

CHALLENGES FOR CHANGE

QUARTERLY PROGRESS REPORT

PREPARED FOR:
GOVERNMENT ACCOUNTABILITY
COMMITTEE

July 1, 2011

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NEW, REVISED OR UPDATED THIS QUARTER:

The list below shows those items which were added, changed, or updated since the prior report.

Look for the items tagged with the “NEW” icon shown above, throughout this report.



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SUMMARY OF NET SPENDING REDUCTIONS

Page 1 of 2

| Challenges For Change Fiscal Summary | | | | |
|---|---|---|---------------------|----------------------------|
| Fiscal Year 2011 | Net GF Savings and/or Increased Revenue | | Investment | |
| Challenge Name | FY 2011 C4C Target | Appropriation Redux & Direct Applications FY 2011 | FY 2011 C4C Target | Spent or Committed To Date |
| Charter Units Challenge | | | | |
| All Charter Units | (2,000,000) | - | 1,000,000 | - |
| Dept. of Taxes | - | (36,000) | - | 5,434 |
| BGS - Fleet Program | - | (247,790) | - | - |
| BGS - Postal | - | (262,434) | - | - |
| Dept. of Liquor Control | - | - | - | 53,000 |
| Dept. of Labor | - | - | - | - |
| Forest, Parks & Recreation | - | (348,000) | - | 25,000 |
| Direct Applications: SF to GF | - | (13,285) | - | - |
| Total Charter Units | \$ (2,000,000) | \$ (907,509) | \$ 1,000,000 | \$ 83,434 |
| % of target | | 45.4% | | 8.3% |
| Performance Contracting & Grant Making Challenge | | | | |
| Contracting & Grant Making | (2,600,000) | (2,347,000) | 500,000 | 125,854 |
| Direct Applications: SF to GF | - | (206,200) | - | - |
| Total Perf. Contracting & Grant | \$ (2,600,000) | \$ (2,553,200) | \$ 500,000 | \$ 125,854 |
| | | 98.2% | | 25.2% |
| Human Services Challenge | | | | |
| Human Services | (23,816,000) | (23,816,000) | 7,000,000 | - |
| Total Human Services | \$ (23,816,000) | \$ (23,816,000) | \$ 7,000,000 | \$ - |
| % of target | | 100.0% | | 0.0% |
| Corrections Challenge | | | | |
| Corrections | - | | - | |
| Total Corrections | \$ - | \$ - | \$ - | \$ - |
| % of target | | n/d | | n/d |
| Regulatory Challenge | | | | |
| Regulatory | (360,000) | (360,000) | 400,000 | |
| Total Regulatory | \$ (360,000) | \$ (360,000) | \$ 400,000 | \$ - |
| % of target | | 100.0% | | 0.0% |

[Chart continues on next page]

| Challenges For Change Fiscal Summary | | | | |
|---|---|---|----------------------|----------------------------|
| Fiscal Year 2011 | Net GF Savings and/or Increased Revenue | | Investment | |
| Challenge Name | FY 2011 C4C Target | Appropriation Redux & Direct Applications FY 2011 | FY 2011 C4C Target | Spent or Committed To Date |
| Economic Development Challenge | | | | |
| Economic Development | (965,600) | - | - | |
| ACCD -Admin | - | (78,820) | 400,000 | |
| EHCD | - | (435,486) | | |
| Downtown & Cap Improvement | - | (16,034) | | |
| VDTM | - | (210,222) | | |
| Agriculture | - | (54,818) | | |
| AHS - DCF - OEO | - | (15,691) | | |
| Labor Programs | - | (66,241) | | |
| Next Gen - WET Fund | - | (65,025) | | |
| Adult Tech Ed | - | (20,525) | | |
| DII | - | (2,738) | | |
| Direct Applications: SF to GF | - | (235,923) | | |
| Total Economic Development | \$ (965,600) | \$ (1,201,523) | \$ 400,000 | \$ - |
| % of target | | 124.4% | | 0.0% |
| Education Challenge | | | | |
| Education #1 | (3,966,375) | (6,066,375) | 3,000,000 | |
| Education #2 | (2,100,000) | | | |
| Total Education | \$ (6,066,375) | \$ (6,066,375) | \$ 3,000,000 | \$ - |
| % of target | | 100.0% | | 0.0% |
| Secretary of Administration Other Challenges | | | | |
| SOA Reductions & Direct Applications to GF | (2,064,400) | - | - | |
| Adjustment for Investment spent FY10 | (14,879) | - | - | - |
| Total SOA Reductions | \$ (2,079,279) | \$ - | \$ - | \$ - |
| % of target | | 0.0% | | 0.0% |
| Reductions | \$ (37,887,254) | \$ (34,449,199) | | |
| SF to GF | \$ - | \$ (455,408) | | |
| GRAND TOTAL | \$ (37,887,254) | \$ (34,904,607) | \$ 12,300,000 | \$ 209,288 |
| % of target | | 92.1% | | 1.7% |
| Remaining Unallocated/Unidentified | | (2,982,647) | | 12,090,712 |

CHARTER UNITS CHALLENGE

CHARTER UNITS – TAX

CHALLENGE LEAD:

Ellen Tofferi, Deputy Commissioner

NARRATIVE

The Tax Department is on schedule to meet both of the Challenge targets - Compliance and Collections, and Electronic Filing of Tax Returns. The Department reported in more detail in the January 15, 2011 reports to the House Committee on Ways and Means, and the Senate Finance Committee.

INVESTMENT

| Investment | Target | Spent/ Committed | Comments |
|------------|--------|---------------------|------------------------------------|
| FY 2011 | \$0 | \$5,434 | Encrypted e-mail software licenses |
| FY 2012 | \$0 | \$0 | Net determined. |

OUTCOMES & MEASURES

Outcome 1

Meet challenge target of reducing spending or generating entrepreneurial revenue \$0.036 million in general funds in fiscal year 2011.

Measure 1a

General Fund Spending

Measure 1b

Entrepreneurial Revenue



Measure 1(a): The Department achieved its goal of reducing its postage expenditures by \$25,000 through the use of encrypted e-mail. It saved an additional \$10,000 due to the mandated electronic filing of W-2s by businesses with 25 or more employees. The electronic filing of over 301,000 W-2s and almost 73,000 1099s meant the Department could forego the hiring of a temporary employee whose previous role had been to deal with the overwhelming volume of paper W-2s and 1099s.



Measure 1(b): The Tax Department does not have entrepreneurial revenue, but it believes that the implementation of a data warehouse will allow for more sophisticated uses of its current databases resulting in enhanced compliance revenue (FY 2012).

The Department signed a sole-source, benefits based contract with Revenue Solutions, Inc. (RSI) in the spring of 2011. The contractor will be paid only from the revenues attributable to the data warehouse project. The project has begun and is on schedule.

Outcome 2

Increase employees' engagement in their work.

Measure 2

Level of employee engagement.

Outcome 3

Produce outcomes for Vermonters that are the same as or better than outcomes delivered prior to redesign.

Measures 3

- i. Taxpayer satisfaction
- ii. Personal income tax revenue owed that is collected, as measured by the amount of income tax revenues above the amount currently estimated. – measures compliance



Measure 3(i): The Department has created several surveys to measure taxpayer satisfaction for its customer groups and is currently involved in planning how best to make those surveys available to customers and to most efficiently utilize and respond to survey results. Specifically, the Commissioner convened a working group composed of people from every division to focus on the Department's many customer service and outreach challenges and opportunities. A new website will serve as the cornerstone of improved efforts to connect with taxpayers. In the coming months, we will improve functionality, content and design for the website and create a strategy to integrate all our business practices seamlessly onto the web. Customer service surveys and other feedback tools will be integrated into the web site and play an important role in this effort. Also, the Department seeks to improve customer knowledge and satisfaction by creating a public outreach campaign beginning in the Fall of 2011 and continuing into 2012. These events will feature opportunities for feedback as well.



Measure 3(ii): Measurement of compliance is tied to Outcome 1 above – enhanced revenue. Personal income tax revenue owed that is collected, as measured by the amount of income tax revenues above the amount currently estimated will measure compliance.

*** END ***

CHARTER UNITS – BGS FLEET

CHALLENGE LEAD:

Michael Obuchowski, Commissioner - BGS

NARRATIVE

Customer Surveys for both motor pool and lease customers are drafted and under review prior to being approved and distributed. The database for both customer pools are being updated to include all past motor pool users in the previous 12 months, all state employees assigned a fleet vehicle, business managers and department heads.

INVESTMENT

| Investment | Target | Spent/ Committed | Comments |
|-------------------|---------------|-----------------------------|-----------------|
| FY 2011 | \$0 | \$0 | |
| FY 2012 | \$0 | \$0 | |

OUTCOMES & MEASURES

Outcome 1

Meet challenge target of reducing spending or generating entrepreneurial revenue of \$2 million in general funds in fiscal year 2011 and \$4.5 million in general funds in fiscal year 2012.

Measure 1a

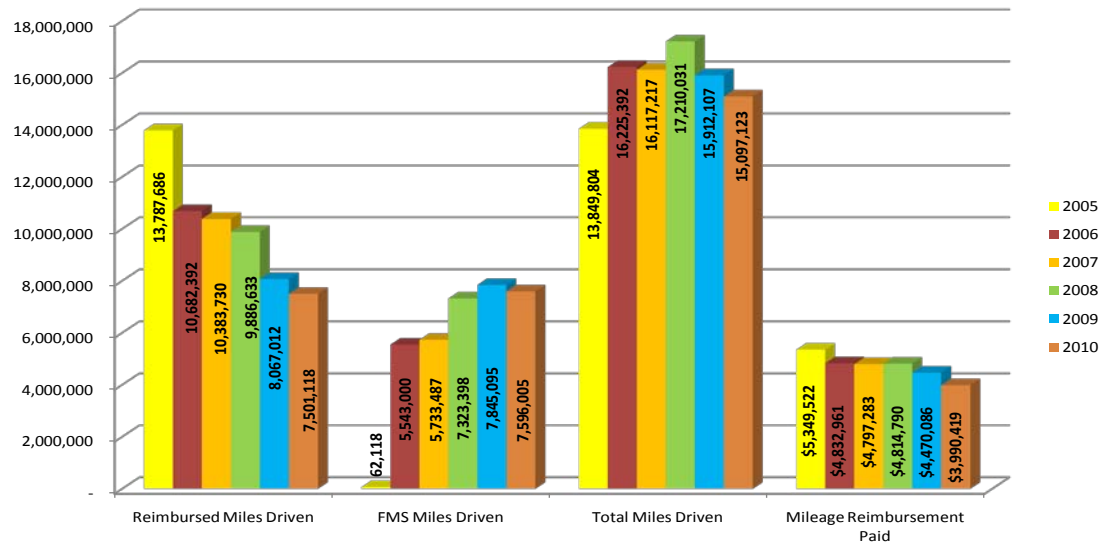
General Fund Spending/Expenditure Reduction

Measure 1b

Entrepreneurial Revenue/Expenditure Reduction

[Continues next page]

2005 – 2010 Reimbursed Miles* & FMS Miles...



Mileage Reimbursement is paid to employees at Federal Reimbursement Rate

Reimbursed Miles: Represents in-state mileage reimbursed to state employees only (source DHR)

1

Measure 1(b) Baseline & History

| Department | # Employees over 13000 miles | Total # of Employees | Ave Miles Each Drove | Total Miles | Total Cost | Potential Savings /w Lease Vehicle for Each Driver |
|----------------|------------------------------|----------------------|----------------------|-------------|---------------|--|
| DCF | 5 | 655 | 14,421 | 72,107 | \$ 38,508.15 | \$ 7,788.92 |
| VTrans | 32 | 710 | 21,871 | 699,874 | \$ 376,409.30 | \$ 123,867.81 |
| Agriculture | 6 | 59 | 20,459 | 122,751 | \$ 65,450.85 | \$ 16,790.11 |
| BISHCA | 9 | 73 | 16,535 | 148,815 | \$ 79,089.45 | \$ 20,147.50 |
| DOC | 1 | 389 | 13,311 | 13,311 | \$ 7,064.05 | \$ 1,076.19 |
| DAIL | 18 | 285 | 16,531 | 297,549 | \$ 158,540.75 | \$ 39,552.17 |
| Health | 1 | 343 | 15,051 | 15,051 | \$ 7,941.25 | \$ 1,766.96 |
| Labor | 6 | 174 | 19,514 | 117,081 | \$ 62,396.75 | \$ 22,482.27 |
| TOTALS | 78 | 2688 | | 1,486,539 | \$ 795,400.55 | \$ 233,471.93 |
| DWF/2010-07-02 | | | | | | |

Measure 1(a) & (b)

Outcome 2

Increase employees' engagement in their work.

Measure 2

Level of employee engagement (see Survey Results page X of X)

Outcome 3

Produce outcomes for Vermonters that are the same as or better than outcomes delivered prior to redesign.

Measure 3

Customer satisfaction: Can employees still do their job serving VTers?

* * * END * * *

CHARTER UNITS – BGS POSTAL SERVICES

CHALLENGE LEAD:

Michael Obuchowski, Commissioner – BGS

Deb Ferrell - BGS



NARRATIVE

The Postal Center's on-going effort (previously reported in the FY 2011 3rd Quarter Report) has proceeded with the Agency of Human Services – Economic Services Division (AHS-ESD) district offices utilizing the Green Mountain Messenger courier service to transport district mail to the Postal Center for posting. The Postal Center continues to monitor and educate staff in those district offices regarding proper mail processing.

The business partner arrangements with the AHS-ADPC and Department of Labor have remained intact with no appreciable highs or lows concerning volumes.

4th Quarter Events

Jury Management System: BGS Postal again partners with the co-located Print Shop as the transition of the Judicial County Operations print and mail functions were consolidated to BGS's central printing and mailing service. The Print work is submitted electronically as part of the transactional printing service; completed printed is seamlessly transferred to the Postal Center for mailing. Print and Postal have begun to go "live" in the last two weeks of this quarter.

Outreach/Education Efforts: On the Friday prior to the beginning of the 4th quarter, the Secretary of Administration sent an email to all agencies and departments to encourage the use of the BGS postal system and detail the cost avoidance savings achieved with only 39% usage of the in-house services.

On the Friday prior to the beginning of the 4th quarter, the Secretary of Administration sent an email to all agencies and departments to encourage the use of the BGS postal system and detail the cost avoidance savings achieved with only 39% usage of the in-house services. This message from the Secretary generated multiple inquiries from potential customers which provided Postal staff opportunities to explain the services available from both Print/Postal.

Postal and Print provided an in-house tour of the Middlesex location to Health Department representatives and subsequently traveled to the Health Department at 108 Cherry Street in Burlington for a presentation at a staff meeting. Postal staff will follow up to help Health Department understand efficiencies we can provide for their operation.

INVESTMENT

| Investment | Target | Spent/ Committed | Comments |
|------------|--------|---------------------|----------|
| FY 2011 | \$0 | \$0 | |
| FY 2012 | \$0 | \$0 | |

OUTCOMES & MEASURES

Outcome 1

Meet challenge target of reducing spending or generating entrepreneurial revenue of \$0.262 million in general funds in fiscal year 2011.

Measure 1a

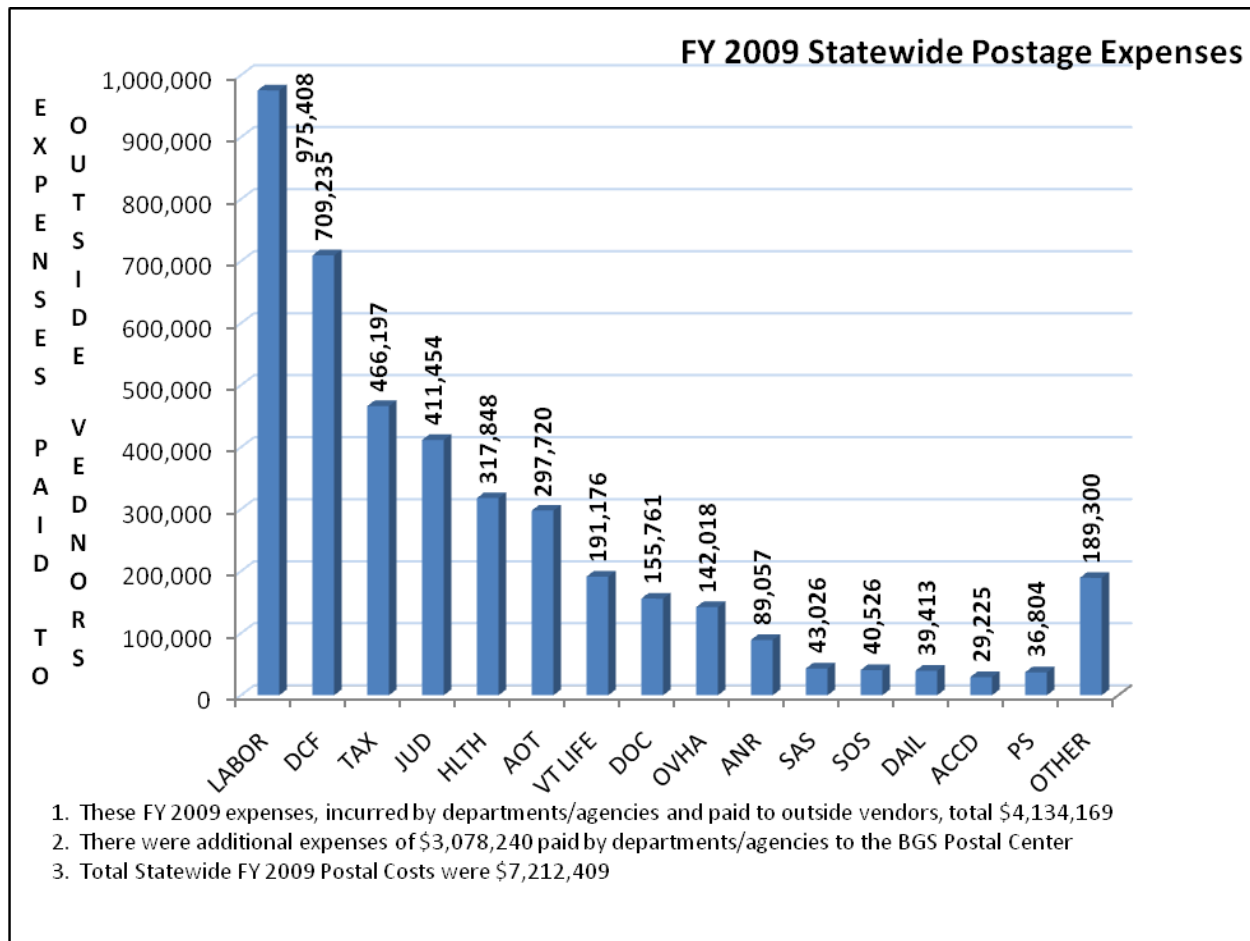
General Fund Spending

Comment:

A document detailing **Types of Mail Rates** is attached as **Appendix I**

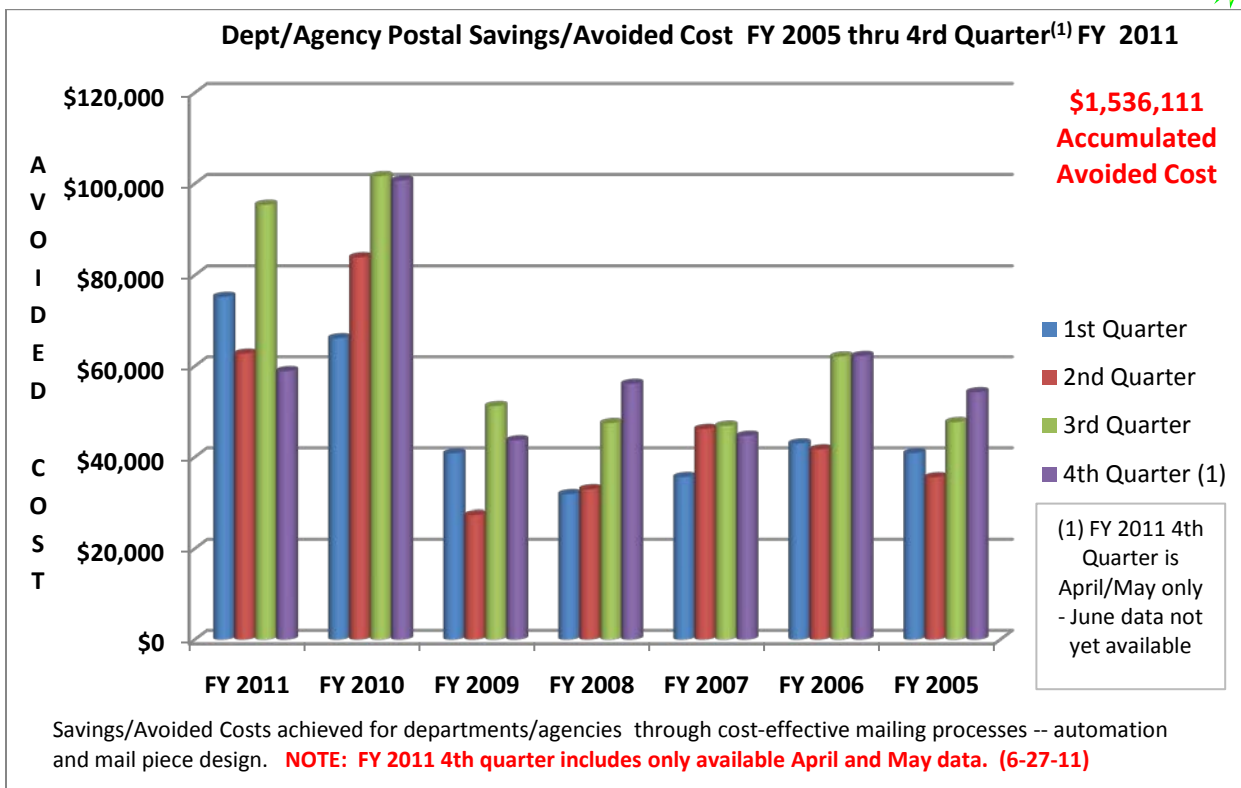
Measure 1b

Entrepreneurial Revenue

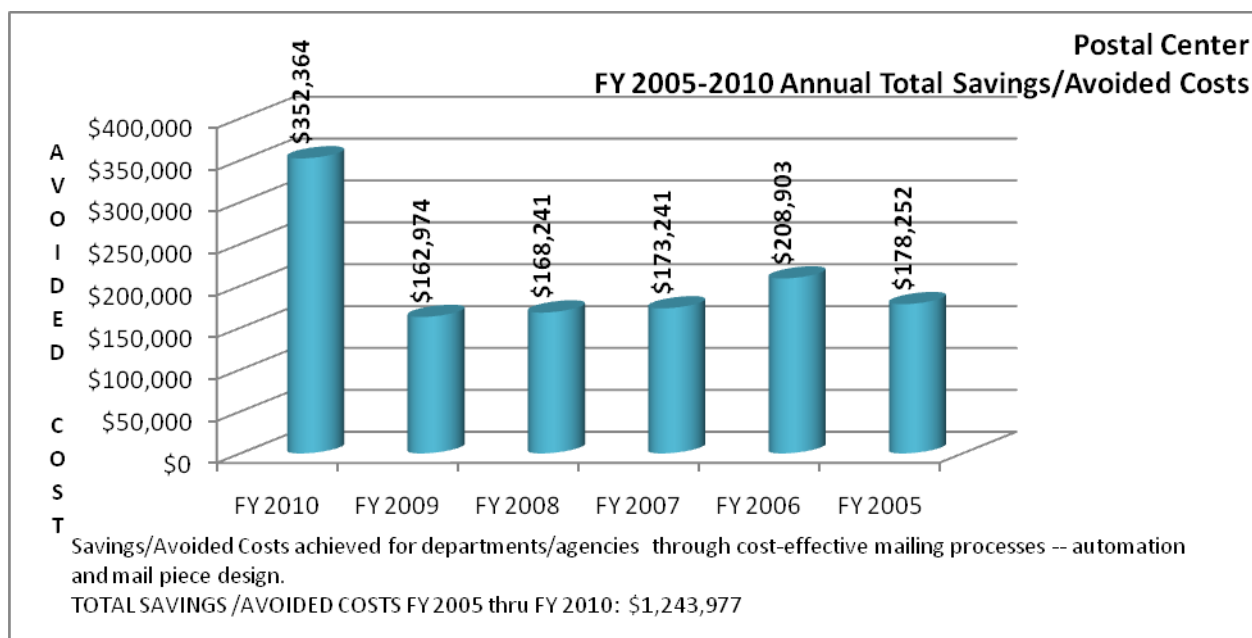


Measure 1(a) & (b) Baseline

[Continues next page]



Measure 1(a) & (b)



Measure 1(a) & (b)

Outcome 2

Increase employees' engagement in their work.

Ensuring that employees are nurtured and engaged in the work required to help the BGS Postal Center succeed in this Challenges initiative will be critical to its success. All Postal Center employees are aware of the challenge goal to increase the Postal Center services where appropriate and feasible in order provide State departments and/or agencies savings realized through avoided postage cost. All Postal Center employees are aware of the current postal packaging practices that impact postal costs. All Postal Center employees recognize, during processing, when a mailing might be done in a more cost effective manner and bring that to the attention of supervisors. All Postal Center employees recognize errors in outgoing mail that should be brought to the attention of the associated department and/or agency.

Staff members routinely participate in education and outreach efforts intended to assist agencies and departments to decide whether migrating their mail needs to the BGS Postal Center by eliminating redundant and duplicative internal mail services are programmatically and fiscally appropriate for their mission. Staff members continuously scrutinize mail to educate the customer regarding the most cost-effective method of sending their mail through automated mail and designing the mail piece to economize on postal rates.

Measure 2

Level of employee engagement (see Survey Results page X of X)

Comment: Chronology of internal meetings attached as Appendix II

Outcome 3

Produce outcomes for Vermonters that are the same as or better than outcomes delivered prior to redesign.

