-year projections on top of excellent work by both the House and Senate money committees to help the legislature make informed decisions. This effort, along with the powerful persuasion of the national credit rating agencies, played no small part in the hard-won, sweeping tax reform passed in the summer of 2004. Raising taxes by a sufficient amount to stabilize the state's fiscal condition wasn't a choice the legislature made easily, or even—for many members—willingly. It required rancorous special sessions that lasted long beyond the General Assembly's normal adjournment time. But in the end, it was done. Other states in similar fiscal condition shirked their responsibilities.

Historically, one of Virginia's few management trouble spots has been its Department of Transportation. But there's been positive change there as well. Four years ago, the department was completing fewer than 20 percent of its projects on time. By fiscal year 2005, it was on track to finish two-thirds of them on time and nearly 90 percent within budget.

One significant transportation issue waits in the wings. A stagnant flow of revenues from the state's gas tax has substantially decreased the Transportation Department's ability to fund desperately needed new projects. With the legislature unlikely to change gas-tax rates, there may be moves to force localities to cover more of the bill. Virginia localities are not relishing this prospect.

For additional data and analysis, go to:
<http://results.gpponline.org/virginia>

● Strength ○ Mid-level ● Weakness

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 A-

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

Information A-

Strategic Direction	●
Budgeting for Performance	○
Managing for Performance	●
Program Evaluation	●
Electronic Government	●

Population (rank): 7,078,515 (12)

Average per capita income (rank):
\$33,671 (11)

Total state spending (rank):
\$28,044,327,000 (14)

Spending per capita (rank):
\$3,848 (38)

Governor: Mark Warner (D)

First elected: 11/2001

Senate: 40 members: 16 D, 24 R

Term limits: None

House: 100 members: 37 D, 61 R, 2 I

Term limits: None