Measure 3

Customer satisfaction: Can employees still do their job serving VTers?

| |
|---|
| Comment: Chronology of external meetings, education and outreach attached as Appendix III. |
|---|

*** END ***

CHARTER UNITS – LIQUOR CONTROL

CHALLENGE LEAD

Mike Hogan – Commissioner Liquor Control

NARRATIVE

Initiative: To implement a gift card sales program in our liquor agencies. Customers will be able to purchase and recharge gift cards which can be redeemed for purchases of liquor at any State Liquor Agency.

Note: As no other state entities offer gift cards, there are no existing templates for the project's design. Therefore, DLC has had to create its own project design from the ground up.

Background: After the legislative approval of Act 146 relating to the Challenges for Change, DLC:

- Identified and contacted potential gift card providers
- Defined the resources necessary to implement the program
- Created and refined the design of the project

Early in the project, it became clear that there would essentially be two distinct components of the program:

1. Identifying and contracting with a program provider or processor
2. Finding a programmer who could write the code necessary to connect the DLC's in-house POS system with the provider's system



DLC worked with the Office of Purchasing & Contracting on an RFP for a provider, outlining the specifications of work to be done, which was issued in August. Simultaneously, an SOW (Statement of Work) for a programmer was issued to all appropriate businesses already under contract with the State (following the advice of the Department of Information and Innovation). The RFP for a gift card program provider received just one respondent - TD Bank - with other potential providers declining to respond, after realizing the relatively small size of the proposed program. The Statement of Work for the necessary programming received no respondents, though repeated requests were issued to potential suppliers. With the aim of opening up the bid process to a broader market, an RFP for a temporary, contracted programmer was issued in October. Only one company – ten7ten – responded. A contract with ten7ten has been completed and the company has started work with DLC.



Current Status of the Project: At this time, the Attorney General's office will not approve the terms and conditions of the contract as it is currently proposed and has communicated their concerns to TD Bank. TD Bank has responded, and as of June 15, 2011, the contract was waiting for approval by the Attorney General's Office.

DLC has paid the sum of \$26,750.00 (out of the contract total of \$53,000) to the programming consultant **ten7ten** to begin the initial programming work necessary to link TD Bank's gift card processing system with our point of purchase system

Investment

| Investment | Target | Spent/ Committed | Comments |
|-------------------|--------------------|-----------------------------|---|
| FY 2011 | Revenue Neutral | \$26,750 | This is the first payment made to <u>ten7ten</u> , as per our contract, for programming services rendered to connect DLC's point of sale (cash registers) system with that of the gift card processor. |
| FY 2012 | \$0 | \$0 | |

OUTCOMES & MEASURES

Outcome 1

Meet challenge target of reducing spending or generating entrepreneurial revenue of \$0 million in general funds in fiscal year 2011.

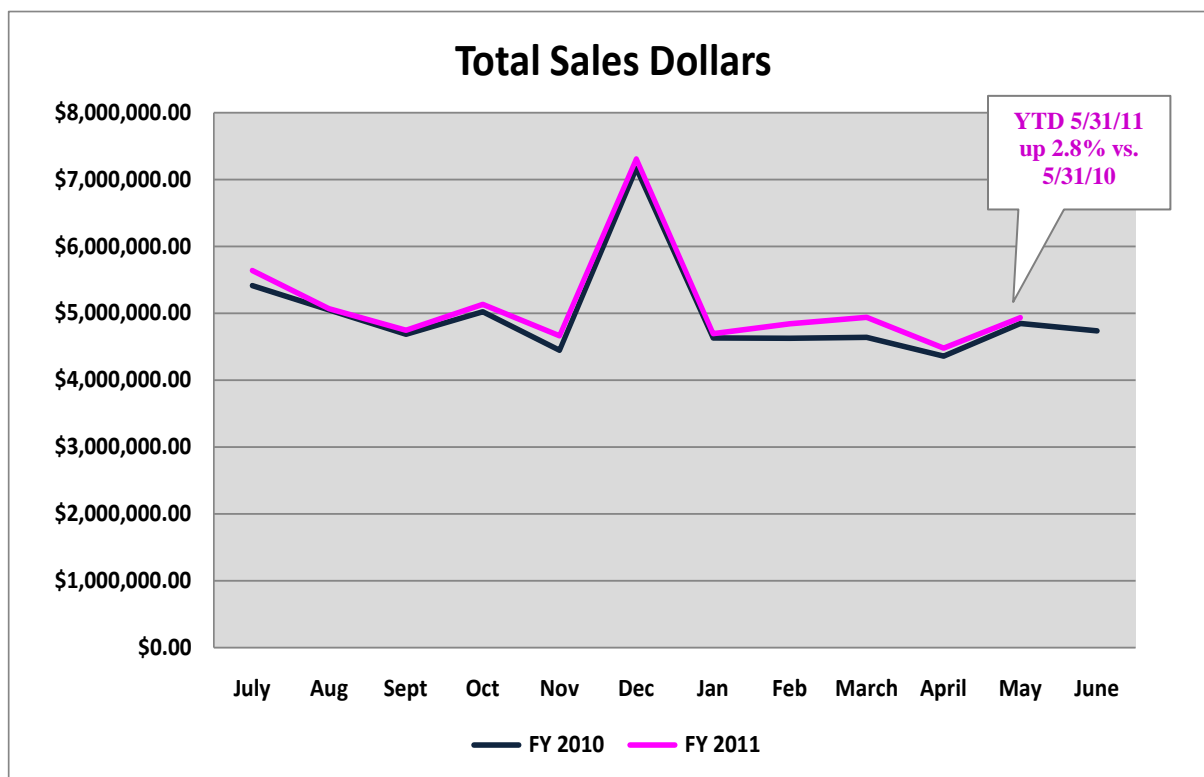
Measure 1a

General Fund Spending

Measure 1b

Entrepreneurial Revenue

[Continues next page]



Measure 1(b)

Outcome 2

Increase employees' engagement in their work.

Measure 2

Level of employee engagement (see Survey Results page X of X)

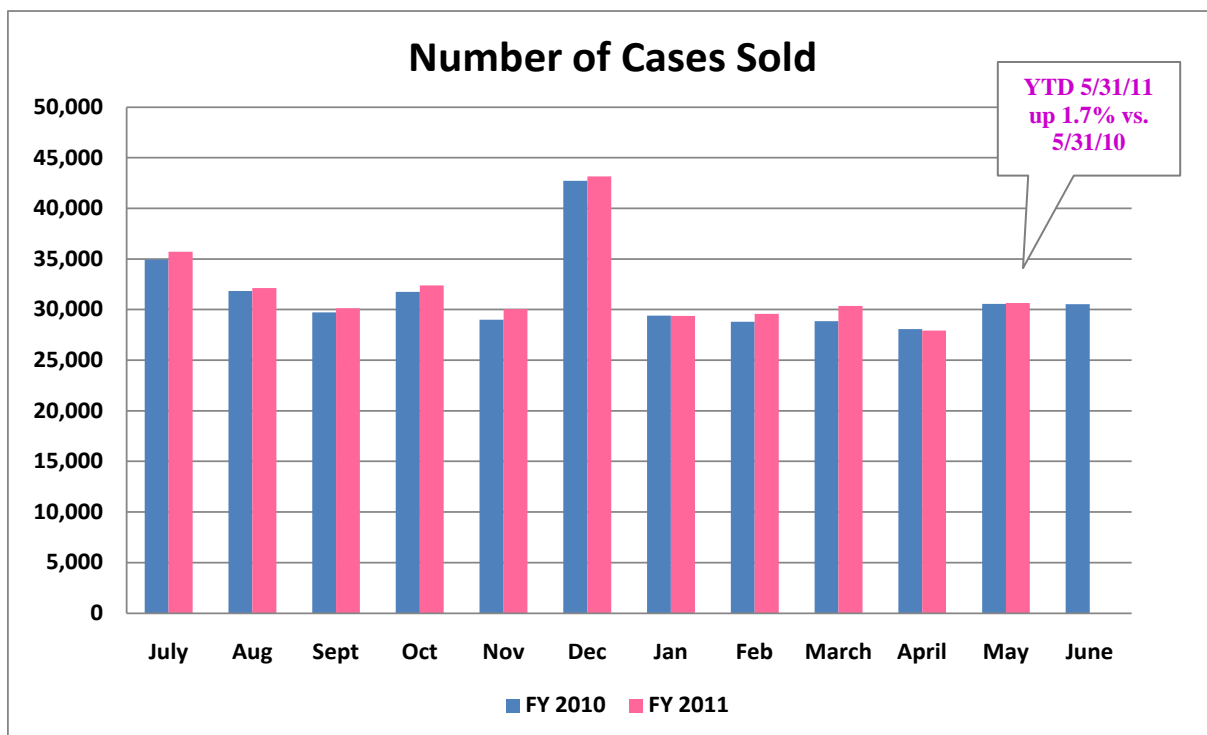
Outcome 3

Produce outcomes for Vermonters that are the same as or better than outcomes delivered prior to redesign.

Measures 3

- Sales figures (quantity and price data);
- Profit-to-cost ratio.

Note: Measure 3i Chart shows quantity data as this is a truer indicator of sales volume than sales dollars as dollars include price increases.



Measure 3i – Baseline & Current to Date

| Performance Measure 3b - Profit to Cost Ratio (Cost of Gift Card Program Versus Revenues Generated) | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June |
| Gift Card Sales | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | | | | | | | | | | | |
| Costs Associated with Program | - | - | - | - | - | - | - | - | - | - | - | - |
| Fees | - | - | - | - | - | - | - | - | - | - | - | - |
| Hosting | - | - | - | - | - | - | - | - | - | - | - | - |
| Transaction | - | - | - | - | - | - | - | - | - | - | - | - |
| Annual | - | - | - | - | - | - | - | - | - | - | - | - |
| Cards | - | - | - | - | - | - | - | - | - | - | - | - |
| Cost | - | - | - | - | - | - | - | - | - | - | - | - |
| Shipping | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | - |
| Profit/Loss | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |

Measure 3(ii)

Comment: The above chart will be completed as data becomes available.

*** END ***

CHARTER UNITS – DEPARTMENT OF LABOR

CHALLENGE LEAD:

Anne Noonan - Commissioner VDOL;
Steve Monahan , Director Worker's Compensation & Safety Division

NARRATIVE

The department has signed a performance based contract with a business process consultant – Biscaye Consultants Ltd. On December 10, 2010 W.C. program staff had the initial meeting with the consultant. A work plan was developed:

| TENTATIVE BUSINESS PROCESS WORK PLAN | | |
|--------------------------------------|--|---|
| | | |
| 11-Jan-11 | | mapping team meets with consultant to map existing processes |
| 12-Jan-11 | | |
| | | |
| 13-Jan-11 | | Consultant interviews with outside participants in the W.C. system |
| | | |
| 25-Jan-11 | | mapping team meets with consultant to map existing processes |
| 26-Jan-11 | | |
| | | |
| 27-Jan-11 | | Consultant interviews with outside participants in the W.C. system |
| | | |
| 8-Feb-11 | | mapping team meets with consultant to develop streamlined processes |
| 9-Feb-11 | | |
| | | |
| 22-Feb-11 | | mapping team meets with consultant to develop streamlined processes |
| 23-Feb-11 | | |
| | | |
| 8-Mar-11 | | mapping team meets with consultant to develop streamlined processes |
| 9-Mar-11 | | |
| | | |
| 22-Mar-11 | | mapping team meets with consultant outside input obtained |
| 23-Mar-11 | | |

[Continues next page]

INVESTMENT

| Investment | Target | Spent/ Committed | Comments |
|-------------------|---------------|-----------------------------|---|
| FY 2011 | \$35,000 | \$31,000 | Business process consultant. Expect contract, if approved to cost about \$31,000 |
| FY 2012 | \$225,000 | \$0 | This is the estimated cost of developing the new w.c. database; requested but not yet approved. |

OUTCOMES & MEASURES

Outcome 1

Meet challenge target of reducing spending or generating entrepreneurial revenue of \$0 million in general funds in fiscal year 2011.

Comment: The Workers' compensation program is primarily a special fund. An assessment on employer's workers' compensation premiums provides revenue to the funds. The last few years, because of the economic downturn, these revenues have dropped dramatically requiring a sharp increase in the assessment. The long-term goal is to stabilize the fund and cushion against sharp increases or decreases in the assessment.

Measure 1a

General Fund Spending

Comment: The legislature appropriated \$308,212 to the Workers' Compensation program to cover the cost of hiring 4 limited service fraud/misclassification/compliance investigators. A goal of the charter unit is to develop opportunities to move the cost of these investigator positions to the special fund and return \$308,212 to the general fund, while maintaining a stable assessment. Insurers report the total amount of workers' compensation premium written to BISHCA and VDOL each year. The assessment is then established assuming level funding. The assessment must be approved by the Legislature annually.

Measure 1b

Entrepreneurial Revenue

Comment: No entrepreneurial revenue is anticipated. It is expected that there will be penalties issued for fraud/misclassification/non-compliance that will be paid to the general fund.

Outcome 2

Increase employees' engagement in their work. (see

Measure 2

Level of employee engagement (see Survey Results page X of X)

Comment: All workers' compensation employees have been told about the charter unit plan and the desired outcomes. The plan itself is based at least in part on staff suggestions provided over the last few years.

Five employees attended training on value mapping processes to better prepare them for work with the business process consultant.

Workers compensation staff had the initial meeting with the consultant. A work plan was developed. A process team has been established to work directly with the consultant to map existing processes, analyze problem areas, and develop solutions that eliminate waste.

Outcome 3

Produce outcomes for Vermonters that are the same as or better than outcomes delivered prior to redesign.

Measures 3

- i. Average time for resolution of disputed workers' compensation claims;
- ii. Accuracy and timeliness of indemnity payments;
- iii. Accuracy and timeliness of medical bill payments.

i. Average time for resolution of disputed workers' compensation claims:

The resolution time of all claims has not been tracked in the past. Only the time period between referral to the formal hearing docket and the final decision has been tracked, and not consistently. The ultimate result of this project will allow tracking of all claims from first report of injury to resolution. The length of time will be calculated using the database ultimately developed.

ii. Accuracy and timeliness of indemnity payments:

If we are able to develop a system that will allow electronic filing of information by insurers we will be able to track this. The length of time will be calculated using the database ultimately developed.

iii. Accuracy and timeliness of medical bill payments:

This information was not reported to the department in the past, but recent legislative changes establishing specific time frames in which to accept or reject a medical claim, and requiring notice to the department when it does so will permit the department to begin tracking this.

* * * END * * *

CHARTER UNITS – FOREST, PARKS & RECREATION

CHALLENGE LEAD:

Michael C. Snyder, Commissioner FPR

NARRATIVE



The Department of Forests, Parks and Recreation continues to negotiate charter unit flexibilities with the Administration and plans to meet with the Secretary of Administration in the near future. Revenue through May 31st, 2011 is tracking on target to meet the revenue goals laid out in the charter unit legislation. Utilization for the start of the 2011 park season is down from previous years but the Department remains optimistic for a successful overall season. The Department continues to define its charter unit program.

INVESTMENT

| Investment | Target | Spent/ Committed | Comments |
|------------|----------|---------------------|---|
| FY 2011 | \$25,000 | \$25,000 | Targeted on-line marketing program for State Parks. |
| FY 2012 | \$0 | \$0 | Not determined. |

OUTCOMES & MEASURES

Outcome 1

Meet challenge target of reducing spending or generating entrepreneurial revenue of \$2 million in general funds in fiscal year 2011 and \$4.5 million in general funds in fiscal year 2012.

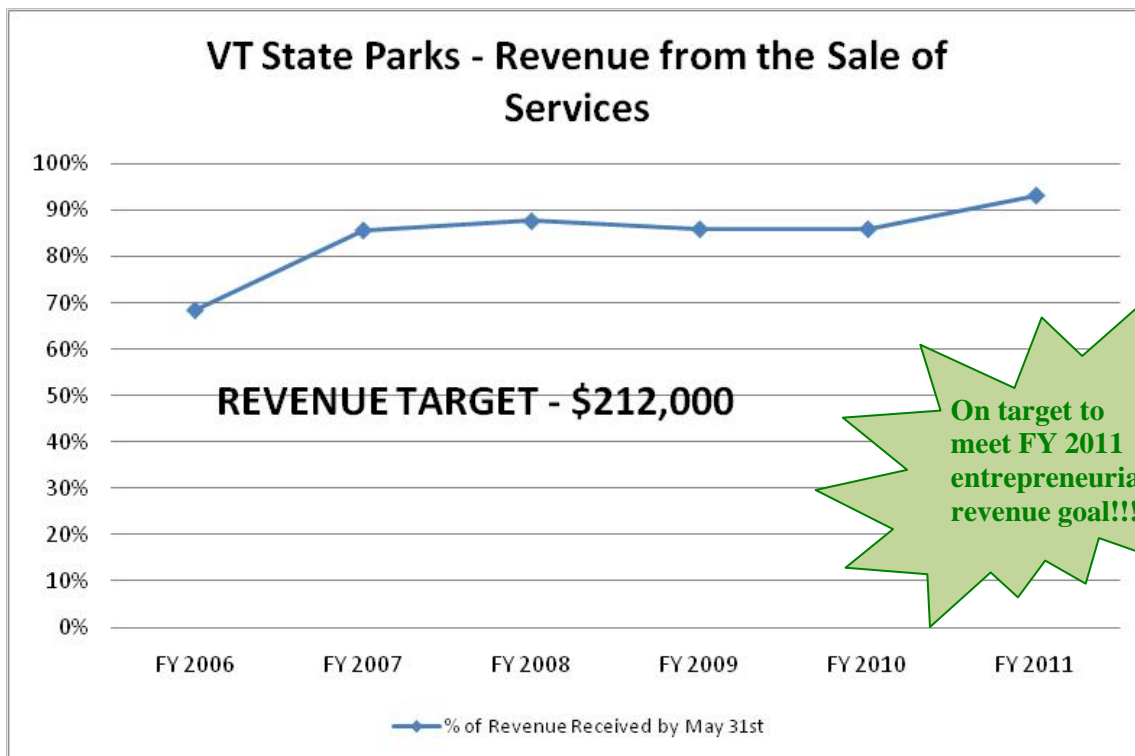
Measure 1a

General Fund Spending

Measure 1b

Entrepreneurial Revenue

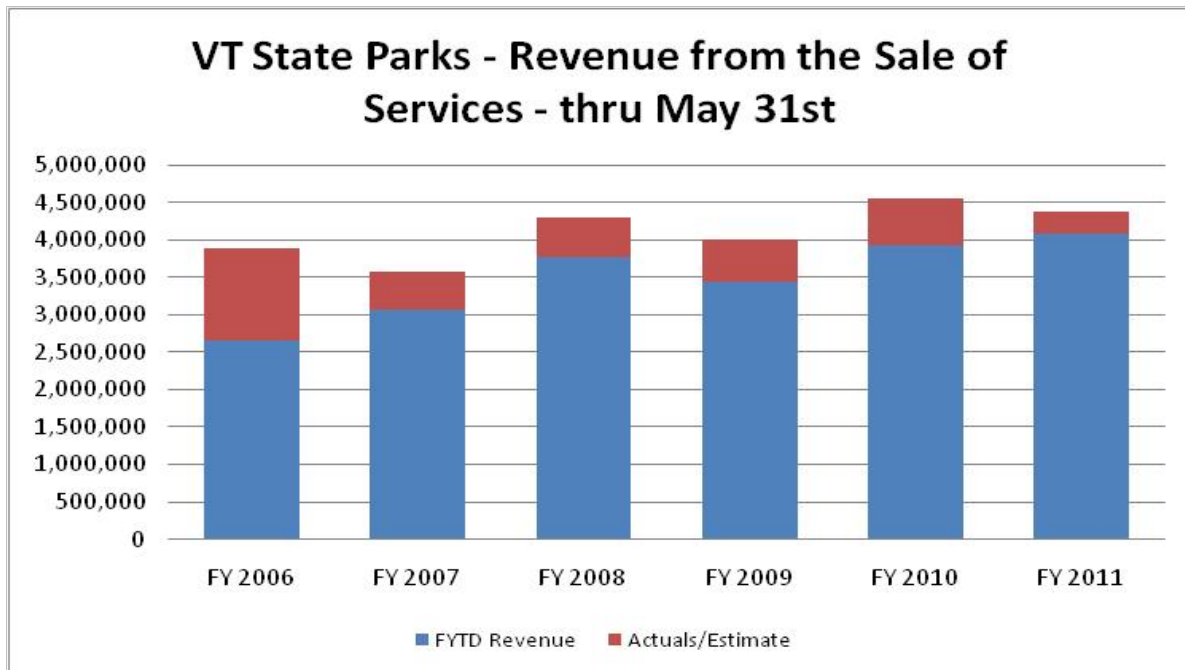
[Continues next page]



Measure 1b History & Current to Date

Comment: The chart above shows that Vermont State Parks has collected 93% of budgeted revenue as of May 31st, 2011. This compares to an average collected by May 31st of the previous five years of 83%. As of May 31st, the parks system is on target to meet its entrepreneurial revenue goal of \$212,000.

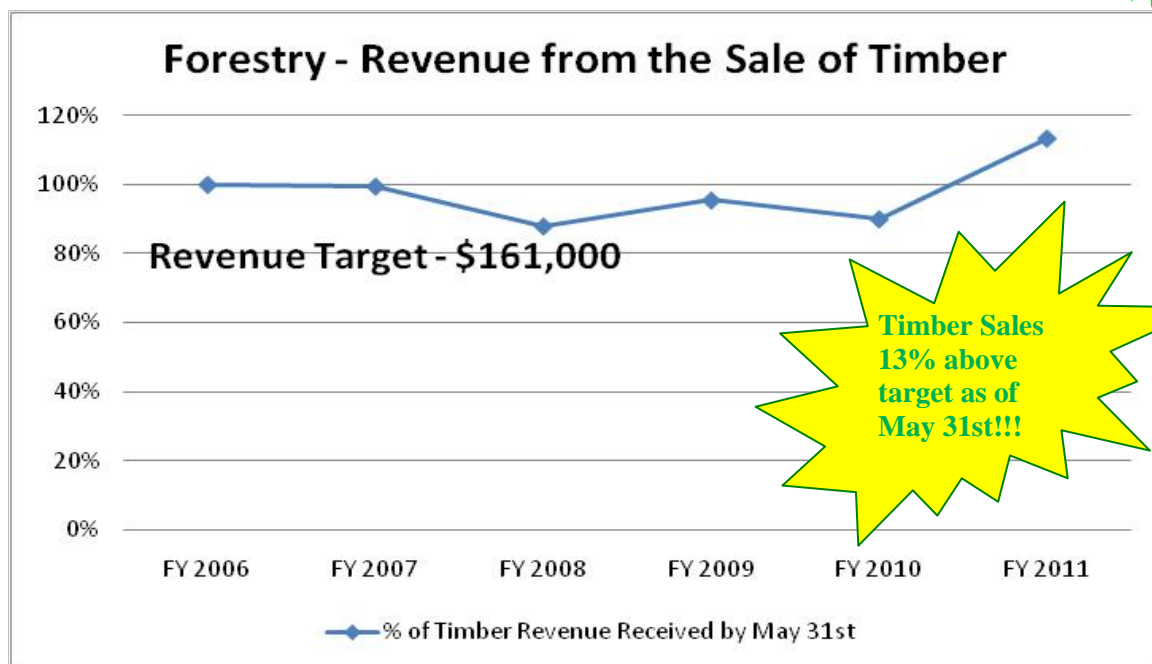
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Measure 1(b) History & Current to Date



Comment The chart above portrays fiscal year-to-date revenue collection relative to total annual revenue collected over the past six years.



Measure 1(b) Baseline



Comment: The previous chart shows that the Forestry division has collected 113% of budgeted revenue from timber sales as of May 31st, 2011. However, variability in this data, due to timber markets and harvesting conditions, makes it hard to determine a future pattern.

Outcome 2

Increase employees' engagement in their work.

Measure 2

Level of employee engagement (See survey results page X of X)

Traditionally, the Department of Forests, Parks & Recreation has engaged employees in fostering an entrepreneurial approach to some of the Department's programs. From the inception of the Charter Unit concept, employees have helped set priorities related to meeting these financial targets. FPR management continues to update staff on the status of the Charter Unit initiative.

In addition, a seasonal incentive program proposed as part of the FPR Charter Unit initiative is still under development with Agency of Administration. This program will provide modest financial incentives that directly link the performance of the Parks seasonal workforce, who operates Vermont's 52 state parks, to achieving ambitious visitation targets.

Outcome 3

Produce outcomes for Vermonters that are the same as or better than outcomes delivered prior to redesign.

Measure 3

Total Park utilization.

Please note, for the Department of Forests, Parks & Recreation this represents total Park utilization. The visitation pattern will tend to follow behind visitor satisfaction and reflect the degree of satisfaction over the long-term. Data for satisfaction will be compiled at the end of calendar year.

[Continues next page]



IP

Measure 3 – Baseline & Current to Date



NOTE: The chart above shows that State Park utilization is down 17.5% from CY 2010. This is due to a variety of weather related factors as we have experienced a rainy early Parks season. In addition, flood damage has resulted in a few continued parks closures. This includes Sand Bar and Burton Island State Parks. However, FPR remains optimistic for a successful season as the key busy time is from the 4th of July onwards through September. The department will continue to carefully monitor attendance.

*** END ***

Charter Units – Employee Engagement Survey

With the assistance of the Department of Human Resources (DHR), an employee engagement survey was developed. The Gallup Q-12 poll was not used as this is a proprietary survey. DHR advised that any survey used would have to be voluntary and anonymous or would be subject to labor contract negotiations. In order to maintain anonymity, protect respondents, and assure that Charter Units would be at “arms length” throughout this process, DHR handled distribution of the survey, as well as receipt of the responses, and tabulated the results. Following is a summary of the survey questions, scoring, and distribution. The actual survey results by Charter Unit are shown on the next page.

Charter Unit Satisfaction Survey

- (1) I enjoy performing the day-to-day activities of my job.
- (2) I have a clear understanding of my job duties.
- (3) My supervisor clearly communicates to me my job performance standards and expectations.
- (4) My supervisor provides to me regular feedback on my job performance.
- (5) My supervisor provides to me the help, training, and guidance I need to improve my job performance.
- (6) I have the materials, tools and equipment I need to perform my job effectively.
- (7) I have a clear understanding of my department's mission and goals.
- (8) I have a clear understanding of how my goals are linked to my department's overall goals.
- (9) I am satisfied with the overall communication within my department.
- (10) Employees in my department are encouraged to share and exchange ideas on how to improve the delivery of services and/or create efficiencies in work processes.
- (11) My fellow employees are committed to doing quality work.
- (12) My department's mission/goals make me feel my job is important.
- (13) In general, I am very satisfied with my job.
- (14) Department?
- (15) What is your supervisory status?

| Department | # Sent | # Returned | Response Rate |
|---|--------|------------|---------------|
| BGS – Fleet | 8 | 5 | 62.5% |
| BGS – Postal | 11 | 5 | 45.5% |
| Tax | 160 | 90 | 56.3% |
| Liquor Control | 50 | 25 | 50.0% |
| Labor: Workers Compensation & Safety Division | 17 | 13 | 76.5% |
| Forests & Parks | 98 | 72 | 73.5% |
| Fish & Wildlife | 120 | 81 | 67.5% |
| Total | 464 | 291 | 62.7% |

Charter Unit Survey Report

Scoring: 5 = Strongly Agree; 4 = Agree; 3 = Neither Agree nor Disagree; 2 = Disagree; and 1 = Strongly Disagree.

| Department | | Question 1: I enjoy performing the day-to-day activities of my job. | Question 2: I have a clear understanding of my job duties. | Question 3: My supervisor clearly communicates to me my job performance standards and expectations. | Question 4: My supervisor provides to me regular feedback on my job performance. | Question 5: My supervisor provides to me the help, training, and guidance I need to improve my job performance. | Question 6: I have the materials, tools and equipment I need to perform my job effectively. | Question 7: I have a clear understanding of my department's mission and goals. | Question 8: I have a clear understanding of how my goals are linked to my department's overall goals. | Question 9: I am satisfied with the overall communication within my department. | Question 10: Employees in my department are encouraged to share and exchange ideas on how to improve the delivery of services and/or create efficiencies in work processes. | Question 11: My fellow employees are committed to doing quality work. | Question 12: My department's mission/goals make me feel my job is important. | Question 13: In general, I am very satisfied with my job. | Grand Mean by Charter Unit |
|---------------------------------------|-------------|---|--|---|--|---|---|--|---|---|---|---|--|---|----------------------------|
| BGS-Fleet | Mean | 4.00 | 3.60 | 3.80 | 3.40 | 3.20 | 3.60 | 4.20 | 3.80 | 3.20 | 3.00 | 3.60 | 3.80 | 3.60 | 3.60 |
| | # Responses | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | |
| BGS-Postal | Mean | 4.00 | 4.20 | 4.40 | 4.00 | 4.00 | 3.20 | 3.80 | 3.80 | 3.40 | 3.60 | 3.20 | 3.60 | 3.80 | 3.77 |
| | # Responses | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | |
| Fish & Wildlife | Mean | 4.12 | 3.91 | 3.40 | 3.26 | 3.32 | 3.32 | 3.78 | 3.49 | 2.43 | 2.59 | 4.04 | 3.95 | 3.65 | 3.48 |
| | # Responses | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 79 | 80 | 80 | 79 | 81 | |
| Forests and Parks | Mean | 3.99 | 4.28 | 3.75 | 3.38 | 3.46 | 3.50 | 3.90 | 3.71 | 2.86 | 3.31 | 4.08 | 3.81 | 3.72 | 3.67 |
| | # Responses | 72 | 72 | 72 | 72 | 71 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | |
| Labor: Workers Comp & Safety Division | Mean | 4.08 | 4.46 | 3.62 | 3.38 | 3.38 | 3.23 | 3.92 | 3.85 | 3.31 | 3.62 | 3.92 | 4.15 | 4.08 | 3.77 |
| | # Responses | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | |
| Liquor Control | Mean | 3.96 | 4.20 | 3.44 | 3.21 | 3.36 | 3.60 | 4.16 | 4.04 | 2.75 | 3.42 | 3.71 | 3.96 | 3.67 | 3.65 |
| | # Responses | 25 | 25 | 25 | 24 | 25 | 25 | 25 | 25 | 24 | 24 | 24 | 24 | 24 | |
| Tax | Mean | 4.10 | 4.09 | 3.56 | 3.39 | 3.49 | 3.63 | 4.02 | 3.80 | 2.91 | 3.27 | 3.64 | 3.73 | 3.82 | 3.65 |
| | # Responses | 90 | 90 | 90 | 90 | 90 | 87 | 90 | 90 | 90 | 90 | 90 | 90 | 88 | |
| Total | Mean | 4.06 | 4.11 | 3.57 | 3.34 | 3.42 | 3.48 | 3.93 | 3.71 | 2.78 | 3.12 | 3.87 | 3.85 | 3.74 | 3.62 |
| | # Responses | 291 | 291 | 291 | 290 | 290 | 288 | 291 | 291 | 288 | 289 | 289 | 288 | 288 | |

Performance Contracting & Grant Making

CHALLENGE LEAD:

Susan A. Zeller, Deputy Commissioner - Finance & Management
 Deb Damore, Manager of Purchasing & Contracting - BGS

NARRATIVE

The four two-day workshops concluded on March 4, 2011; a total of 88 contract and grant staff from across agencies and departments completed the training. Attendance picked up as each session was concluded and the good reports went out. Of the total 88 attendees, 45 took the time to return their voluntary surveys. From a maximum mean score of 5.0, the sessions were rated from 3.73 to 4.34 for an overall average of 3.97 (survey detail below). Once final payment to the consultant hired to develop and teach the workshops is made, the State will own the training material. We will then be able to use the materials as the basis for an annual performance contract/grants training course at The Summit: Center for State Employee Development.



In addition to the initial training explained in the first paragraph, DCF contracted directly with the training consultant for a more in-depth and department specific training; DCF trained a total of 30 managers and staff in two separate sessions of 1 ½ days each. DCF has shared their documentation with other departments upon request.

There is also news to report concerning Performance Grants. The VISION system has been modified to expand the federal subrecipient grant module to be used not only for the required reporting the federal dollars in subrecipient grants, but also to allow for the collection of data about all grants – both federally funded and/or state funded, and track whether performance measures are included or not (as we currently do for contracts). Go-live has been delayed slightly to July 15th due to some final testing and documentation. The VISION modification and the data recorded will enable us to print a list of all grants by grantee and funding for the first time, assuming departments do as required and record each grant after go-live.

| Performance Contracting Training Survey Results | | | | | | |
|---|-------------|---|---|--|--|-----------------------|
| Scoring: 5 = Strongly Agree; 4 = Agree; 3 = Uncertain; 2 = Disagree; and 1 = Strongly Disagree. | | | | | | |
| Session by Dates | | I have a better understanding or mastery of the subject area. | I know at least one way to apply the course content to my work or my personal/professional development. | I met one or more of my personal learning goals for this course. | I am satisfied with the overall learning experience. | Grand Mean by Session |
| Session 1 (Jan. 24 - Jan. 25, 2011) | Mean | 3.667 | 4.000 | 4.000 | 4.000 | 3.920 |
| | # Responses | 3 | 3 | 3 | 3 | |
| Session 2 (Jan. 31 - Feb. 1, 2011) | Mean | 4.000 | 4.222 | 3.778 | 3.556 | 3.890 |
| | # Responses | 9 | 9 | 9 | 9 | |
| Session 3 (Feb. 29 - Mar. 1, 2011) | Mean | 3.818 | 4.000 | 3.545 | 3.545 | 3.730 |
| | # Responses | 11 | 11 | 11 | 11 | |
| Session 4 (Mar. 3 - Mar. 4, 2011) | Mean | 4.364 | 4.500 | 4.227 | 4.273 | 4.340 |
| | # Responses | 22 | 22 | 22 | 22 | |
| All Sessions | Mean | 4.111 | 4.289 | 3.956 | 3.933 | 3.970 |
| | # Responses | 45 | 45 | 45 | 45 | 45 |
| | # Attendees | 88 | 88 | 88 | 88 | 88 |

Investment

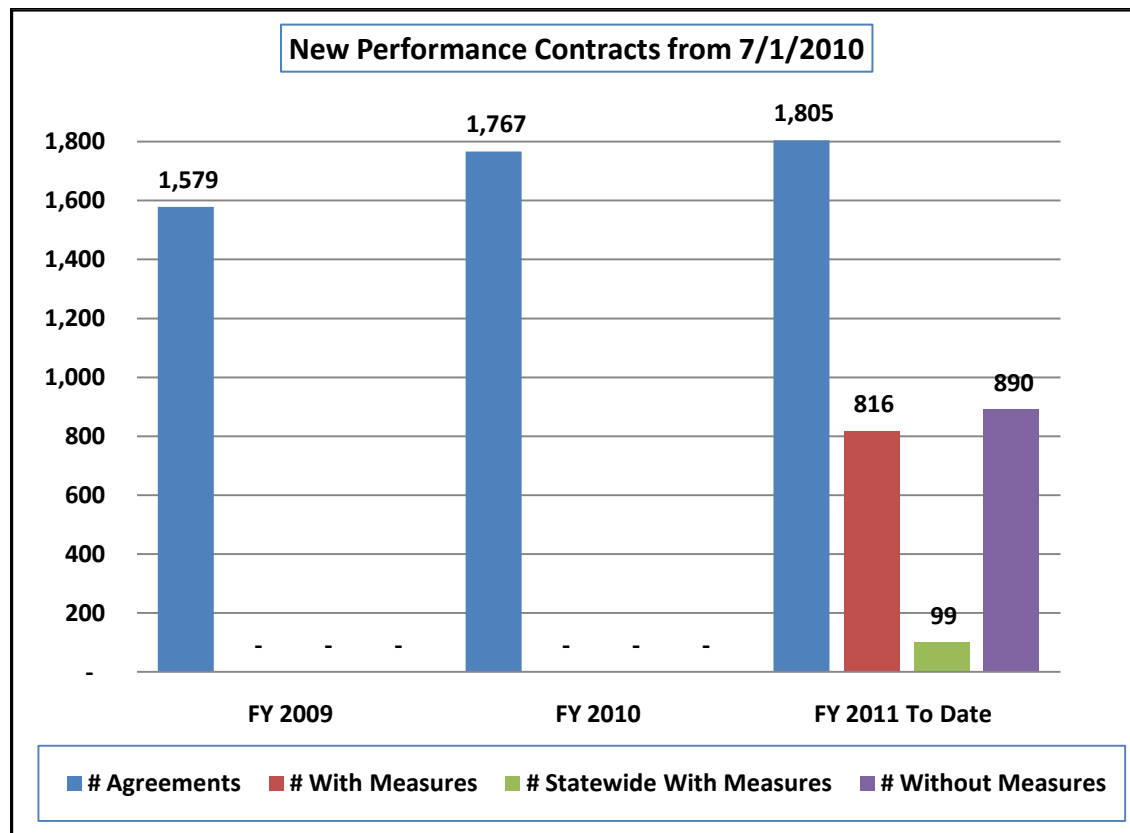
| Investment | Target | Spent/ Committed | Comments |
|------------|-----------|---------------------|---|
| FY 2011 | \$500,000 | \$125,854 | \$14,879 initial training; \$35,975 for PIEmatrix® process management software which will be used to create a management tool/training system for all the steps needed to do a performance contract and/or grant; and \$75,000 contract for 4 workshops & course development (1/2011 – 3/2011). |
| FY 2012 | \$500,000 | \$0 | |

Outcome 1

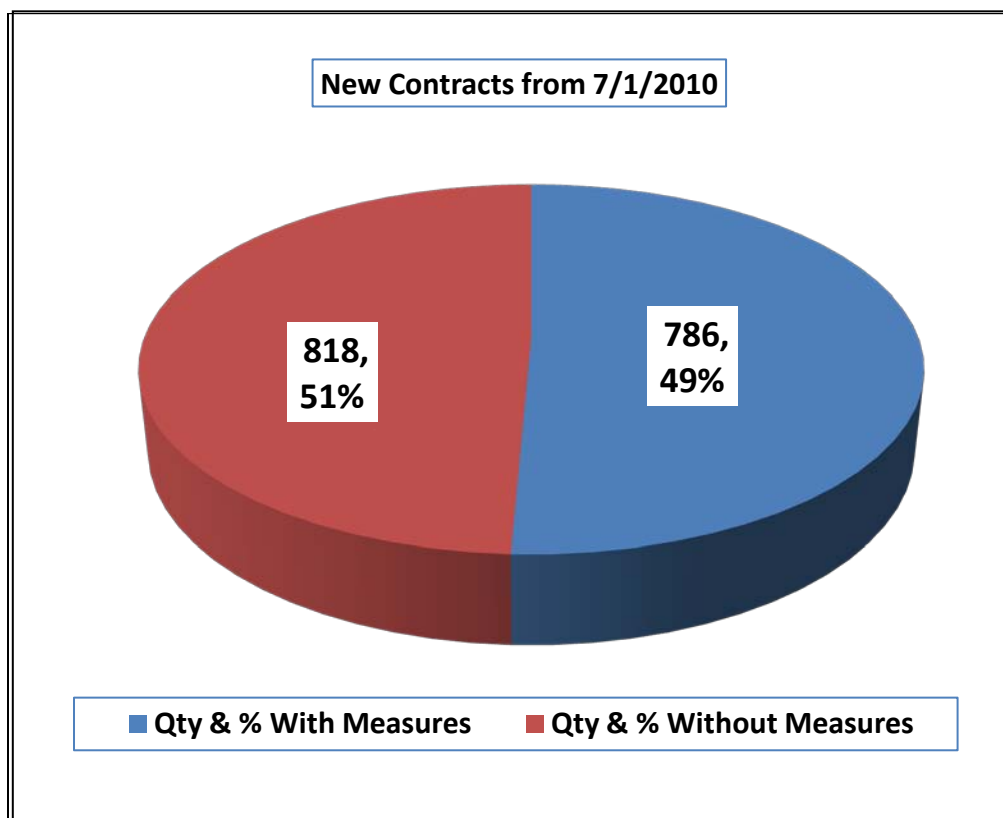
Increase use of performance contracts with the goal of converting \$70 million of contracts to performance contracts.

Measure 1

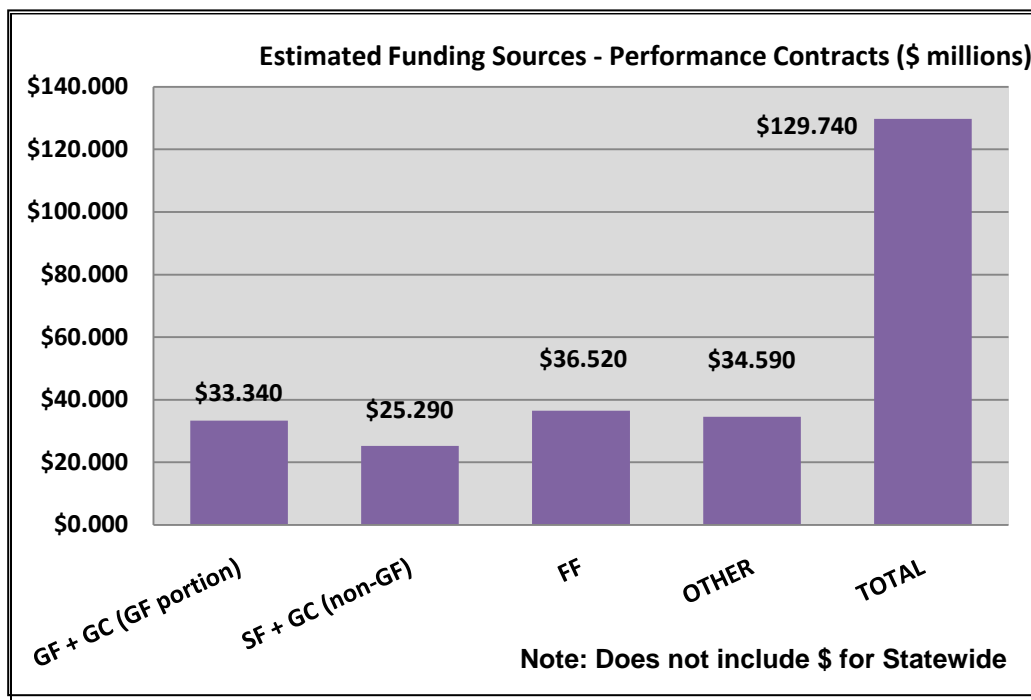
Percentage of contracts with payment tied to performance measures.



Measure 1



Measure 1



Measure 1

Outcome 2

Contractors and grantees meet performance targets specified in contracts.

Measure 2

The Rate of performance targets met by contractors/grantees.



Comment: The VISION system has been modified to “tag” each contract as including Performance Measures or not. After the end of the fiscal year, each department with Performance Measure Contracts, based on this list from VISION, will receive a survey and be required to report as to each contractor’s performance: 1) Fully met measure(s); 2) Partially met measure(s); or 3) Measure(s) not met. The plan is for all departments to report in time to allow for the consolidation and analysis of the data necessary to include the results in the next quarterly report.

* * * END * * *

HUMAN SERVICES CHALLENGES

CHALLENGE LEAD:

Patrick Flood, Deputy Secretary Agency of Human Services

NARRATIVE

AHS Secretary's Office

Challenges for Change Community Initiative Proposals:

Twenty (20) proposals were submitted, 11 were forwarded to the Secretary by the Challenges for Change Board. AHS began discussions with bidders about performance based contracts with one bidder subsequently withdrawing their proposal. All contracts have been written and are in the approval process. They all have a starting date of April 1, 2011.

Designated Agencies and the Seriously Functionally Impaired population:

Substantial developmental work has been done with the Designated Agencies (DA's) in partnership with Corrections (DOC). Each DA has a list of anyone identified as SFI likely to be released to their catchment area. Contacts are being made with facilities to begin reentry planning and several individuals have been successfully released. Progress is also being made diverting likely SFI individuals from incarceration.

Department of Mental Health (DMH)

Initiative: DA – Adult Outpatient (AOP) Restructuring:

A series of 10 public forums with multi-stakeholder representation occurred between July 2010 and January 2011. A report was presented to the Vermont Legislature February 15, 2011. The report describes seven key design elements for a re-designed system of care, which would move the Adult Outpatient, Substance Abuse and CRT programs forward into a more responsive, flexible service array. The seven consensus design elements are: 1) welcome entry – no wrong door, 2) everyone gets something, 3) common intake and assessment processes, 3) peer supports and services are a core capacity, 4) case management is available to people who need it, 6) state-wide care management system, and 7) a state-level quality improvement team will review how well we achieve these goals and suggest QI initiatives.



There has been progress on achieving some of the design elements. Inclusion of Adult Service Planning and Coordination service as a billable Fee-For-Service (FFS) Medicaid activity through the Designated Agencies has expanded access to case management services to individuals served in Adult Outpatient Programs (design element #5). Also, federal funding via the Substance Abuse and Mental Health Services Administration (SAMHSA) Mental Health Transformation Grant is supporting enhancement/expansion of peer services to young adults in the community (design element #4). Planning and development work with a core team of DMH and peer provider representatives has put forward expectations for peer support services since the previous quarter report.

Initiative: DA – Allow Deemed Status to Accredited DA's:

Allocation of the \$50,000 savings target was identified to DA's and accepted in late September. In early October, no future changes were anticipated. Other work groups exploring paperwork efficiencies and simplification continued; but there were no additional savings linked to this initiative.

**Initiative: DA – Continue Implementation of Dartmouth Supportive Employment (SE) Model:**

Vermont DMH continues to work on the Employment Demonstration Initiative (EDI). The goal of this grant is to work with all local mental health agencies around strengthening their level of integration between mental health treatment and employment services and to increase the non-employment staffs' knowledge of how to address consumers' concerns regarding employment, such as the loss of social security benefits. The expected outcome is an increase in referrals to SE, increased access to SE and ultimately an increase in the number of people obtaining employment. The other main priorities are the Family Supported Employment initiative, the Johnson & Johnson-Dartmouth Community Mental Health Program initiative, and providing training and technical assistance to the employment programs.

In addition, the following activities have been completed during April-June 2011:

- DMH finalized new employment outcome and performance measures for CRT.
- DMH finalized incentive and disincentives for employment outcomes for CRT.
- DMH SE Coordinator and VR SE Director met with the CRT Directors to discuss employment outcomes and performance measures prior to final master grant draft.
- DMH in collaboration with VocRehab hosted the successful Johnson & Johnson -Dartmouth Community Mental Health Initiative national meeting held in Burlington, VT on May 9-10, 2011. CRT Directors, NAMI-VT executive director, VAMH executive director, and DMH leadership all participated at the meeting.
- DMH contributed to the Creative Workforce Solutions (CWS) governance meeting on two occasions.
- DMH participated in the VR employment program review meetings at HCRS, LCC, NCSS, & NKHS.
- DMH & HC's SE program hosted a mental health program director from the Netherlands who was here to learn more about Evidence-Based SE.
- DMH assisted VR with developing a report from the focus group on employment that met at VSH.
- DMH and VR facilitated a quarterly statewide meeting with the SE coordinators on June 22 which included a focus on how to engage younger individuals.
- Designated Agencies' case management staff, identified as the SE champion, attended a video conference consultation call to learn about evidence-based supported employment as part of the EDI grant. All ten agencies participated.
- DMH has organized a full-day, statewide training on motivation and employment for the SE champions (case managers). DMH has designed and will present the material at the training with a staff member from DAIL on June 23.
- DMH participated in 3 conference calls with NASMHPD and with multiple states to discuss EDI grant activities.

- DMH facilitated 4 meetings with NAMI-VT under the SE Family Initiative and participated in 2 national conference calls.
- DMH participated in 2 national conference calls regarding the national SE learning collaborative with J&J-Dartmouth.
- DMH assisted with the SE cost study activities being directed by Dartmouth, including planning the studies next steps and collecting data.
- DMH participated in a research seminar on Evidence-Based Supported Employment Fidelity.
- 35% of CRT consumers received employment services during FY10 and of those who received 6+ services, 40% were employed.
- The four J&J-Dartmouth sites in Vermont had an average employment rate for their employment program of 33% and provided employment services to 257 consumers.

Initiative: DA – Substance Abuse and Mental Health Services:

Discussions between ADAP and DMH staff about substance abuse and mental health integration naturally flowed into the multi-stakeholder forums regarding adult outpatient program redesign. Therefore, this integration initiative became part of the Adult Services Redesign workgroup which held 10 public forums from July 2010 to January 2011. Recommendations in this area are incorporated into the Adult Services Redesign Report to the Legislature: *Re-Design of Adult Mental Health Services System: Planning for Implementation of Challenges for Change*, February 15, 2011.

Initiative: DA – Mental Health – 2% Reduction:

This \$1.3 million initiative was achieved through DA allocation reduction in the FY '11 budget.

Initiative: DA – Reduce documentation and paperwork per PHPG:

The new workgroup convened in mid-December has not met since the change in Administration and Departmental leadership. The AHS led group is expected to re-convene in the next quarter with departmental leadership appointed by AHS to organize a working process with the Designated Agencies to identify best practices and areas for reform.



Initiative: DA – Reducing psychiatric length of stay:

In the absence of new funding to address reductions in psychiatric length of stay for a broader Medicaid population, DMH incorporated into the DA FY 12 Master Grant agreements for each DA an incentive and penalty provision for lower than expected and over-utilization of psychiatric inpatient bed days based on a three-year trend history for its enrolled CRT Program population. This population is already an intensive service population for the DA's and funding for both outpatient and inpatient mental health services is within the scope of the Department and the scope of work of the master grant agreement. For FY 12, incentives are established for DA's that are below their target utilization during FY 12, as well as, those that show incremental improvements in lower utilization in FY 12. Likewise, DA's that exceed their target utilization may see incremental payment penalties for over-utilization of psychiatric inpatient bed days in the fiscal year. Plans of correction, approved by DMH, are allowed to mitigate penalties for DA's exceeding their target utilization.

Initiative: DA – Bulk Purchasing Options for DA's and SSA's:

This \$25,000 savings was agreed to by DA's and taken in the FY '11 budget.

Initiative: DA – Integrate DA Psychiatry & Behavioral Health Services into FQHC's:

There are no major advancements to report in this initiative area. Collaborative efforts in either sharing personnel or physical co-location for services between DA's and FQHC's continue to evolve regionally. The process for integration of physical and mental health care remains a priority for both Department of Vermont Health Access and DMH.

**Initiative: DMH – Forensic Evaluation:**

The Legislative Work Group addressing Statute Amendment to Inpatient Competency/Sanity Evaluations (13 VSA §4815(g)), continues to review the impact of this legislation on admissions, discharges, and the court process. We are hoping to hear from a judge familiar with the impact of the statute at our July meeting. Thus far, 13 defendants have not been admitted to VSH after being referred by the court for an inpatient forensic evaluation. All 13 were returned to DOC under a bail mittimus. Fletcher Allen Healthcare has informed the Department that, because of fiscal concerns related to forensic patients, they are unable at this time to accept any forensic inpatient referrals.

Initiative: IFS – Reductions in Psychotropic Medication Use:

The Challenges for Change report on child and adult psychotropic medications was sent to the Legislature as required in January 2011. It outlined the child psychotropic medication use statewide and identified one project to study, namely the use of a stimulant with one or more other psychotropic medications. The prescription monitoring project at the Department of Health was found inadequate to monitor child psychotropic medication usage because its intent is quite different. In order to address this identified area for study, the Drug Utilization Review (DUR) Board and Department of Vermont Health Access are moving ahead with implementing a prior authorization process for low dose Seroquel as ways of both monitoring current prescribing patterns and pharmaceutical costs.

The adult psychotropic medications findings recommended the use of academic detailing to implement the medication guidelines developed by the Clinical Practices Advisory Panel throughout the state. We will need to pursue potential funding sources to implement this in its entirety. In the meantime DMH is educating the psychiatrists in the public sector about the medication guidelines and working with them to develop an implementation plan.

Department of Vermont Health Access (DVHA)**Direct Care Coordination (CC):**

In SFY 2011, the Department of Vermont Health Access (DVHA) expanded its direct care coordination capacity in Franklin and Rutland counties to improve health care and medical outcomes for beneficiaries with significant medical needs while reducing health care costs. Rutland and Franklin counties were selected using the geographic distribution of the Medicaid population and the *Blueprint's* financial modeling.

All six of the new care coordination staff (three in each county) have been hired to expand upon the work of the existing regional care coordination teams. The new staff members are collocated in high volume primary care offices, specialty practices, and hospitals to assure DVHA achieves its *Challenges* goal of increasing the number of Medicaid beneficiaries it serves by 3.8%. The providers

and hospitals are highly supportive of the initiative and have indicated they value the additional assistance and data the care coordinators provide to them.

DVHA care coordinators continue to use the APS case management system as their primary resource for documentation and data mining. Enhancements to this system have been implemented to support the care coordinators' timely and efficient identification and engagement of the highest cost/highest risk beneficiaries. Although care coordinators also have the ability to access and chart their interventions in DocSite, some technical and contracting issues delayed refinements that ultimately will enable the DocSite system to more fully meet the expanded care coordination pilot's needs. A plan of action is underway to assure these needs are addressed in an expedited manner.

UVM has completed the initial three month evaluation of the pilot using hospital admissions and emergency department visits during that period to estimate annual utilization under the enhanced initiative (the initial evaluation period covered 11/1/10-1/31/11 due to staff hiring and training during July-October). For the initial evaluation, the pilot had not been operational long enough for care coordinators to develop and impact large caseloads, making it difficult to draw definitive conclusions. However, a comparison of first year annual hospital utilization estimates with the year prior to the initiative's implementation, as well as with two comparison counties (Bennington and Orleans), suggests the enhanced program is having a positive effect on utilization patterns. The impact appears to be especially true among beneficiaries who have successfully completed care coordination services. Another evaluation of the pilot by UVM will occur at the end of July. Lastly, beginning late summer, DVHA will conduct a consumer experience of care survey to obtain feedback directly from beneficiaries who received care coordination services during SFY 2011.

340B Pharmacy C4C Initiative:

The initiative charged DVHA with encouraging Vermont's eight Critical Access and three Sole Community Hospitals (who are newly eligible to participate in the federal 340B discount pharmacy program) to enroll with the federal Office of Pharmacy Affairs (OPA) as eligible Covered Entities and then to "carve in" Medicaid to ensure the state benefits from lower drug pricing. In addition, DVHA is working with already enrolled Covered Entities (Federally Qualified Health Centers and Fletcher Allen Health Care) to increase their 340B utilization and pass through the savings to Medicaid. DMH has a C4C initiative focused on alignment between Covered Entities and the Designated Agencies to achieve the same end: increased utilization of 340B for Medicaid beneficiaries who are clients of the DA's.

Seven of the eleven Vermont hospitals newly eligible for participation in 340B are enrolled as of 1/1/11. After troubleshooting a number of technical challenges, DVHA is in the final stages of designing a workable system for 340B providers to "carve in" Medicaid to pass through the 340B discounts to the State. An initial proposed State Plan Amendment (SPA) was withdrawn in early December in response to feedback from providers, but a revised SPA will be posted early in the New Year so that the State can begin sharing in the savings obtained through 340B.

CURB Initiative:

The Clinical Utilization Review Board (CURB) was created to examine existing medical services, and emerging technologies, and relevant evidence-based clinical practice guidelines and make recommendations to the Department of Vermont Health Access (DVHA) regarding coverage, unit limitations, place of service, and appropriate medical necessity of services for the Vermont Medicaid program. The board is comprised of 10 members with diverse medical expertise appointed by the governor upon the recommendation of the commissioner of DVHA. Input to selection was provided

by the Vermont Medical Society, the University of Vermont Office of the Dean, and other state and public stakeholders. The medical director of DVHA serves as state liaison and moderator for the CURB.

The CURB convened for its first meeting on October 20, 2010 and has met monthly for a total of three meetings through 2010. The CURB duties and responsibilities include identifying opportunities to improve quality, efficiency, and adherence to evidence-based clinical practice guidelines, and making recommendations to the commissioner of DVHA regarding the most appropriate mechanism to implement the recommended utilization controls for provision of evidence-based clinical practice guidelines. DVHA provides CURB members per diem compensation for each meeting and food service for dinner before the meeting. DVHA filled one full time position to provide data support to the CURB to start in January, 2011. DVHA has responded to the CURB requests for data in the interim through currently employed data analysts.

Over the past three meetings, the DVHA medical director presented the CURB an overview of the guiding principles of Medicaid coverage, a review of utilization controls, and a review of program costs for medical services. The Clinical Unit director presented the steps for evaluation of prior authorization requests, exception requests, appeals, requests for non-covered services, and pharmacy authorizations and DVHA use of proprietary sources for medical criteria and coding manuals. The CURB members have provided suggestions regarding transportation services, emergency room services, services provided by geographic area, use of case management, reduction of administration barriers, provider incentives to increase participation, ambulance services, and personal care services.

The CURB members also requested data regarding out-of-state services. Currently DVHA only requires prior authorization for inpatient services out-of-state. The CURB was presented data on total number of outpatient services provided out-of-state, services provided and reimbursed to each state, the composite list of services provided to beneficiaries by specific coded service, and the specific providers for each state. The board members provided suggestions to ensure appropriate use of out-of-state services which will be summarized and presented for implementation by DVHA at the January 19, 2011 meeting. The CURB began discussions on the use of the negative pressure wound closure system for Vermont Medicaid beneficiaries and mechanisms to ensure that evidence-based clinical practice guidelines are followed by providers. Given the delay in the start of the CURB meetings until October, DVHA is still assessing whether the projected \$4 million in net gross savings can be achieved for FY11.

Department of Children and Families (DCF)

Reach Up Intensive Family Engagement:

The Challenges for Change initiative associated with Reach Up was a directive to create a specialized case management program for Reach Up families on sanction. Although no savings were associated with this item, the goal was to achieve savings that would equal the cost of the program (\$420,000) by reducing the Reach Up caseload as people exited the program through employment.

The procurement process began with a Request for Proposal that went out in June, 2010. A consortium of Community Mental Health Agencies had the winning bid proposal. After discussion the consortium decided that it could not enter into the performance based contract that was outlined by DCF. Considering this and the difficulty in recouping the savings to pay for this program it was decided to revisit this initiative in the next legislative session.

DCF discussed the lack of funding with the House and Human Services Committee in January, 2011. It was decided that DCF and the legislature would need to further explore and decide upon the ability to run this program without additional funding. There was not a timeline set for this.

Office of Child Support - New Hire Reporting:

State law requires that employers report newly hired staff in a timely fashion to the Department of Labor (DOL). Recently, the Legislature reduced the required employer reporting period from twenty days to ten days in hopes of creating more accurate information and compliance with the law. Employers submit reports directly to the Department of Labor. The Office of Child Support has proposed a technology interface with DOL in order to monitor compliance with this newly changed law in order to ensure that child support wage withholding is done in a timely fashion. Our expectation is that this will enhance our ability to recoup court ordered child support payments and to stabilize income for many Vermont families dependent on child support.

Currently, OCS has identified a vendor who will work to develop the interface with DOL and implement a data matching system. One step in that process is the development of necessary fields in our ACCESS system which will allow us to monitor the effectiveness of the DOL interface once implemented. Those fields are actively being added to the OCS data warehouse now. Once complete, the new system will allow us to see the information that DOL currently inputs into ACCESS and to ensure that we can cross match employment and employer reporting and enhance child support collections.

Office of Child Support - License Suspension:

The Legislature gave the Office of Child Support (OCS) concurrent jurisdiction with the Family Courts to suspend driver's licenses administratively for non-compliance with child support orders.

Currently, a group of OCS staff is working to implement the timely and accurate suspension of licenses beginning July 1, 2011. The group is working to develop new forms, policies and procedures, staff training, and data reporting capabilities.

Office of Child Support - Collaboration with County Sheriffs for Child Support Collection:

The Challenges for Change initiative associated with child support was a directive to work with county sheriffs to improve child support enforcement. Although no savings were associated with this initiative, we are expecting that enhanced enforcement will result in additional child support collections for families in excess of the costs associated with contracting with county sheriffs. To date, we have finished the procurement process and have a signed contract with the Chittenden County Sheriff which outlines a process for statewide referrals for delinquent support payments through a single point of contact. We have begun to implement this process and have submitted over 125 cases in which we have been unable to locate the responsible individuals or in which warrants need to be served. From December 22, 2010 to March 15, 2011, deputies from around the state have located or developed leads on a number of those submitted cases and have picked 25 individuals on warrants, of which 8 surrendered voluntarily. Recoupment costs from those three individuals have already totaled over \$17,000. The Office of Child Support is tracking outcomes for this initiative specific to the activities performed by sheriffs and to the total child support collections for cases that have been referred. Future activities for sheriffs will include sending notices to noncompliant

individuals. We will continue to track the outcomes for this initiative and to refine our collaboration with county sheriffs.

Child Development Division - Automation of the Child Care Financial Assistance Program

Eligibility Determination:

The purpose of this initiative is to transfer the financial eligibility determination function from individual community providers to the Economic Services Division using elements of processes that are being modernized under the auspices of the STEER project, or ESD Modernization. To date the project charter, business requirements document, and project implementation plan are completed.

An RFP for the IT work necessary to create an interface between two existing data systems within the Department to allow for the centralization of eligibility determination closed with only one bid received. The amount of the bid was not realistic or fiscally manageable. A newly written RFP will be ready to post by January 15, 2011. Stakeholder meetings were held in every region to assist in the development of transition plans. The positions required to transfer the work into DCF have been recruited and five conditional offers of employment were made with an anticipated start date of 1/10/11.

The current budget for this project is \$400,000 for the IT work. Some of the work will be done in house. The savings committed for this fiscal year was \$26,000. With full implementation the projected savings for FY 2012 is \$600,000. The current administration is aware that the incoming administration may require a review and re-evaluation of the pace of this project. Decisions must be made by January 7, 2011 as any change in the initiative will require contract extensions and 30 day notification to parents and providers.

The proposed centralization of Child Care Financial Assistance Program (CC FAP) eligibility determination was postponed until July 2011 to allow a small group of DCF staff and community service providers to analyze alternative models. The analysis group will deliver a report to Secretary Racine and Commissioner Yacovone in April and they have committed to making a decision about how to proceed for SFY12 by May 1. Two regions (St. Johnsbury and Lamoille) have transferred responsibility for caseloads to the Child Development Division (CDD) in Waterbury. The CDD is providing funds to support families navigating the system in those communities and piloting a centralized model with community supports. One BPS is assigned to eligibility determination for those two regions at CDD. The original proposal to centralize eligibility determination in the Economic Services Division has been modified to a transition plan centralizing eligibility determination in the CDD. This postpones the need for an IT bridge investment – a significantly reduced IT RFP for enhancements to the Bright Futures Information System (BFIS) in CDD will be competed using DCF IT resources and will enhance any model selected. Savings of \$600,000 related to changes in eligibility determination remains in the proposed SFY 2012 budget.



On May 9, Commissioner Yacovone issued the decision to continue to support CC FAP eligibility determination and navigation support through 12 Community Child Care Support Agencies located in AHS regions. The 12 agencies agreed to deliver these services for 20% less than they are currently allocated (\$222, 821 annual savings). They also agreed to work with DCF to develop capacity to assist families applying for CC FAP by helping to navigate applications for other DCF/AHS benefit programs such as health care insurance, heating assistance, 3 Squares VT and Reach Up. This additional outreach and support work, will allow the department to capture some federal match for

eligibility determination in community agencies and help to reach some of the original savings targeted for centralization. The two regional caseloads currently being determined centrally, will transition back to community agencies over the summer months. The analysis group agreed that the planned technology enhancements for the Bright Futures Information System (BFIS) were important in increasing efficiency and customer service in the CC FAP. The final RFP for those enhancements is under review and will be released soon with work being completed on the BFIS during SFY12, using funding that is part of the DCF IT budget for SFY12.

Child Development Division - Children's Integrated Services:

The work of the three stakeholder groups convened in September 2010 [Group I: Regional Integration of CDD Services; Group II: Child Care Referral and Financial Assistance System; and Group III: Early Childhood and Afterschool Program Consultation, Quality Improvement & Professional Development] has been completed. Groups I & III met 4 times each and Group II met 5 times. 70 – 75 participants took part in the discussions, including 23 registered or licensed CC providers. Each group discussed, clarified, defined and refined the original charge to the group.

They identified key questions and gathered information from a variety of sources. There was an agreement that consensus was not possible in a short time frame– the goal was to unearth issues and identify areas of agreement and differences of opinion/perspective. Information about the discussions was available on the CDD website throughout the process. Each group examined many sides of each issue and produced recommendations for the future. The work of the three groups was presented in an open state-wide meeting via Vermont Interactive Television (VIT) on December 15, 2010. Many positive comments regarding the process and products of the groups were received from VIT meeting participants.

As part of the information gathering effort, CDD worked with partners to create and disseminate two surveys. One survey was for parents asking about where they get information about child care and how they select providers. Over 1000 parents responded in a three week period. A preliminary report on their responses is available on the CDD website and a more detailed final report is being finalized. A significant number of parents identified themselves and said they were willing to continue the conversation about Child Care. CDD and Kids Are Priority 1 plan to work together throughout the winter and spring to convene focus groups of parents to better understand their needs, constraints and priorities related to child care and child development services. The second survey was developed using information from Group II. It was developed to ask child care practitioners about their professional development needs, challenges, preferences and priorities. It will be disseminated to a broad array of providers in the first week of January and results will be posted on the CDD website in February. Final reports and data from both surveys will be used to inform ongoing discussions about CC Resource & Referral recommended by the Stakeholder Groups. Eight products in all were produced by the three groups. These include reports, plans and recommendations. Final drafts are available on the CDD website. All products are being reviewed and formatted and will be available in final form on the CDD website by the first week in January. An evaluation of the process will also be distributed to all participants. CDD staff will present materials to the DCF Commissioner and AHS Secretary in preparation for a report due to the legislature on January 15, 2011.

The final CDD Stakeholders Groups report will be delivered to Secretary Racine, Commissioner Yacovone and the legislature next week. The survey on the professional development needs of early

childhood and afterschool professionals has been developed and will be disseminated to providers shortly. Stakeholders advising the CDD on parent input advised CDD staff to wait on convening parent focus groups and work through Building Bright Futures Regional Councils and other community groups in the spring to attend local events to meet and talk with parents.



Children's Integrated Services (CIS) Phase I Implementation:

On November 1, 2010 full integration of CIS through a single fiscal agent was successfully implemented in 3 AHS regions: Lamoille, Franklin/Grand-Isle, and Rutland. The three pilot regions are working closely with the CIS State Team from CDD to identify and resolve any issues that arise. A fourth region, Brattleboro, was added to CIS pilots in July, 2011. Regional meetings with IFS/CIS staff continue as does work to fully integrate and align ongoing CIS integration efforts with IFS work across AHS departments. Addison County has proposed a birth – 22 integrated service delivery model that IFS/CIS staff will review and help to refine and implement over the coming months as an alternative pilot. Other regions may step forward to fully implement using the single fiscal agent model adopted by the pilots or alternatives developed or accepted by AHS/DCF as they assess their respective situations. Meanwhile, the CIS state team continues to work on training and technical assistance around integrating service delivery practices across all regions.

IFS Initiatives

Initiative: IFS – Reductions in Inpatient Psychiatric Hospitalization:

DVHA has been authorized to hire a position to assist in this effort. As of the end of December that position is under recruitment. Additionally, all departments have begun to explore additional rate tiers for inpatient care in order to support children in inpatient care who do not meet the highest level of acute care, but who require a higher level of care to remain stable while waiting for a home and community based or step down residential care placement. Finally, through the enhanced family service initiative, communities have been engaged to determine what is needed locally to appropriately divert children from inpatient hospitalization.

Initiative: IFS – Reduction in Admin. Requirements:

A memo regarding changes to documentation requirements for all AHS funded children services delivered in the designated agency system was finalized in October and retro-actively effective to July 1st 2010. These changes representing 60% of the IFS funded services and a streamlined a significant amount of redundancy in the children's MH system. For example, DCF and DMH have agreed to mutually accept each others requirements for home and community based Medicaid services, eliminating the need for providers to keep 2 files or switch requirements if the child moves in and out of custody. AHS continues to fine tune requirements related to several programs using a new bundled rate finance model. These models are being used to streamline billing for a package of services to specific target populations. In addition to these changes AHS has completed an inventory of the elements currently required across all departments for intake and assessment. The goal is to create a core common set of elements and definitions to reduce conflicts and redundancy across departments. We are also mapping the process from intake to service completion for Children's Integrated Services, Children's Health and Support Services and Enhanced Family Services to create a uniform process and reduce confusion for families. Lastly we will continue to look at reporting, documentation and auditing requirements related to PNMI funded services in order to align those requirements with the new licensing regulations and further streamline those requirements. The

ultimate goal is to get away from work processes that take time away from measuring outcomes and responding to technical assistance needs and quality improvement activities.

Initiative: IFS – Reduce Out of Home Placement:

We were fortunate to receive all expense paid assistance from Casey Family Programs in facilitating a 2 day community planning event that was very successful. All 12 regions participated with equal representations from parents and professionals. Regions presented redesign options for key child and family programming with the goals of engaging the full family needs in much earlier and more holistic fashion. Additionally, a separate family meeting was held to continue to engage family members in all pieces of the design and implementation. Three regions have volunteered to become early adopters of a new integrated model of service delivery (Lamoille, Brattleboro, and Addison). Early adopters will begin implementation work with the state staff in early 2011 with a target of redesigns in place for the last quarter of FY 2010.

Initiative: IFS – Repurpose Woodside as Secure Residential:

Data analysis of the admissions for the last year indicates that it is still viable to re-purpose Woodside into a treatment focused facility. A study outlining the current and proposed status along with necessary legislative changes will be distributed by January 15th to the legislative committees of jurisdiction. Final approval and decisions will be made by the legislature.

Initiative: IFS – Reductions in Psychotropic Medication Use:

Members of the Psychotropic Medications Workgroup met several times this quarter. They reviewed Medicaid claims data from DVHA on mental health medication prescribing (single and multiple agents) for children ages 0-6, 7-12, and 13-17 for six months of calendar year (CY) 2007 compared to the same six months of CY2010. (Medication classes included antidepressants, antipsychotics, and ADHD medications but did *not* include anticonvulsants, anxiolytics or sedatives/hypnotics.). Final recommendations will focus on the off label use of the drug Serequol. Recommendations have been sent to the DVHA Drug Utilization Board to disallow all off label uses. It is projected that annualized savings will be at least 10% of the total drug spend or about 300K annually. Workgroup members will continue to meet to develop best practice protocols for ADHD and Anxiety/Depression medication protocols for children.

Initiative: IFS – Integrated Intake and Program Operation Between DAIL and VDH Programs for Children:

We have eliminated the 6 months review requirement for families receiving children's personal care services. Any family that feels their situation has changed may request a review to determine if more hours are needed at any time. This one change has resulted in 140,000 in FY11 savings. While this suspension of review is in place, the AHS is working with the VT Family Network to host a series of regional Family Focus Groups to discuss strengths and challenges of current CHASS programs. Families have been universally supportive of the core CHASS initiatives. In addition, families offered constructive suggestions for our work as we go forward. The CHASS Team is also drafting a new CPCS Assessment tool that will provide more integrated information to the AHS and be used for multiple program eligibility determinations.

INVESTMENT

| Investment | Target | Spent/ Committed | Comments |
|------------|--------|---------------------|----------|
| FY 2011 | \$0 | \$0 | |
| FY 2012 | \$0 | \$0 | |

OUTCOMES & MEASURES

Outcome 1

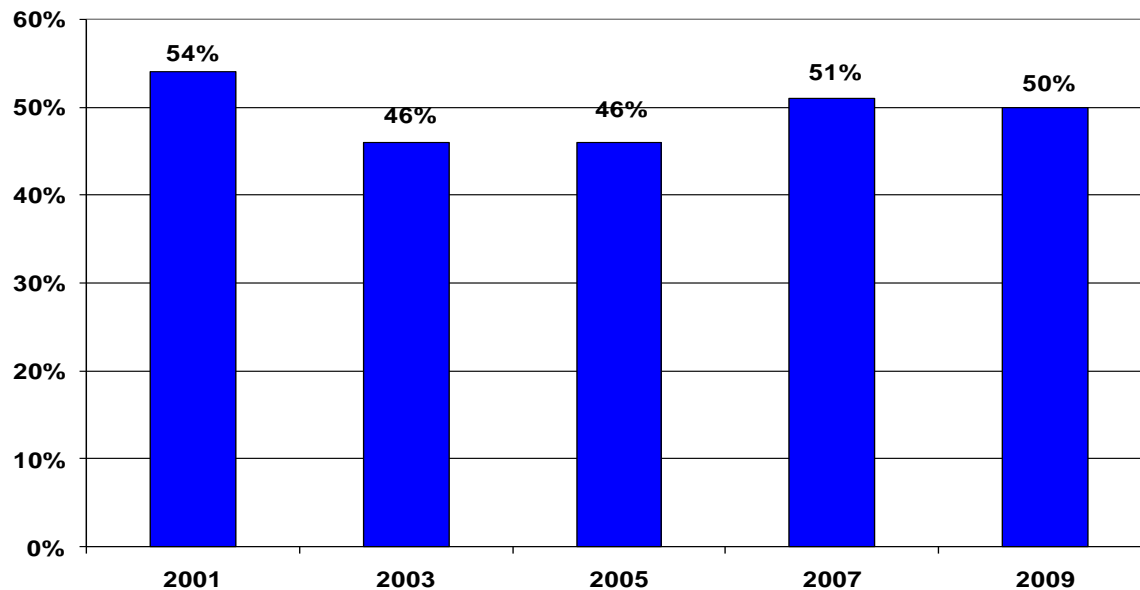
Children, families, and individuals are engaged in and contribute to their community's decisions and activities.

Measures 1

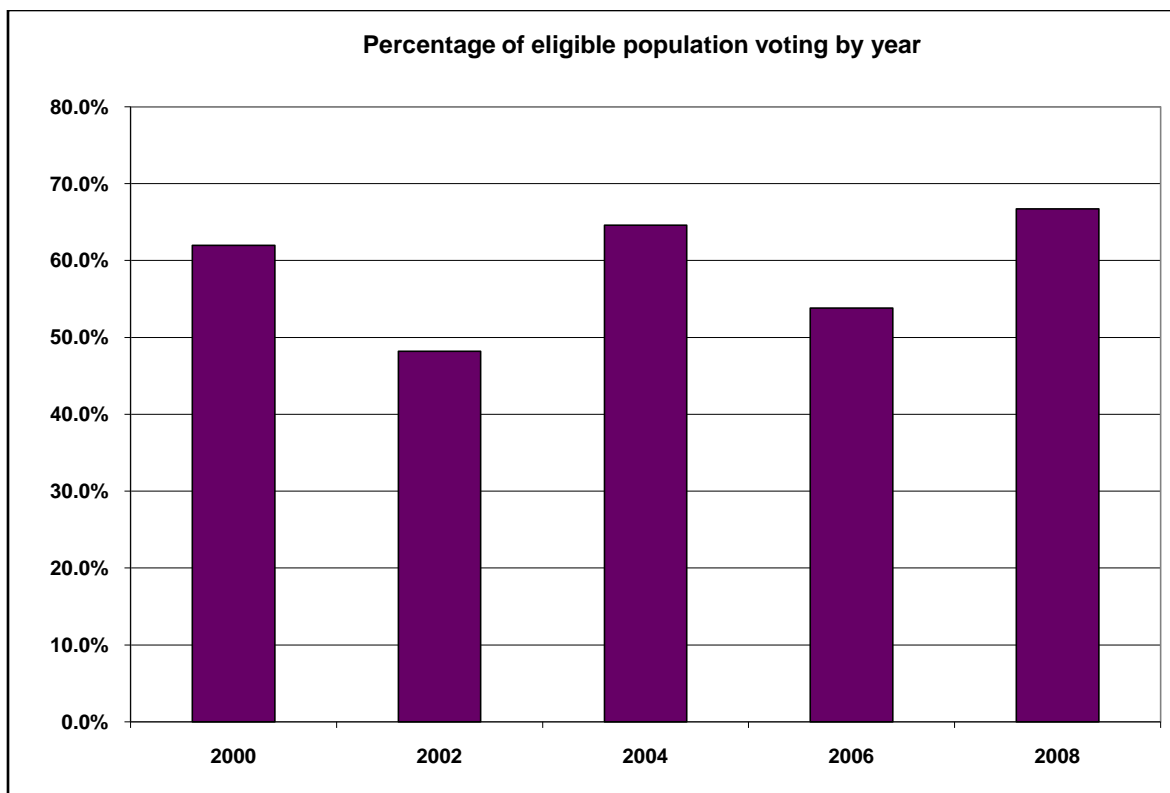
- Percent of students who report they feel that students help decide what goes on in their school;
- Percentage of eligible population voting in general and local elections;
- Percent of towns/districts/regions with reparative boards;
- Number of clients serving on AHS policy boards.

▪

Percent of students who report they feel that they help decide what goes on in their school



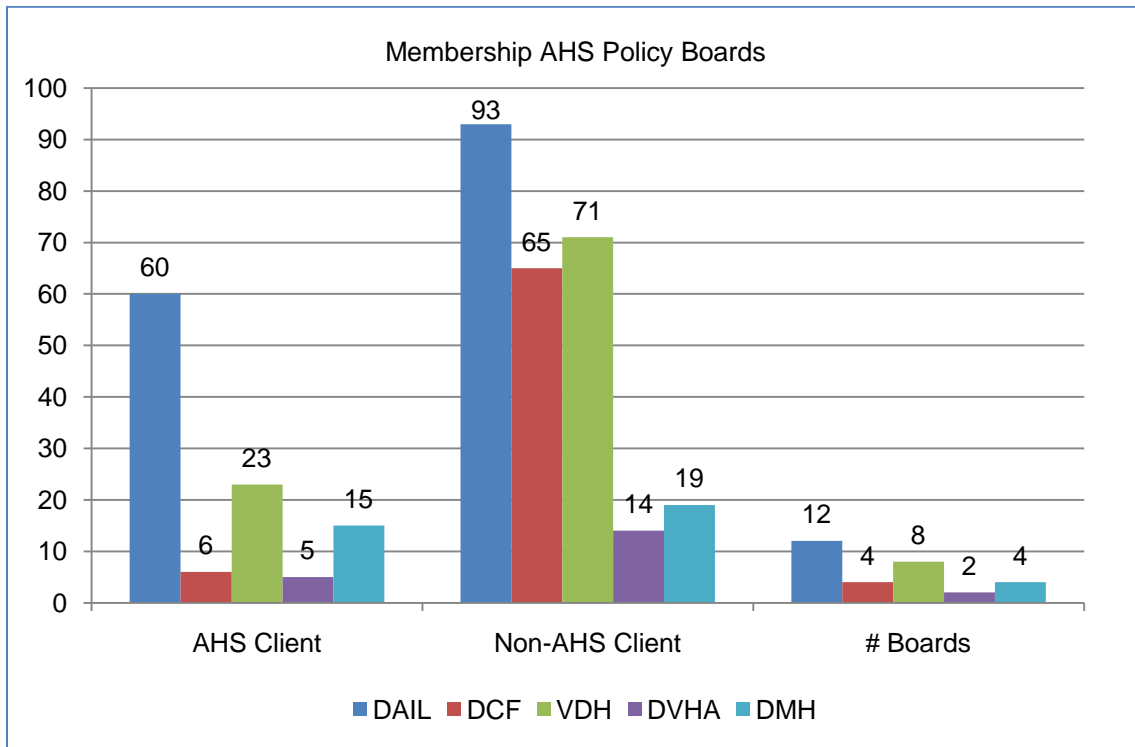
Measure 1(i) Baseline & History



Measure 1(ii) History

| Reparative Boards by County | | # Towns | | % per County w/Bds. |
|--|--|-------------|------------|---------------------|
| County | Town Name | With Boards | By County | |
| Addison | n/a | 0 | 23 | 0.0% |
| Essex | n/a | 0 | 19 | 0.0% |
| Grand Isle | Grand Isle | 1 | 5 | 20.0% |
| Franklin | St. Albans*; Highgate; Richford | 3 | 15 | 20.0% |
| Lamoille | Morrisville; Cambridge; Johnson; Stowe | 4 | 10 | 40.0% |
| Chittenden | Burlington*; Colchester; Essex*; Milton; Shelburne; Hinesburg*; So. Burlington*; Williston*; Winooski* | 9 | 18 | 50.0% |
| Rutland | Rutland* | 1 | 28 | 3.6% |
| Bennington | Bennington; Manchester | 2 | 17 | 11.8% |
| Orleans | Newport* | 1 | 19 | 5.3% |
| Caledonia | Hardwick*; St. Johnsbury* | 2 | 17 | 11.8% |
| Washington | Barre*; Montpelier*; Northfield; Waterbury | 4 | 20 | 20.0% |
| Orange | Randolph* | 1 | 17 | 5.9% |
| Windsor | Windsor; Chester; Hartford*; Springfield*; White River Jct. | 5 | 24 | 20.8% |
| Windham | Bellows Falls*; Brattleboro | 2 | 23 | 8.7% |
| Total | | 35 | 255 | 13.7% |
| *DOC-funded Community Justice Center or Program; All other Board locations administered directly by the county P&P office. | | | | |

Measure 1(iii)



Measure 1 (iv)

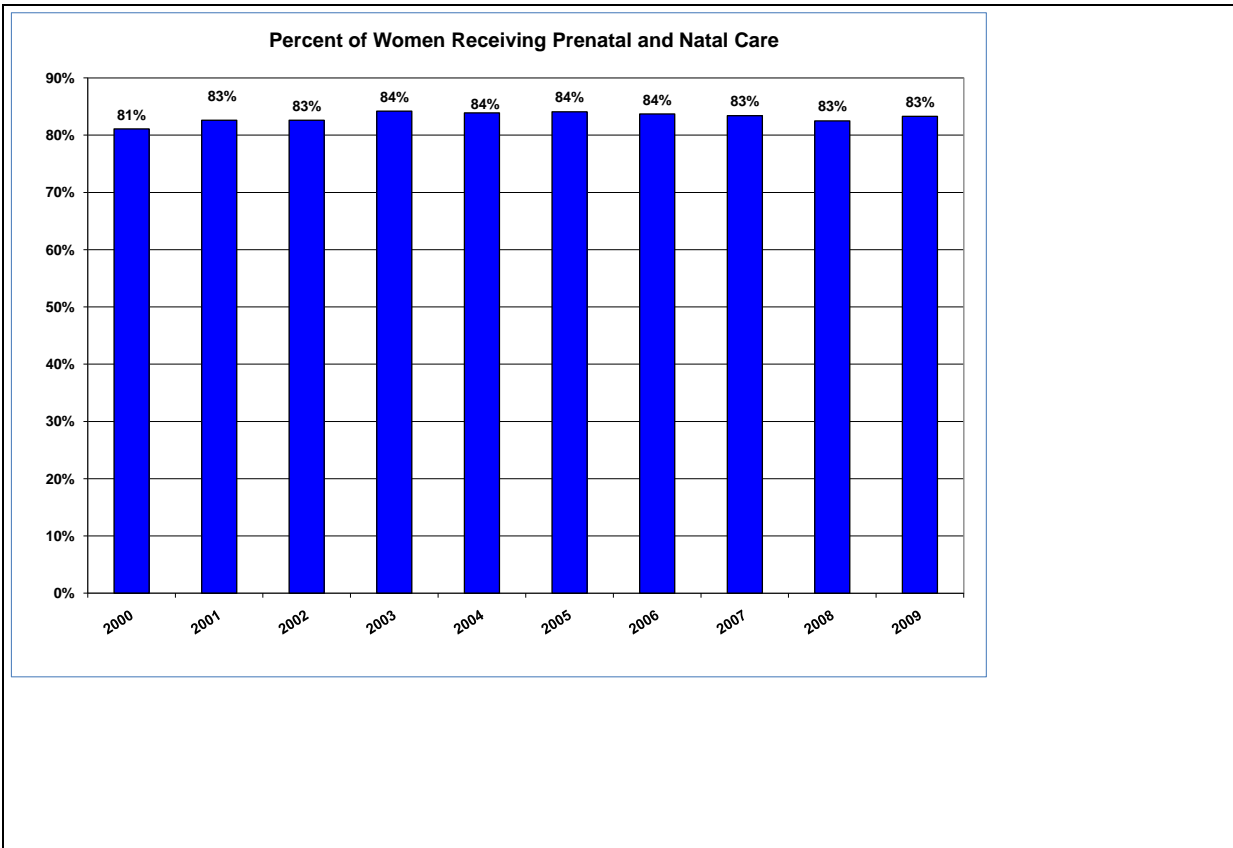
Outcome 2

Pregnant women and children thrive

Measures 2

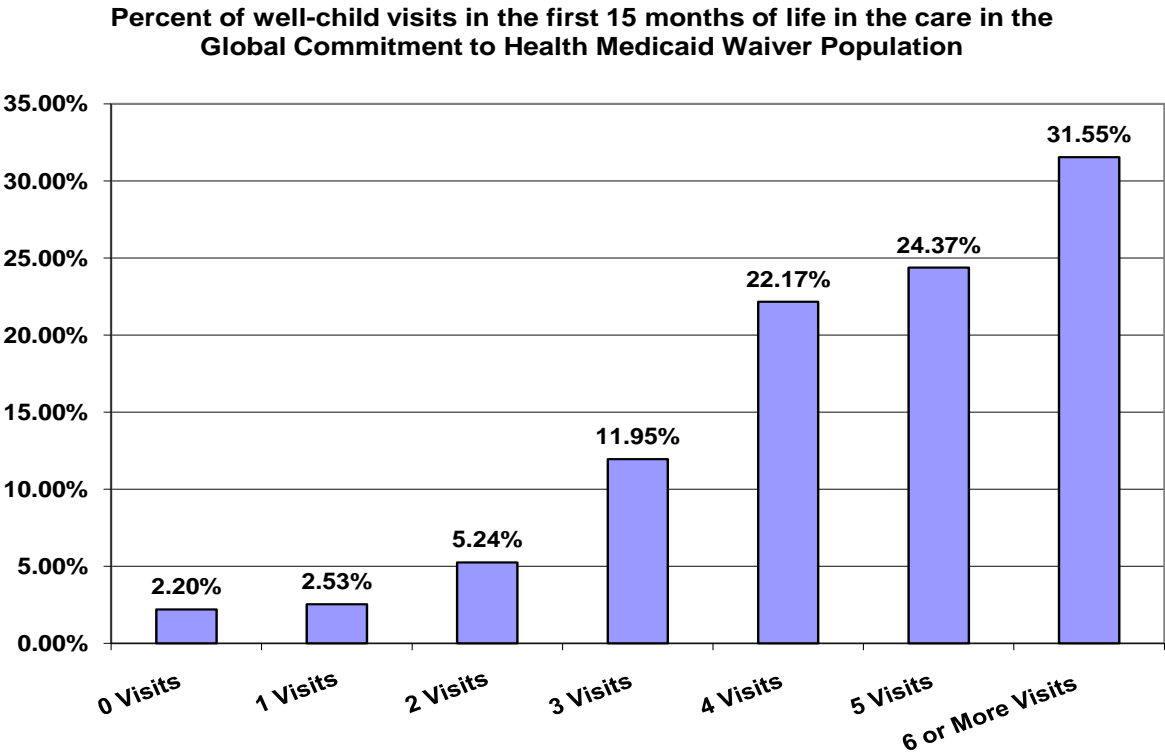
- i. Percent of women receiving prenatal and natal care.
- ii. Percent of well-child visits in the first 15 months of life in the care in the Global Commitment to Health Medicaid Waiver Population.
- iii. Percent of low birth weight babies
- iv. Percent of women who report smoking during pregnancy

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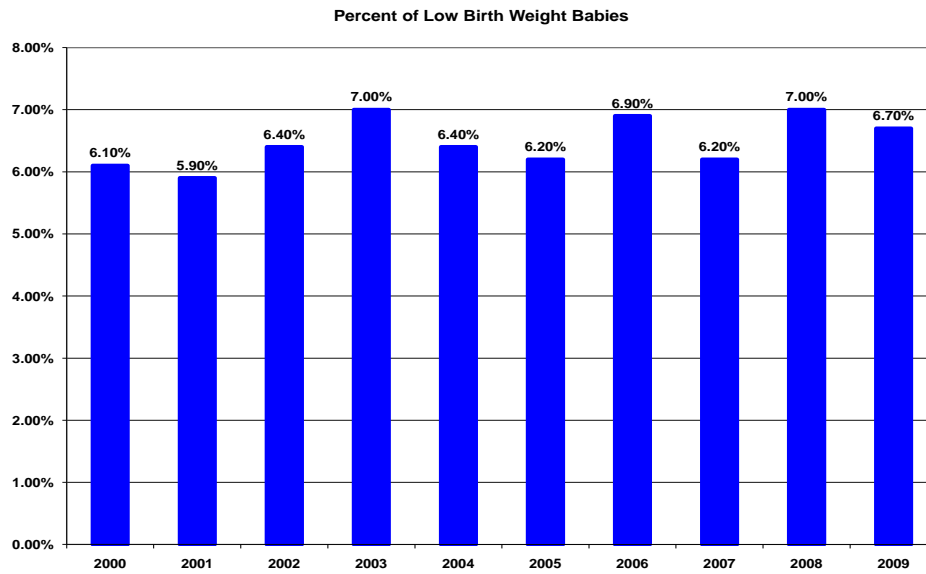


i. Measure 2(i)

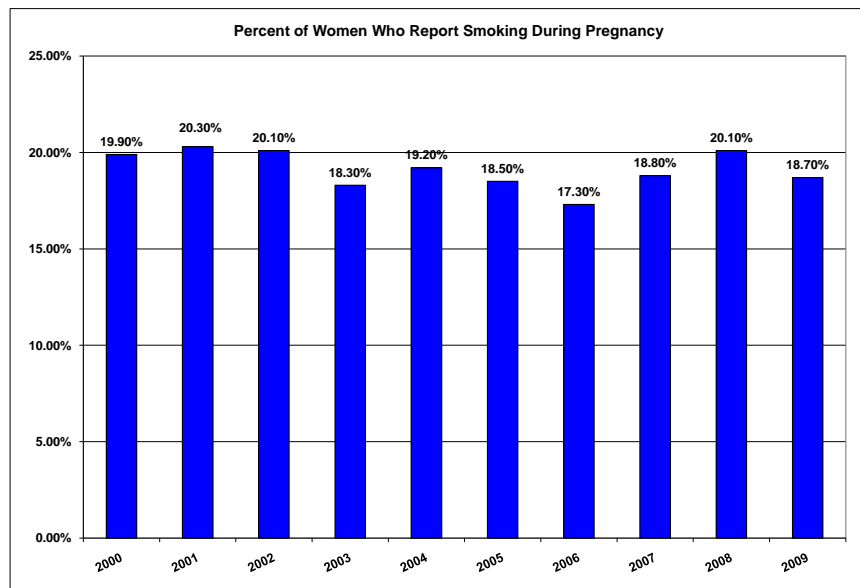
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Measure 2(ii)



Measure 2(iii)



Measure 2(iv)

Outcome 3

Children are ready for school

Measures 3

- i. Percent of Early Essential Education students meeting IEP goals
- ii. Percent of infant/toddlers meeting IFSP goals

| |
|---|
| Measure 3(i): These data are not collected pr DOE. |
|---|

| |
|---|
| Measure 3(ii): IFSP is a new program; Data not yet available |
|---|

Outcome 4

Children succeed in school

Measures 4

- i. Reading proficiency gap between students eligible for Free and Reduced Lunch assistance and all students;
- ii. Math proficiency gap between students eligible for Free and Reduced Lunch assistance and all students;
- iii. Graduation rate gap between students eligible for Free and Reduced Lunch assistance and all students.

[DOE has not provided and/or collect this data]

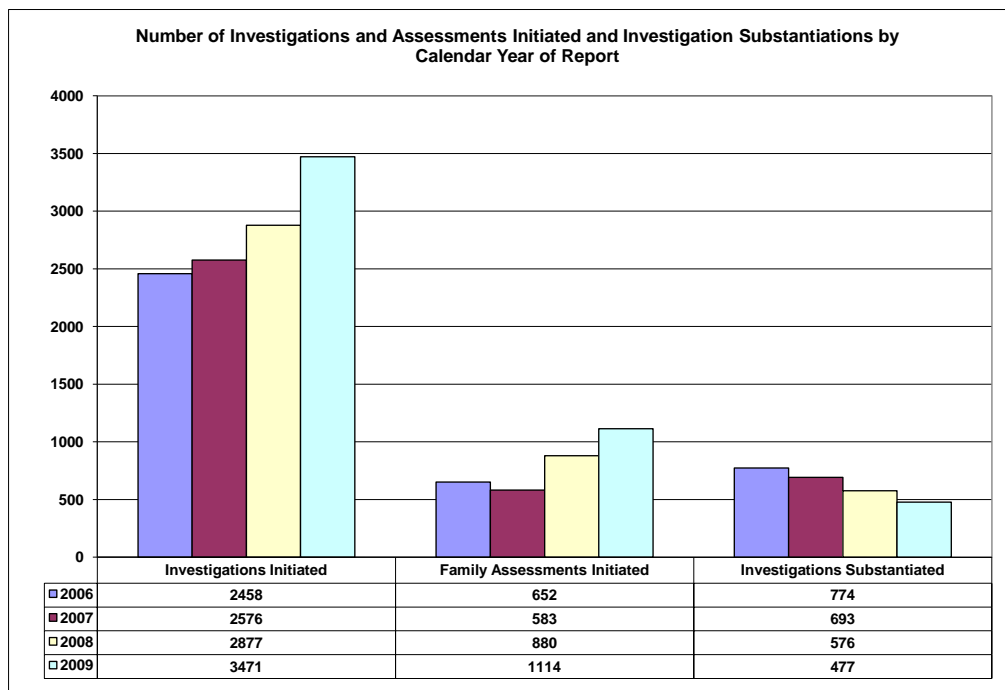
Outcome 5

Children live in safe, nurturing, stable, supported families

Measures 5

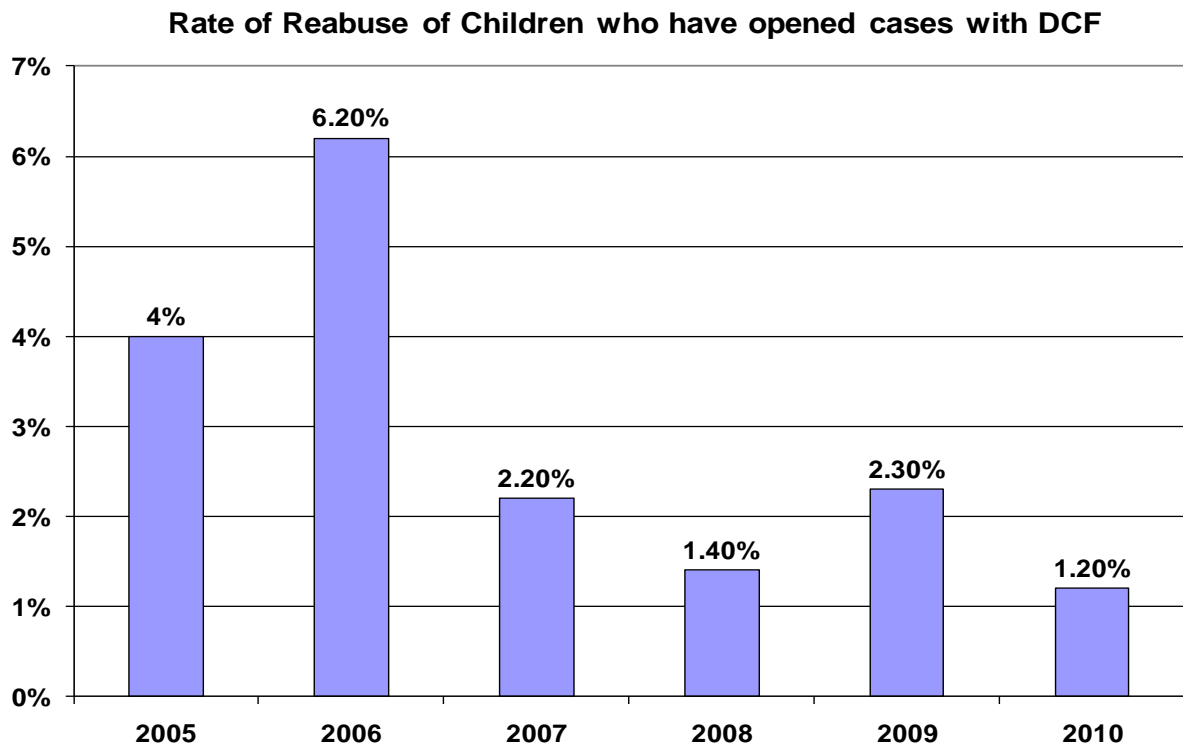
- i. Number of assessments of child abuse and neglect and percent of reports substantiated;
- ii. Rates of re-abuse of children who have opened cases with DCF;
- iii. Average number of moves within the child substitute care system;
- iv. Percentage of children at or below 200% of federal poverty level.

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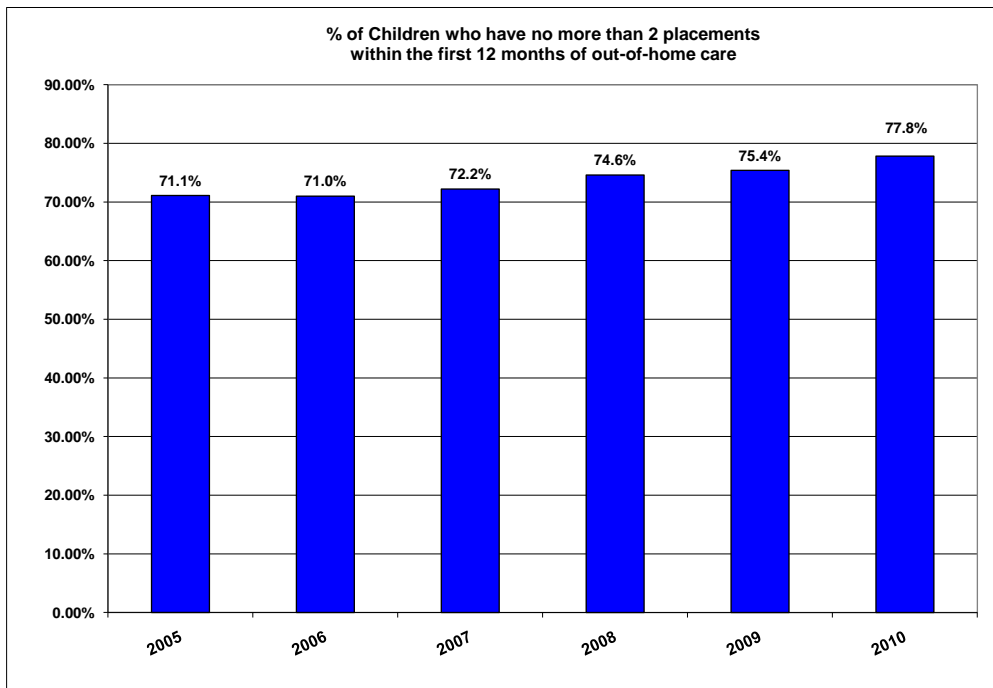


Measure 5(i)

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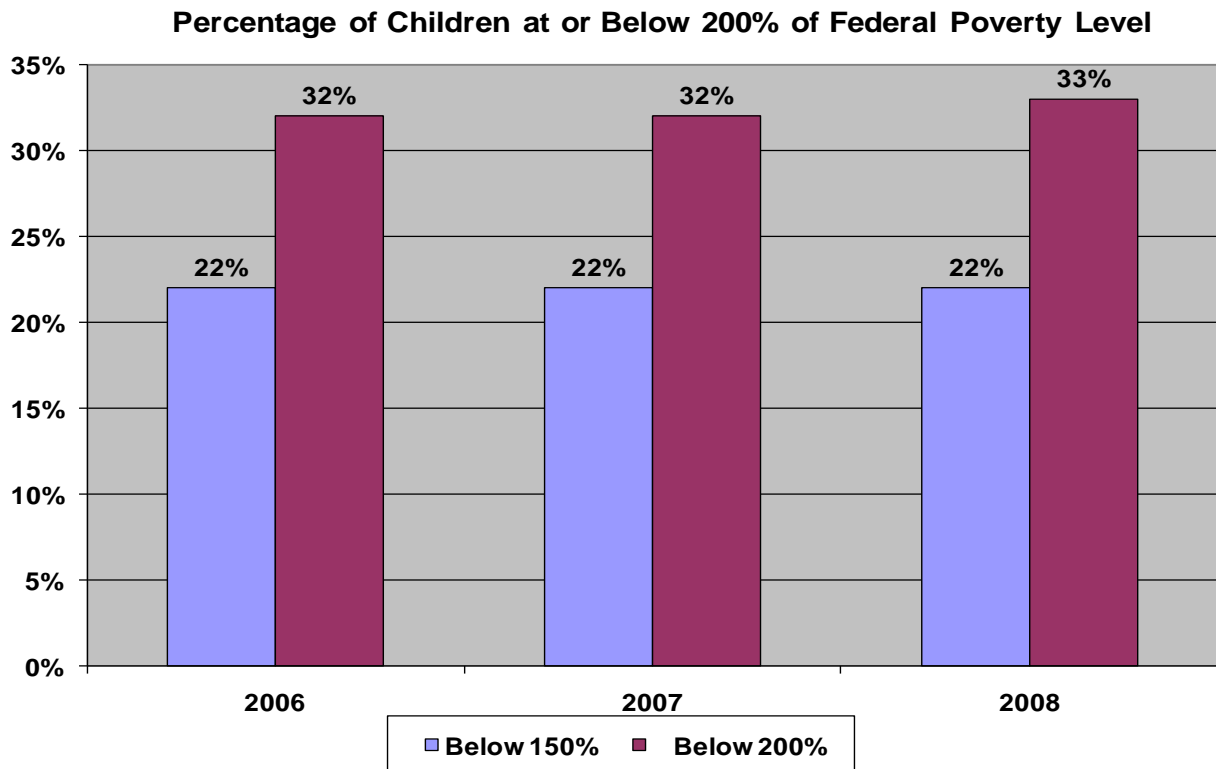


Measure 5(ii)



Measure 5(iii)

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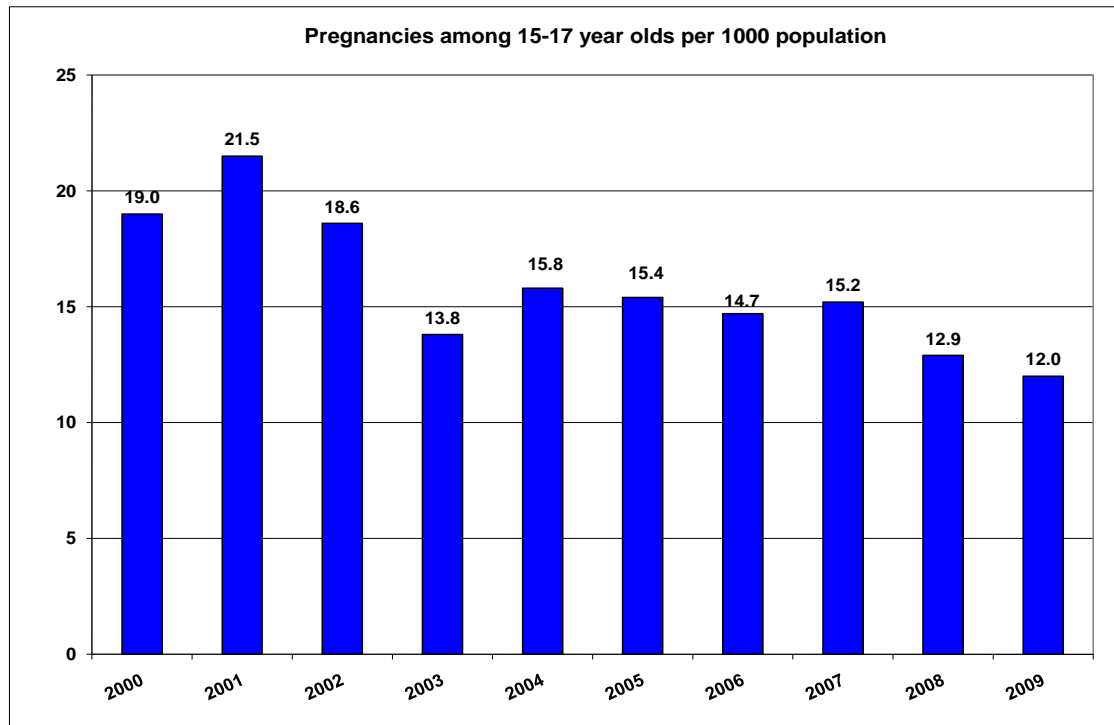
Measure 5(iv)

Outcome 6

Youth choose healthy behaviors

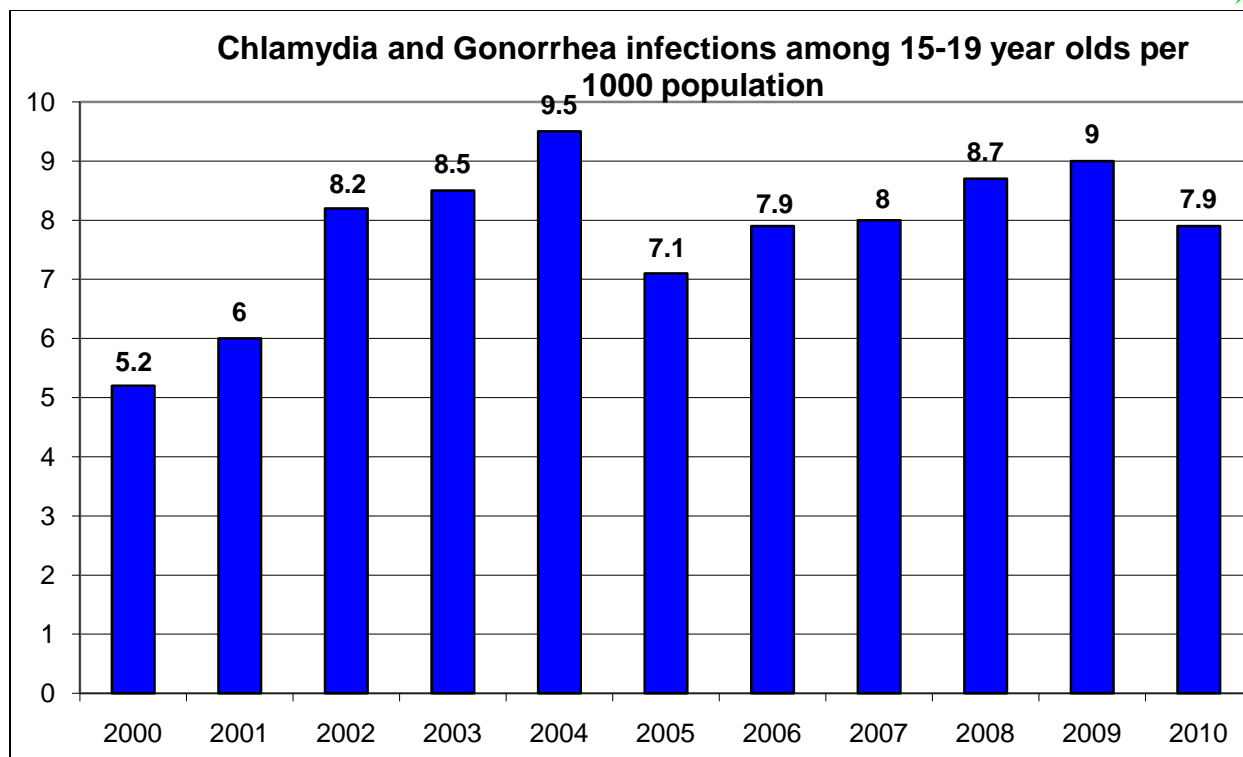
Measures 6

- i. Young teen pregnancy rate (<18);
- ii. Rate of teen sexually transmitted infections;
- iii. Percent of students who report using alcohol, tobacco, and/or other drugs within the last 30 days;
- iv. Number of students who report spending at least one hour per week volunteering in order to make their community a better place for people to live.



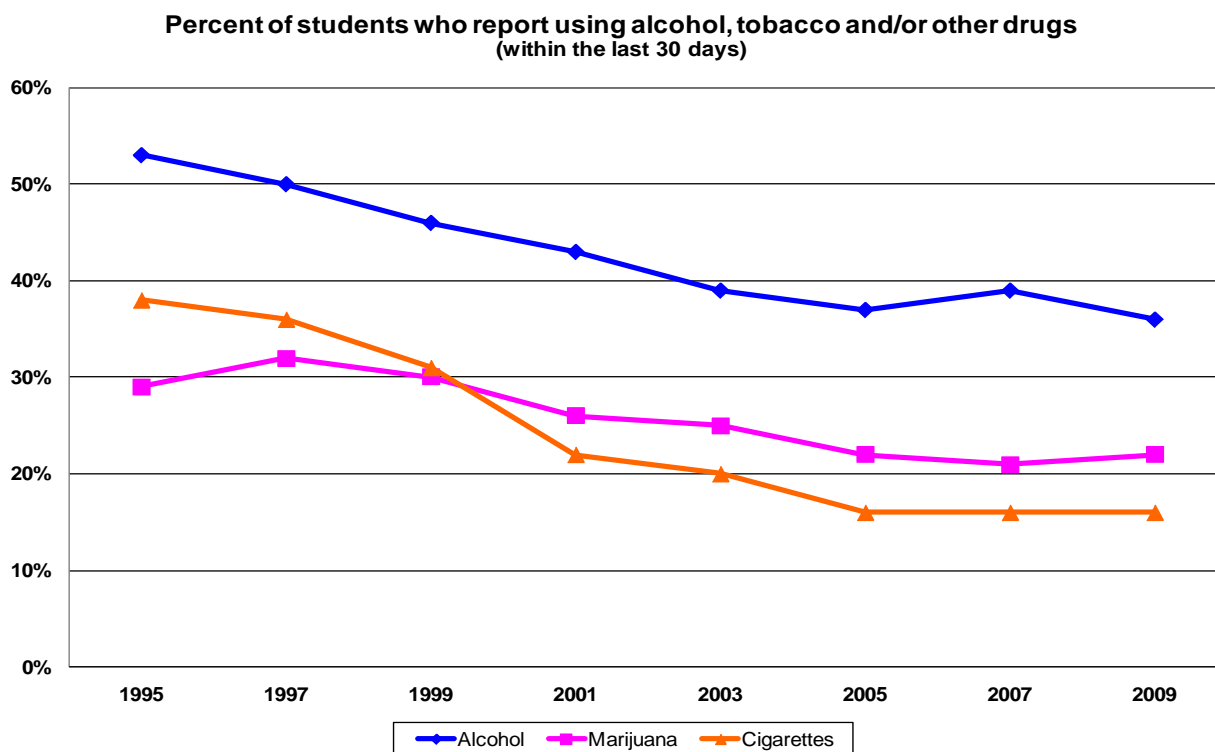
Measure 6(i)

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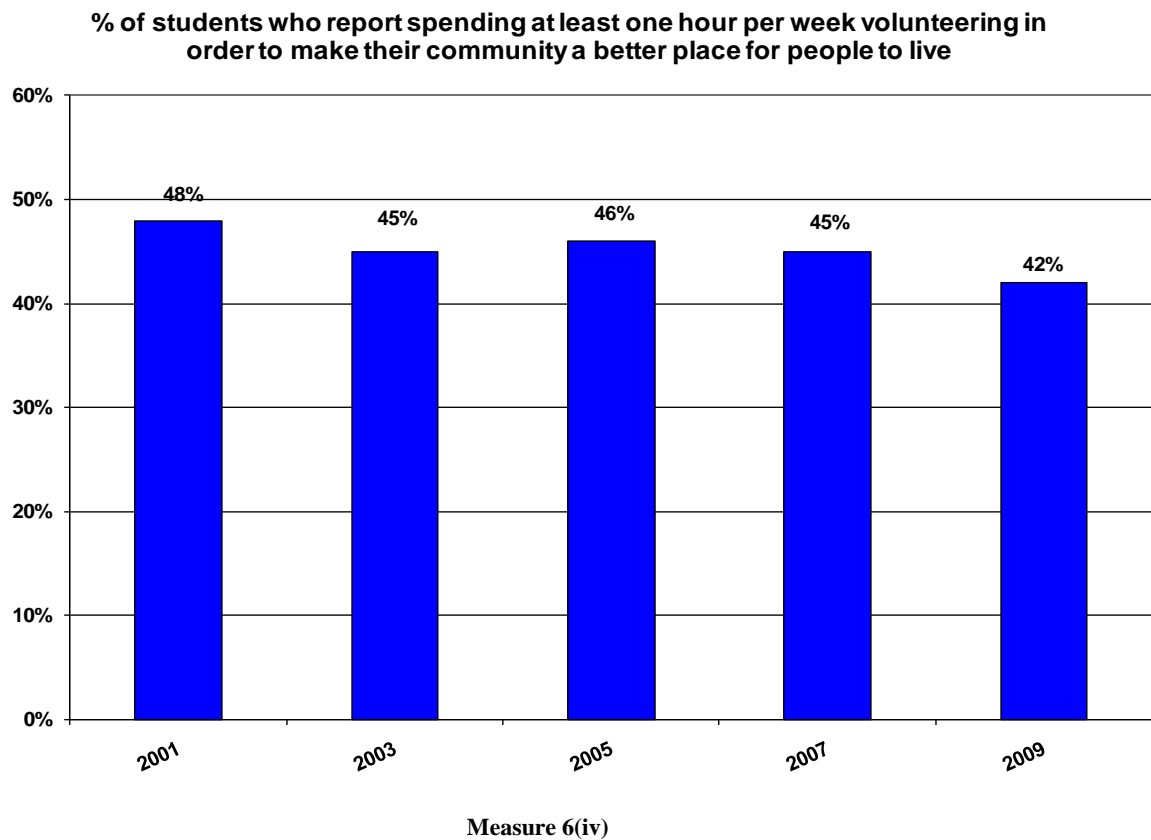


Measure 6(ii)

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Measure 6(iii)



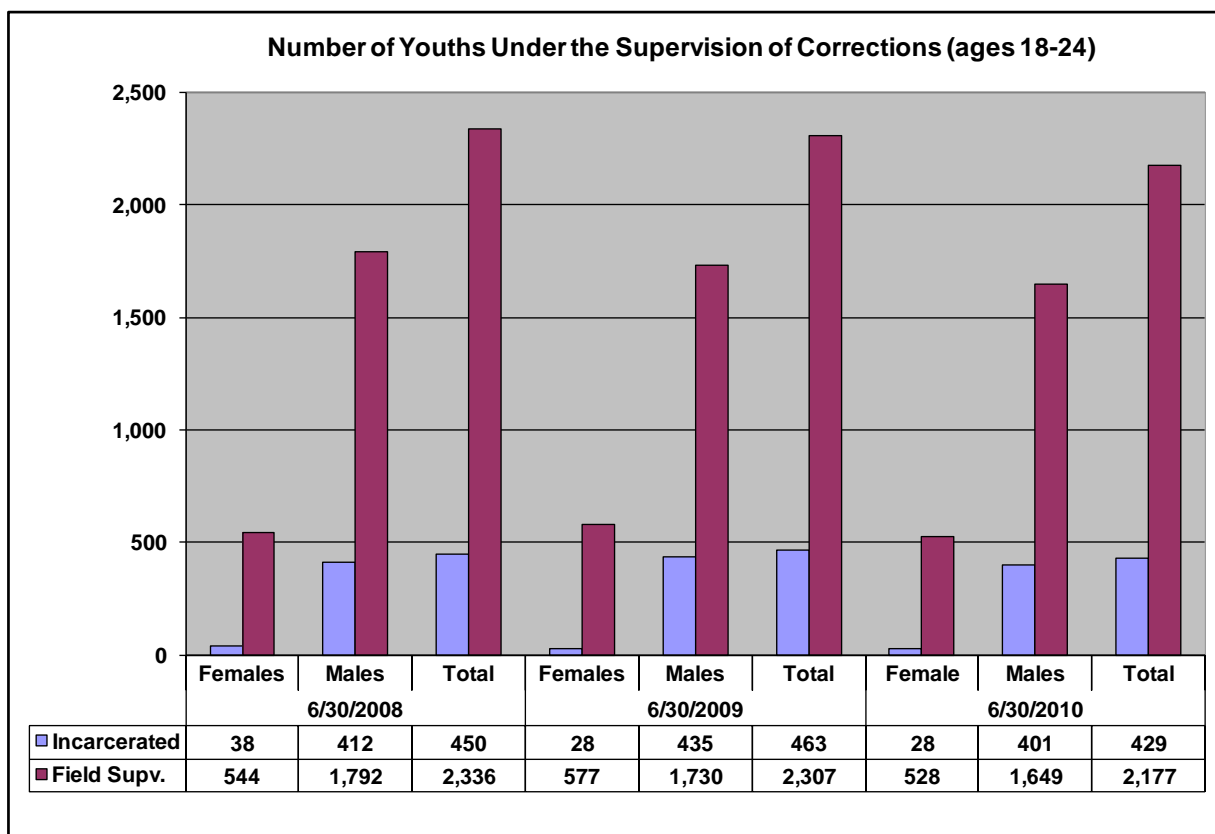
Outcome 7

Youths successfully transition to adulthood

Measures 7

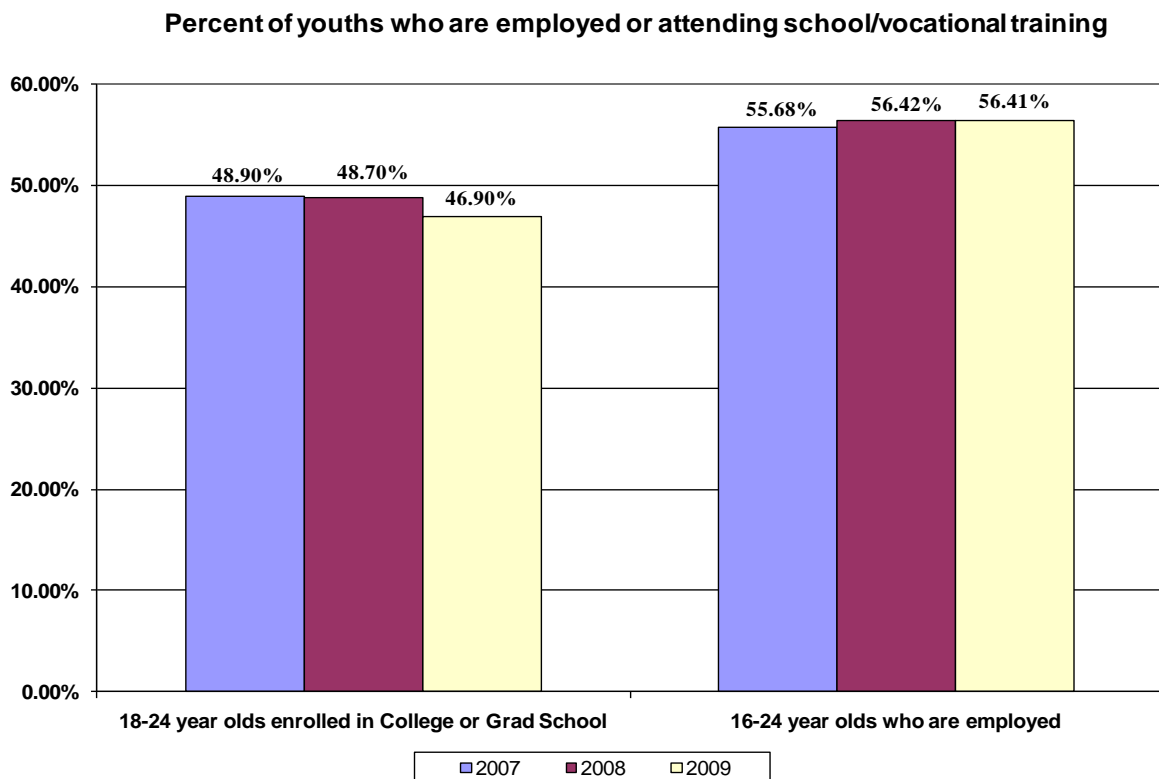
- i. Number of youths under the supervision of Corrections (ages 18-24);
- ii. Percent of youths who are employed or attending school/vocational training;
- iii. Rate of homelessness among youths;
- iv. Number of Reach Up, Reach Ahead, and Post Secondary Education program participants who become employed or enrolled in education or training (ages 18-24).

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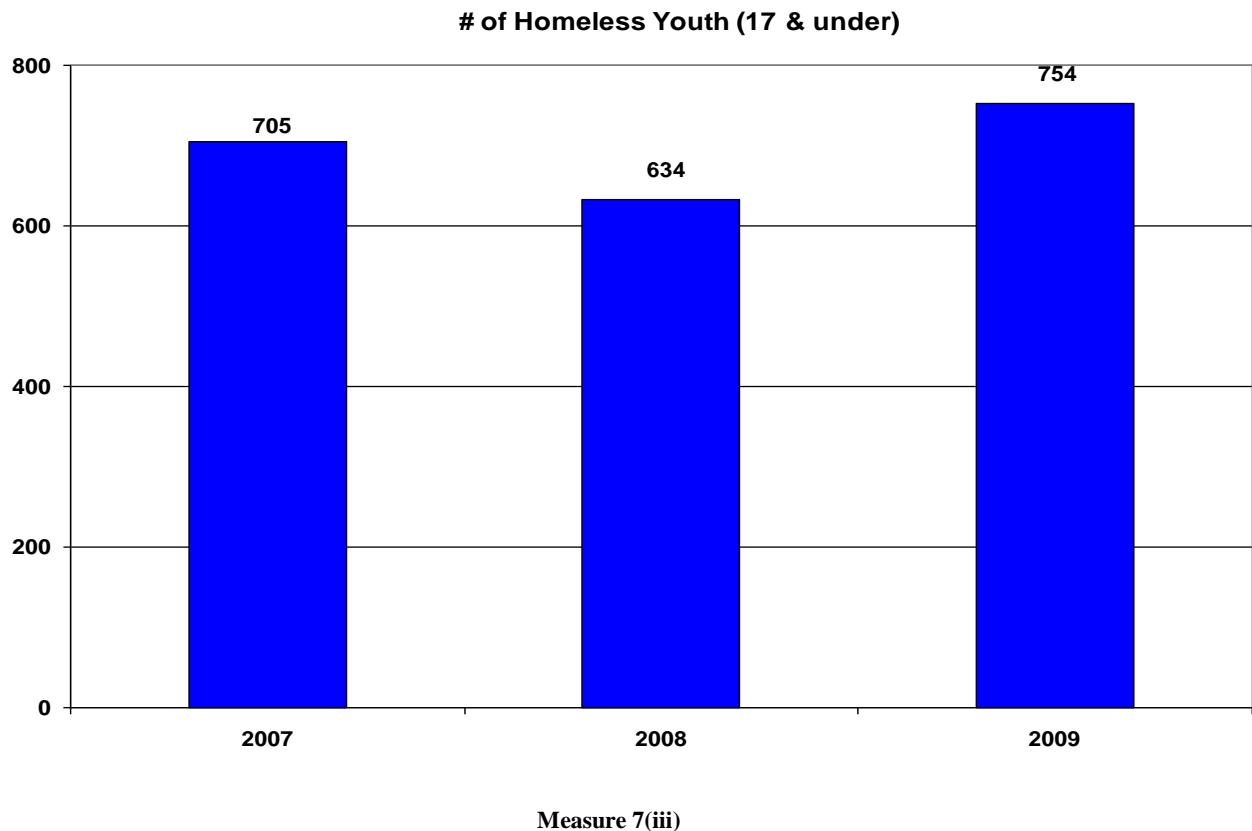


Measure 7(i)

□



Measure 7(ii)



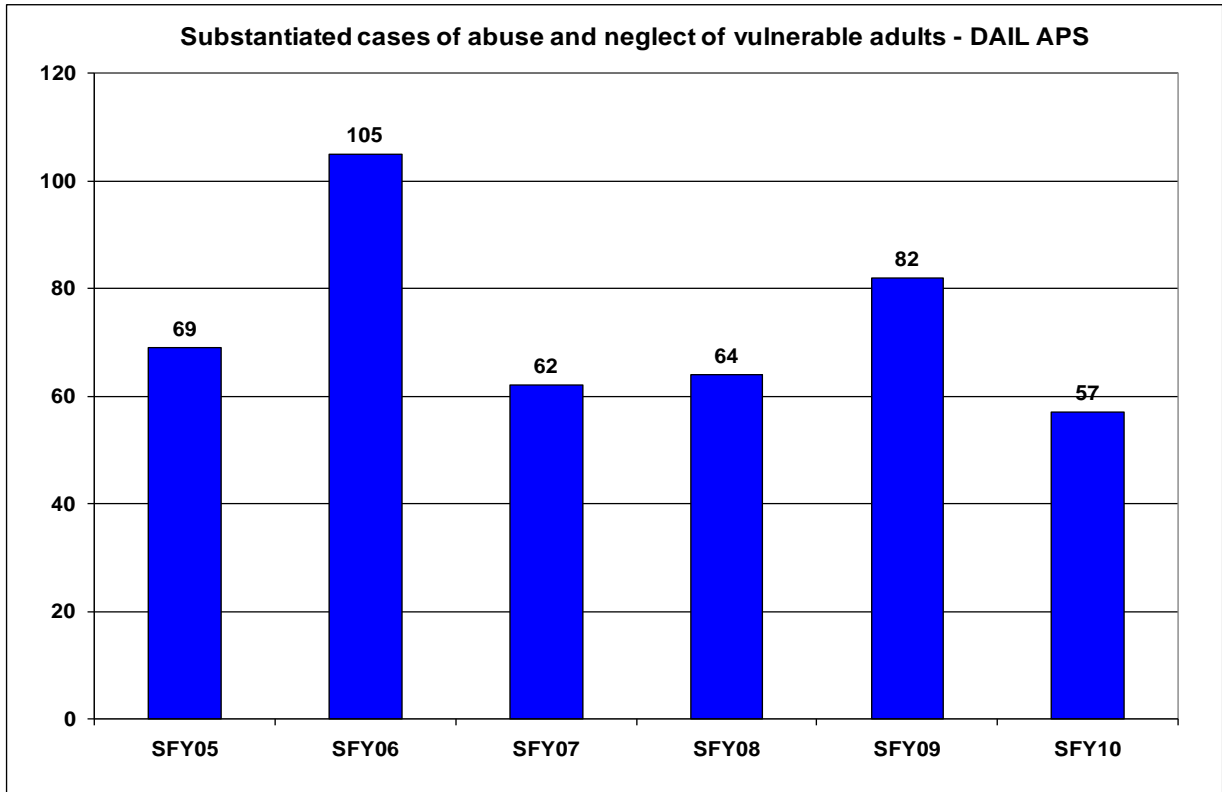
Outcome 8

Elders, people with disabilities, and individuals with mental health conditions live with dignity and independence in settings they prefer.

Measures 8

- i. Percent successful job placements among consumers of Creative Workforce Solutions;
- ii. Rate of abuse and neglect of vulnerable adults;
- iii. Number of nursing home bed days and number of persons enrolled in Choices for Care in home and community based settings;
- iv. Percentage of individuals with mental health conditions receiving involuntary hospitalization;
- v. Percentage of individuals who report receiving the services in settings they prefer.

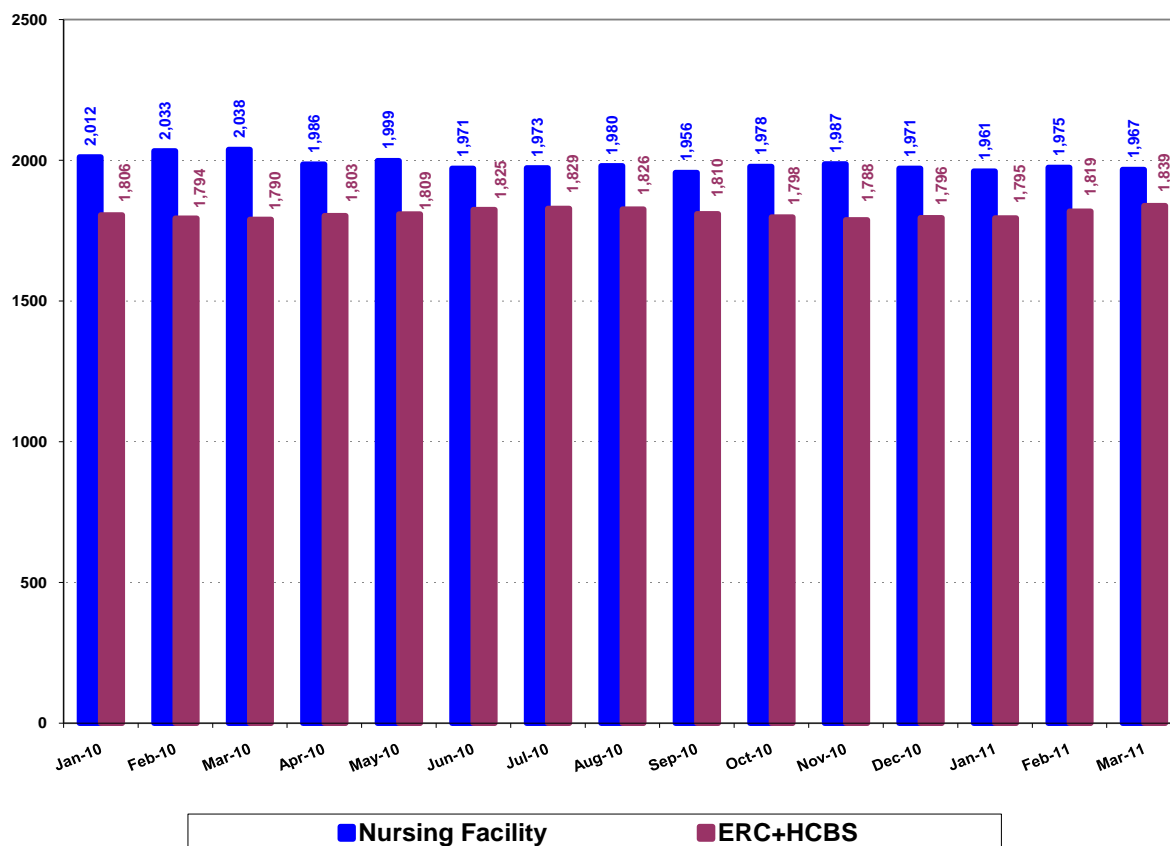
Measure 8(1): CWS consumers are defined as those receiving job search and placement services from CWS partner employment staff. Successful placement is defined as 90+ days. In the period from CWS inception on 7/1/2010 to 12/31/2010, CWS partner staff was directly involved in at least 350 successful placements. It should be noted that this is an undercount as data collection systems were not in place during the period reported for all partners in CWS, most notably those serving the Corrections and ReachUp populations. These programs had staff in place serving CWS consumers, but the data systems to collect individualized data on placements are still being implemented. In addition, some programs are being phased in incrementally with staff hired late in the reporting period or afterwards.



Measure 8(ii) and 9(iii)

[Continues next page]

Choices for Care: Number of People Enrolled in Nursing Homes and in Home and Community Based Settings
(excluding Moderate Needs Group)

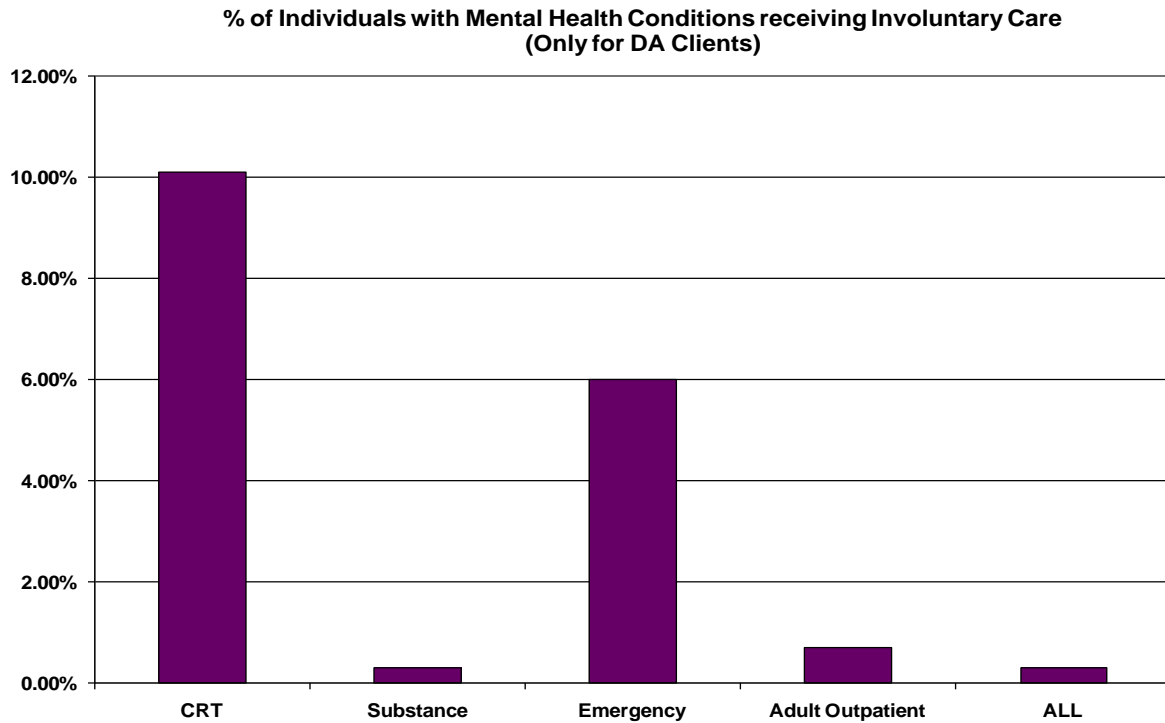


| | Number of Enrollees | | Percent of Enrollees | | +Increase+/-Decrease- (15 months) |
|-------------------------|---------------------|--------------|----------------------|------------|--------------------------------------|
| | Month 1 | Month 15 | Month 1 | Month 15 | |
| Nursing Facility | 2,012 | 1,967 | 53% | 52% | -45 |
| ERC + HCBS | 1,806 | 1,839 | 47% | 48% | +33 |

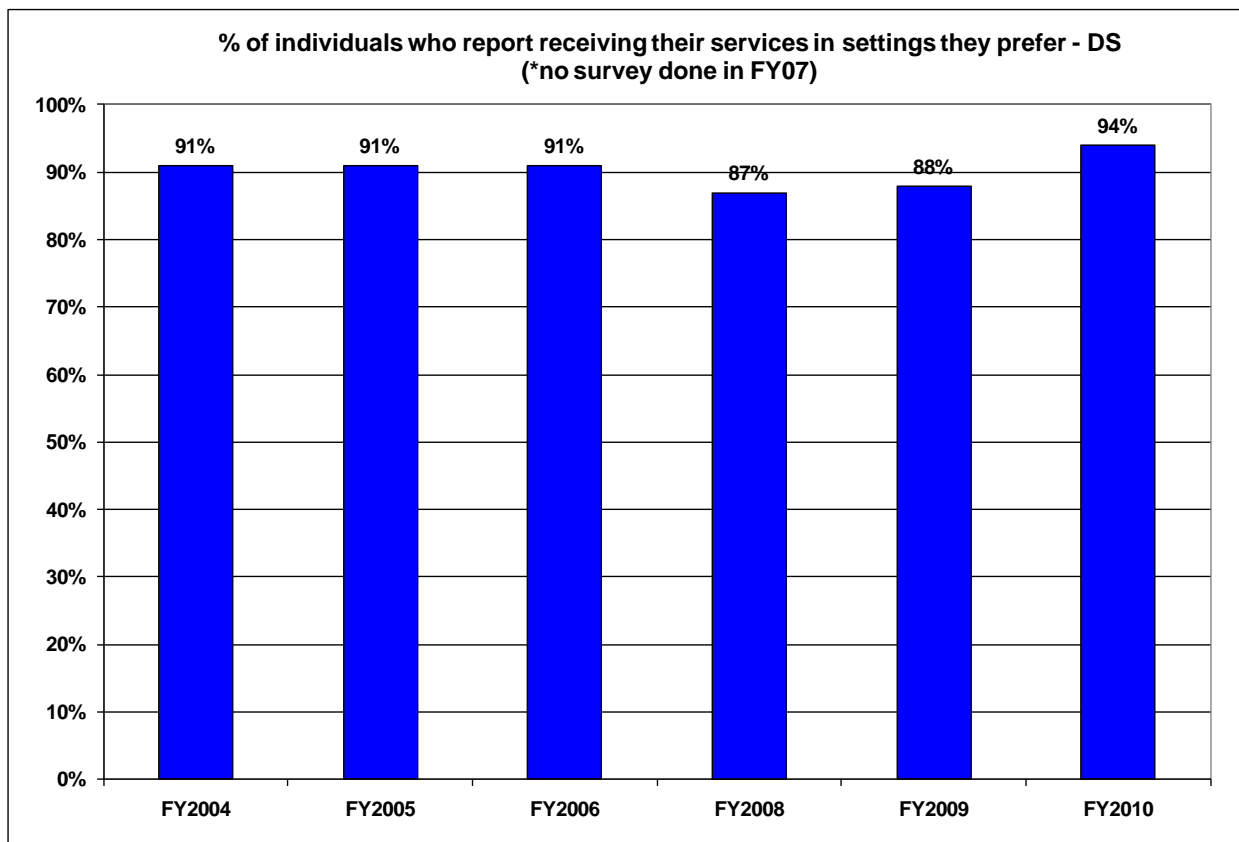
Measure 8(iii)

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□



Measure 8(iv)



Measure 8(v)

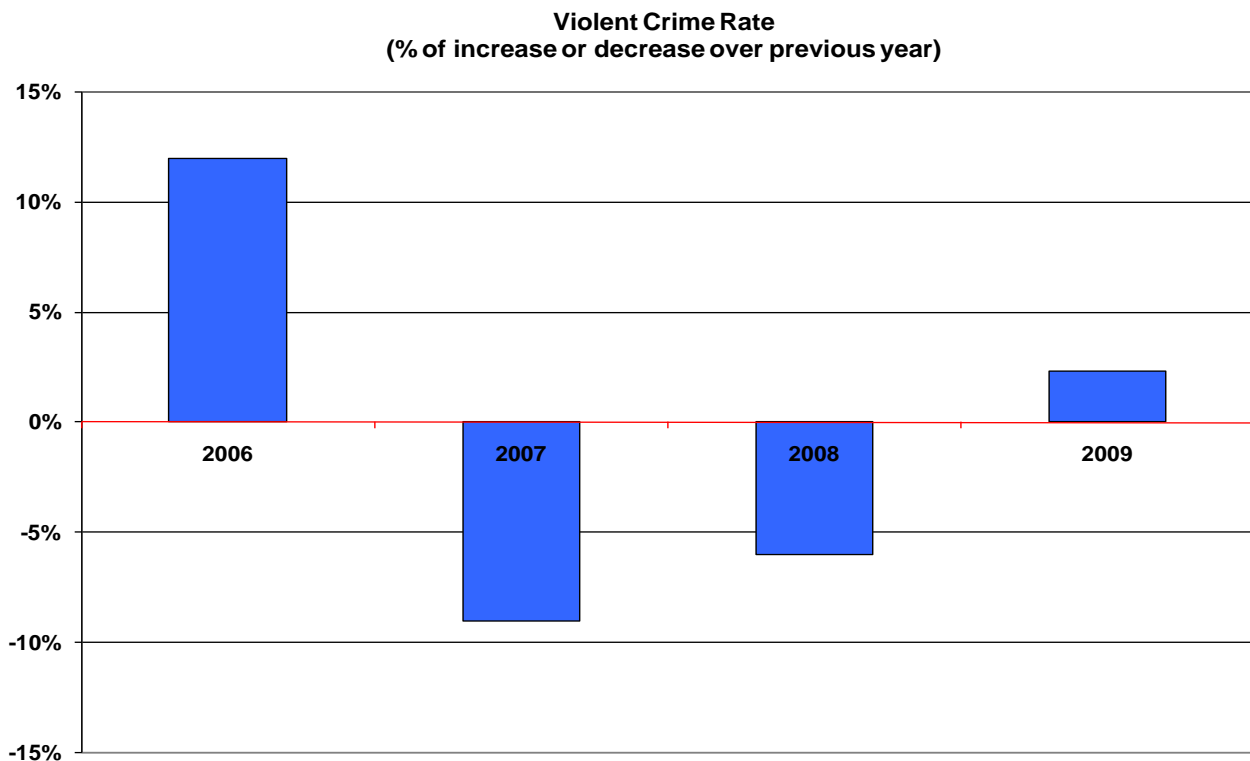
Outcome 9

Families and individuals live in safe and supportive communities.

Measures 9

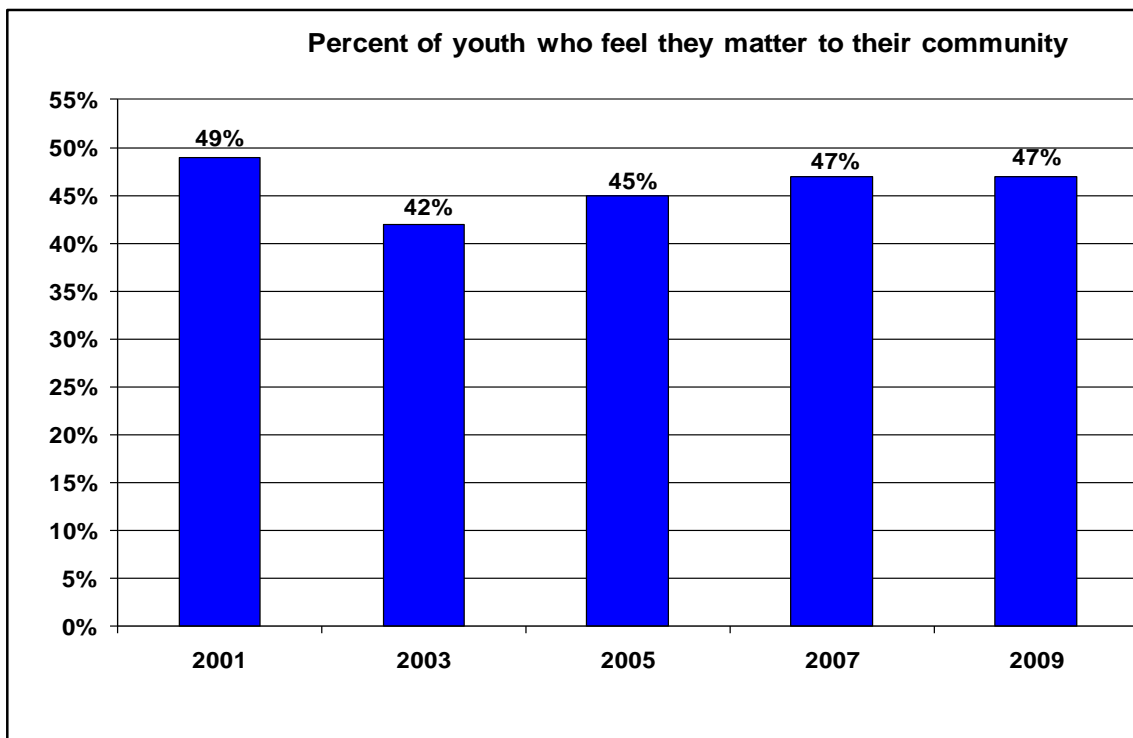
- i. Violent crime rate
- ii. Percent of youth who feel valued by their community
- iii. Rate of abuse and neglect of vulnerable adults
- iv. Number of relief from abuse petitions filed
- v. Percentage of cost-burdened homeowners and renters

□



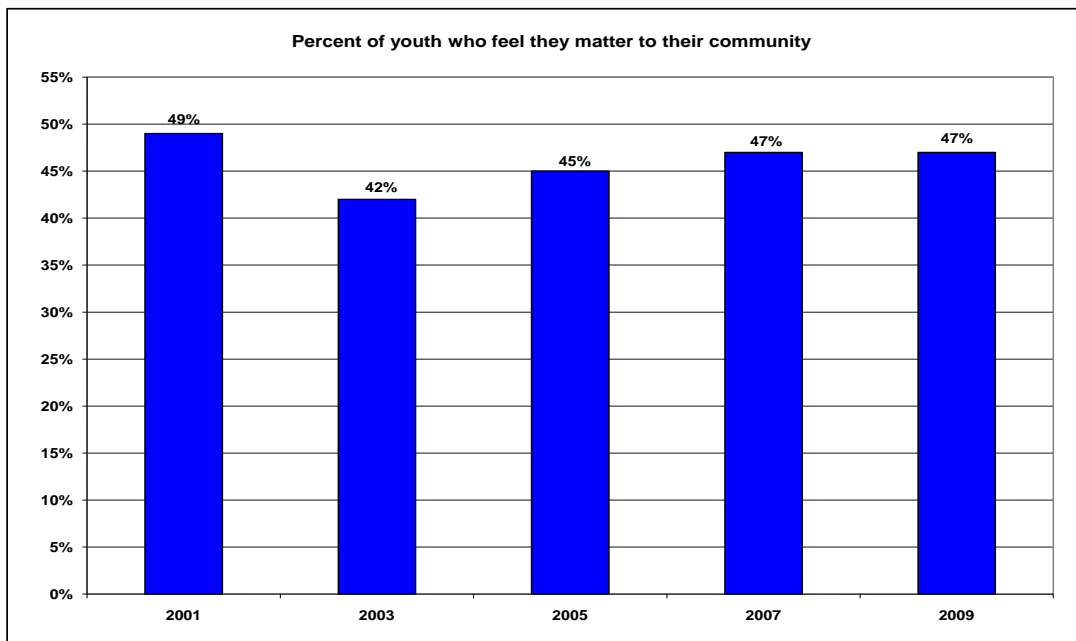
Measure 9(i)

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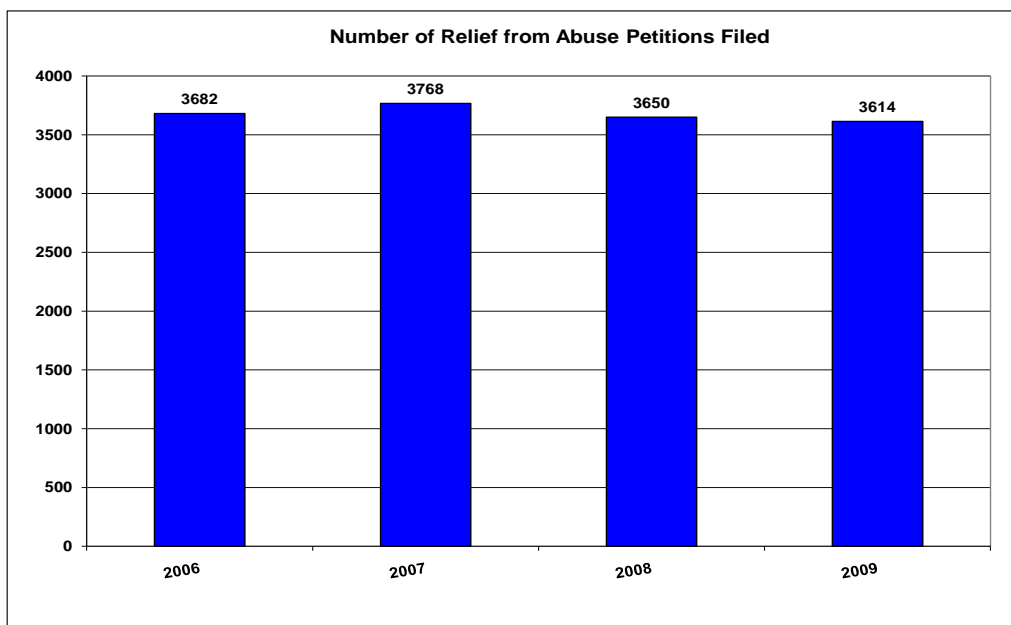


Measure 9(ii)

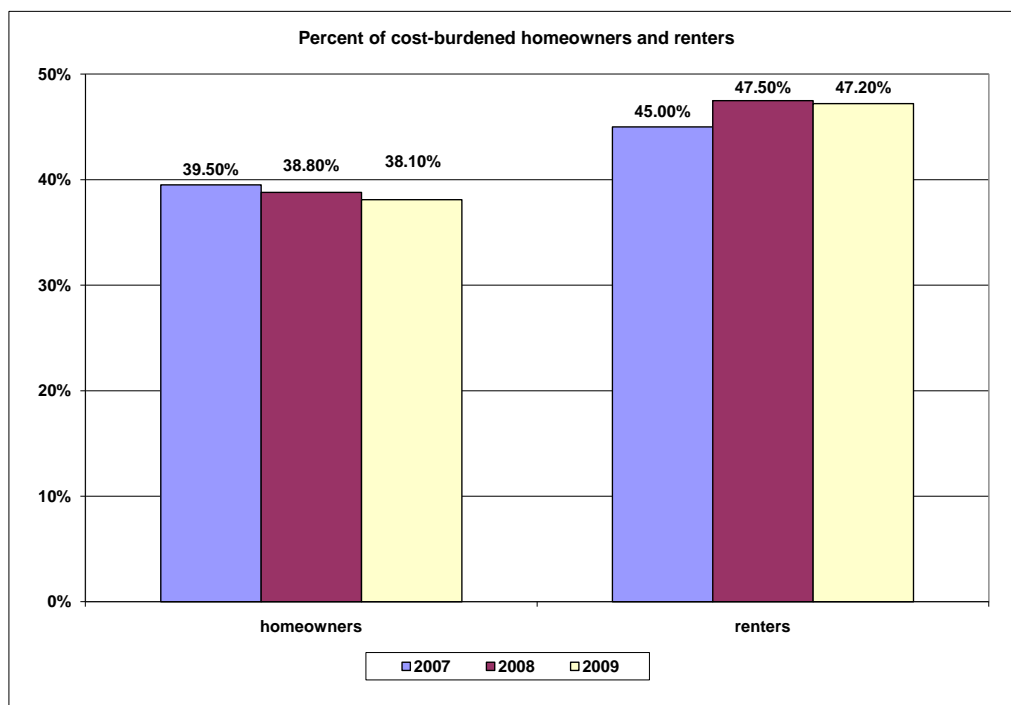
NOTE: For Measure 9(iii) chart - see Measure 8(ii)



Measure 9(iii)



Measure 9(iv)



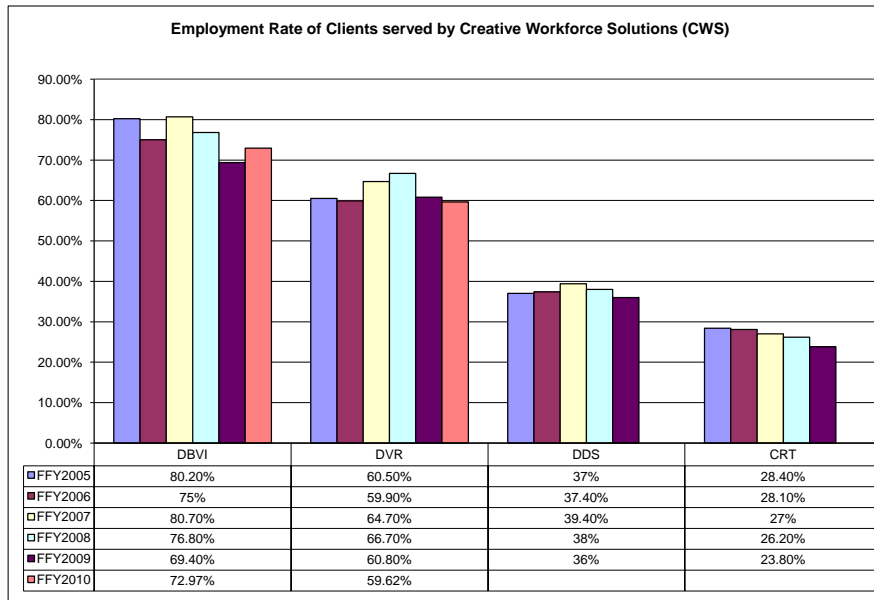
Measure 9(v)

Outcome 10

Adults lead healthy and productive lives.

Measures 10

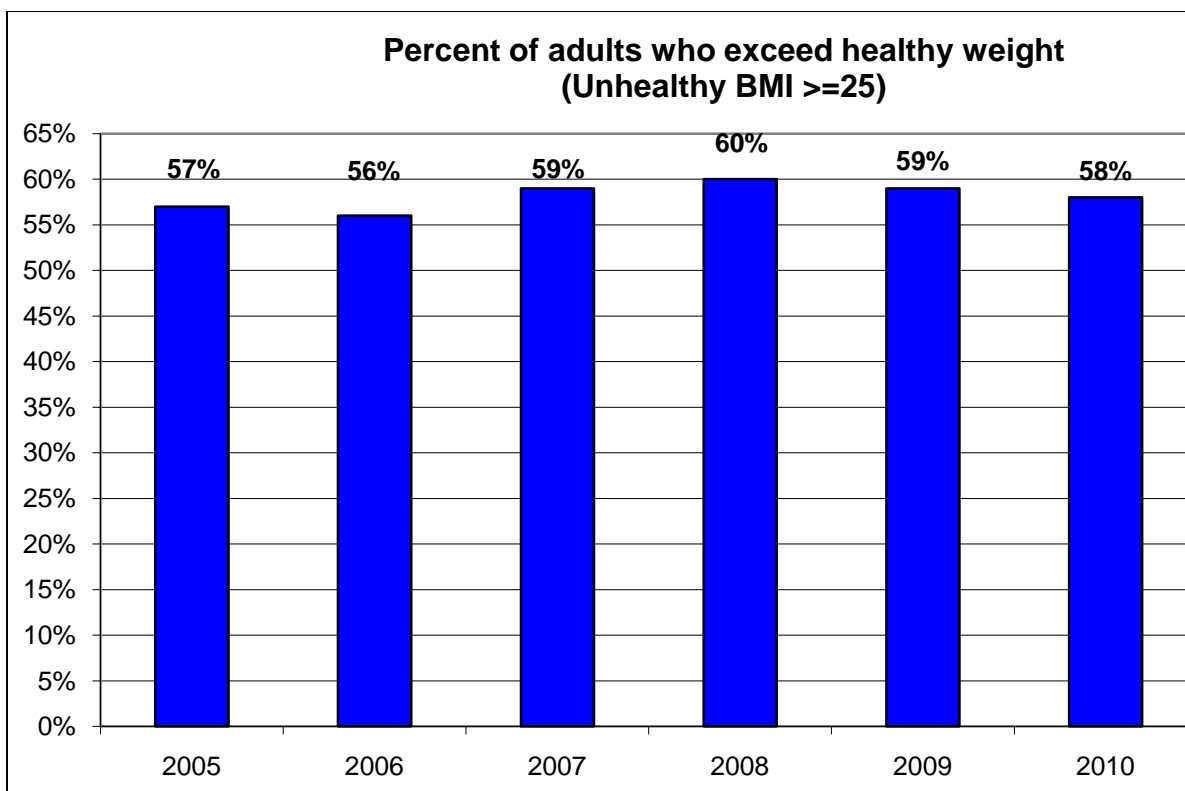
- Employment rate of clients served by Creative Workforce Solutions (CWS);
- Percent of adults who exceed healthy weight;
- Suicide rate and attempted suicide rate;
- Rate of heart disease diagnoses;
- Rate of serious mental illness diagnoses.



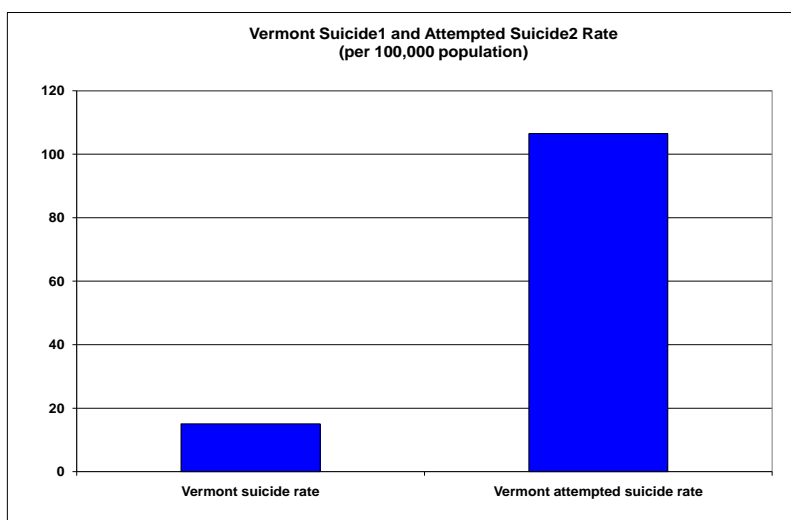
Measure 10(i)

NOTE: The percentages presented in the chart above are not comparable across programs. The programs use different methodologies for calculating the employment rate and also vary considerably in the size of the population they serve.

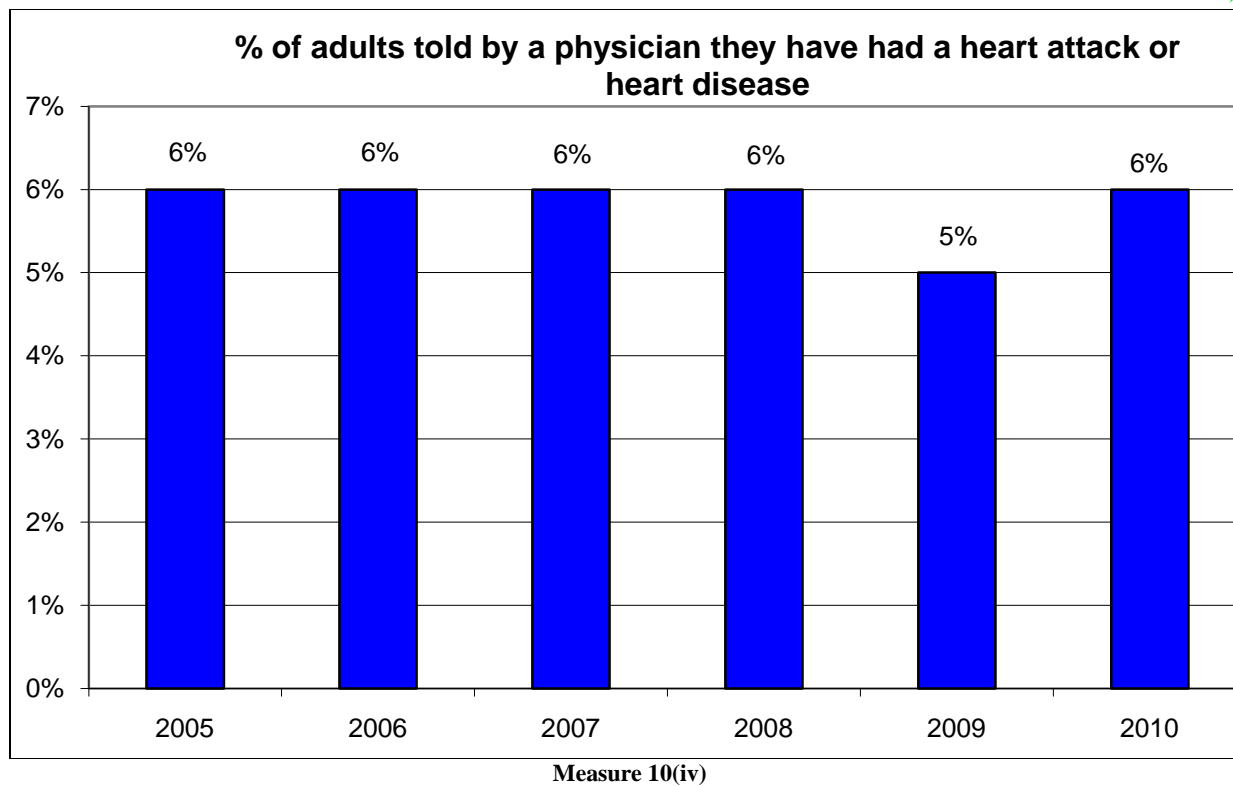
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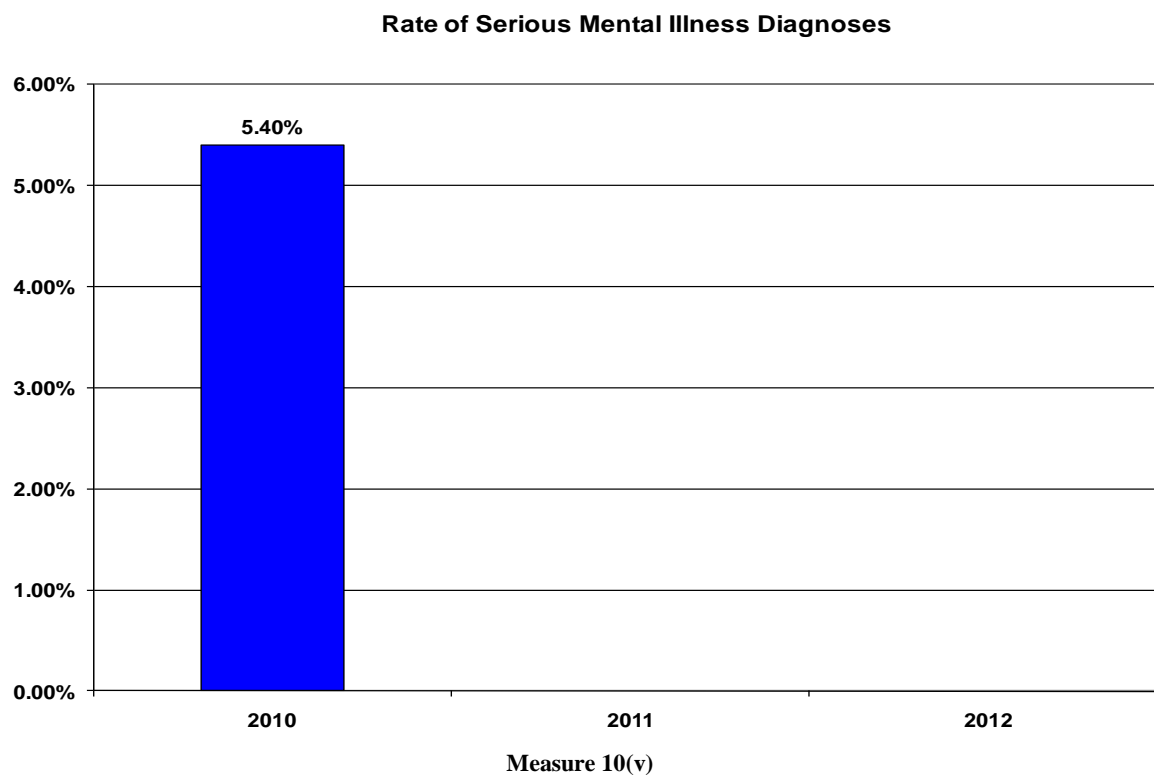
Measure 10(ii)



Measure 10(iii)



■



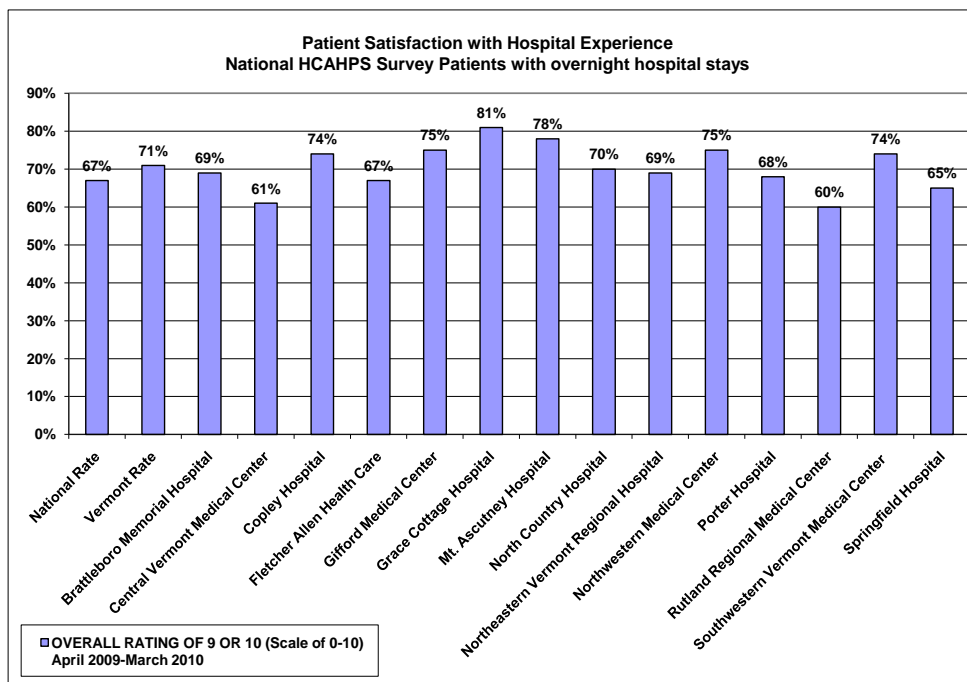
Outcome 11

Vermonters receive affordable and appropriate health care at the appropriate time, and health care costs are contained over time.

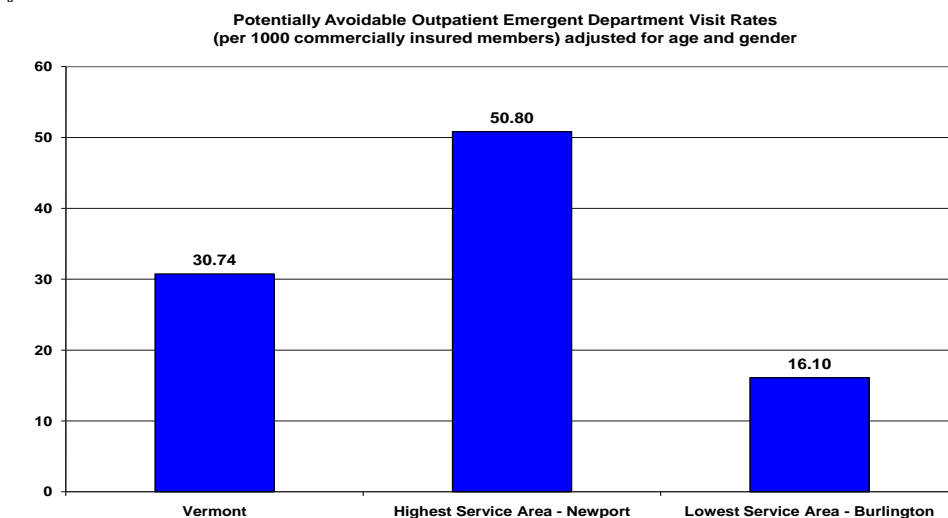
Measures 11

- i. Patient satisfaction with their experience during hospital inpatient stays;
- ii. Rate of potentially avoidable emergency department visits;
- iii. Percent of adults who receive recommended preventative screenings and immunization;
- iv. Average private health insurance premium increase.

[Continues next page]



Measure 11(i)



Measure 11(ii)

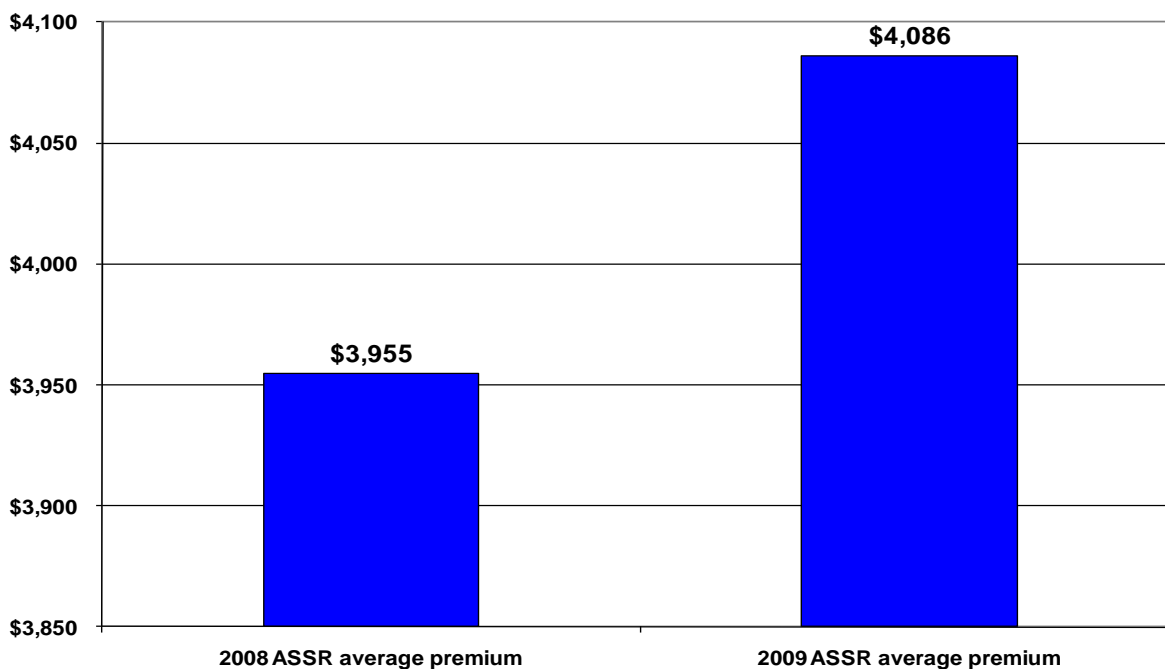


| Percent of adults who receive recommended preventative screenings and immunization | | | | | |
|--|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| % 65+ ever receiving a pneumonia shot | 67% | 70% | 70% | 72% | 72% |
| % 65+ who received an annual flu shot | 73% | 75% | 73% | 72% | 71% |
| % who have had cholesterol screening in last 5 years | -- | 74% | -- | 75% | -- |
| % of women (40+) who have had a mammogram past two years | 79% | -- | 80% | -- | 78% |
| % of women 18+ who have had a PAP in three years | 83% | -- | 86% | -- | 82% |
| % of 50+ adults who have had FOBT (fecal) in two years | 27% | -- | 21% | -- | 16% |
| % of adults 50+ who have had a sigmoid or colonoscopy | 66% | -- | 70% | -- | 73% |
| % Men 50+ who have had a PSA test in last 2 years | 64% | -- | 68% | -- | 63% |
| Source: Behavioral Risk Factor Survey | | | | | |

Measure 11(iii)

■

Average Private Health Insurance Premium Increase
For the top five companies (98.5% of the market, and approximately 185,000 lives.)



Measure 11(iv)

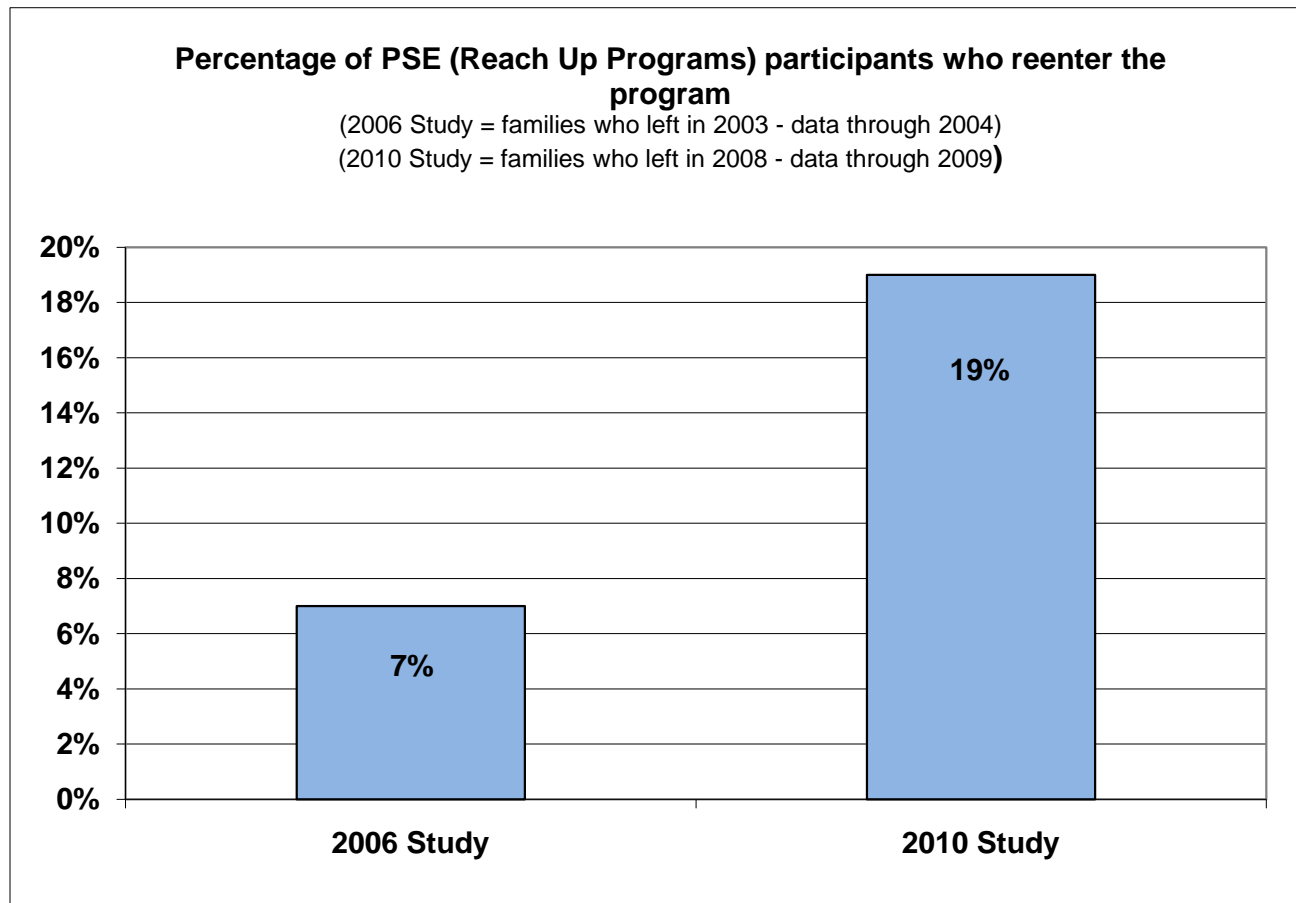
Outcome 12

Families and individuals move out of poverty through education and advancement in employment.

Measures 12

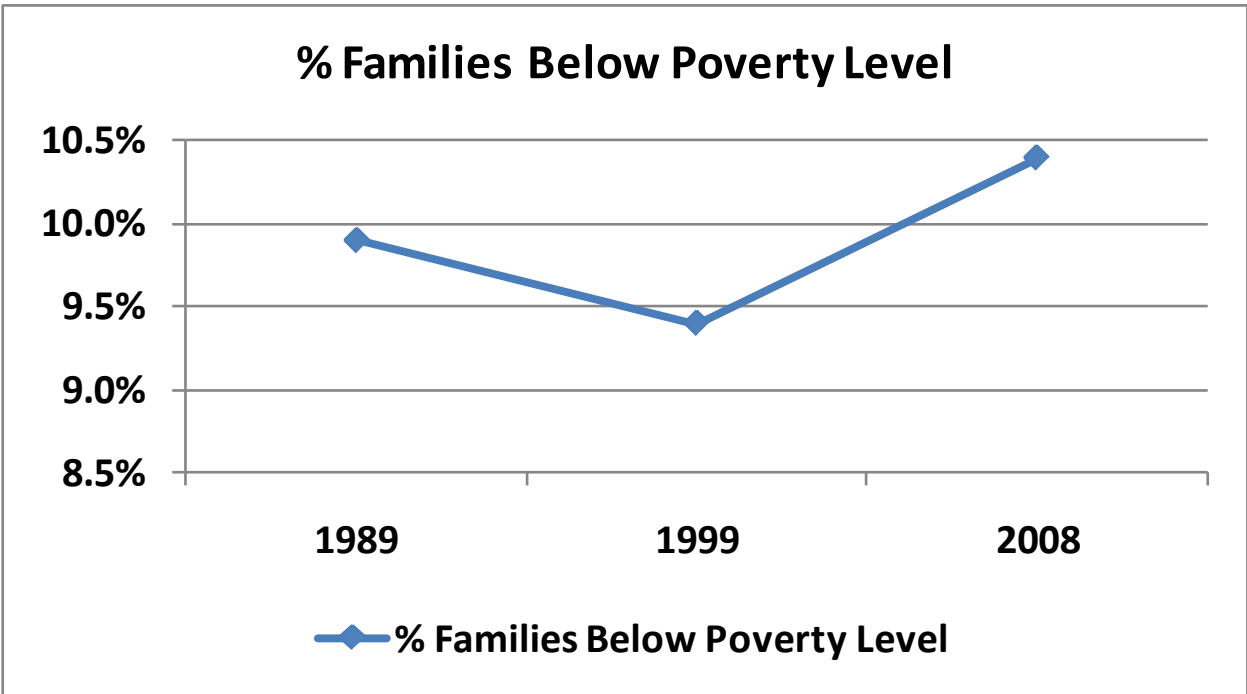
- Employment rate for AHS clients
- Number of PSE (Reach Up programs) participants who reenter the program
- Percentage of individuals and families living at different poverty levels

Measure 12(i): No data currently available. VR is currently working with AHS staff to develop a data sharing agreement with the Vermont Department of Labor to allow AHS to use Unemployment Insurance Wage Data matched to AHS client data in the CSME Data Warehouse to allow analysis of employment measures for AHS clients across programs. VR will continue to work with CSME staff to develop functional definitions of an employment rate for AHS clients and a consistent method for deriving and reporting this measure.



Measure 12(ii)

[Continues next page]



Measure 12(iii): Per AHS, data are available to show what % of families live below the poverty level, and children below poverty level. The data do not show how many families are living at different poverty levels. The chart presented above is overall % families living below poverty level.

* * * END * * *

HUMAN SERVICES CHALLENGE SPECIFIC REQUIREMENTS

Client-centered intake challenge

- i. Individuals and families will direct their own lives and will be supported in pursuing their own choices, goals, aspirations, and preferences;
- ii. Individuals and families will have access to apply for health and human services programs for which they are eligible through any department or office of the agency;
- iii. Checklist:**
 - a. Positive family reports of experience of care (did you get what you need, were you treated with respect, did it help, etc);
 - b. Existence of written agreements on how AHS programs/divisions will help people access benefits;
 - c. Existence of protocols for common screening and intake processes for children and families;
 - d. Existence of modernized IT system that allows consumers flexible access to applications and benefit information any time of day and from any location.

Client-centered coordinated and managed services challenge

- i. Individuals and families will direct their own lives and will be supported in pursuing their own choices, goals, aspirations, and preferences;
- ii. The individual will be at the core of all plans and services and will be treated with dignity and respect;
- iii. Individuals and families with multiple needs will have coordinated services with a single point of accountability to manage the services;
- iv. The agency and service providers will work across departments and organizations to interweave funding sources to ensure efficient and effective use of available funds to meet individuals' and families' needs in order to promote the outcomes in this subsection;
- iv. The agency and service providers will involve employees and consumers of services in developing the strategies to meet these outcomes;
- v. Checklist:**
 - a. Increase in positive family reports of experience of care and involvement (did you get what you need, where you treated with respect, did it help, etc);
 - b. Consumer satisfaction;
 - c. Consumer satisfaction;
 - d. Provider reports of participation in redesign of integrated family services;
 - e. Number of strategies developed that include employee and consumer input.

Expand the policy of using payment methods based on outcome measures challenge

- i. The administrative and reporting burden for nongovernmental service providers will be reduced;
- ii. Each nongovernmental service provider will have performance measures or indicators based on the outcomes provided for in this subsection;
- iii. Nongovernmental service providers will report performance measures or indicators of outcomes once for all grants or contracts with the agency to ensure efficient and simple administration;
- iv. Checklist:**
 - a. Inventory of areas in which the state has reduced requirements on the DA's;
 - b. Percent of grants and contracts that include performance indicators;
 - c. Percent of non-governmental providers reporting to more than one unit of government.

Outcome-based contracts with the designated agencies challenge

- i. The administrative and reporting burden for the designated agencies will be reduced;
- ii. The designated agencies will have performance measures or indicators based on the outcomes provided for in this subsection;
- iii. The designated agencies will report performance measures or indicators of outcomes once for all grants or contracts with the agency to ensure efficient and simple administration;
- iv. Checklist:**
 - a. Inventory of areas in which the state has reduced requirements on the DA's;
 - b. Presence of performance indicators in DA master grant.

*** END ***

CORRECTIONS CHALLENGE

CHALLENGE LEAD:

Patrick Flood, Deputy Secretary Agency of Human Services

NARRATIVE



The primary challenge for the DOC was the reduction of the incarcerated population. Legislation was passed that would attempt to address the reduction in the population from multiple angles. The legislation included internal policy changes for the DOC, the authority to release offender's early, expanded transitional housing, changes to probation, expanded use of electronic monitoring and new legal status for the court to use at sentencing. Overall this legislation succeeded. The Department's population has dropped in the last year. On July 1, 2010 the incarcerated population was 2160 inmates of which 612 were housed in out of state facilities. On December 30, 2010 the population was 2081 with 562 were housed out of state, for an overall reduction of 79 inmates.

Classification and program services to review program terminations:

Have reduced time for program terminations from 1 year to 6 months; two additional INDAP groups and one CSS group have been implemented; and increased CSC group capacity by one person as interim measure (August 2010)

Implementation of Home Detention (HD) and Home Confinement (HC):

Written procedures completed and distributed to staff; IT support completed; and as of December 17, 2010, three offenders on HD and four on HC status.

As of March 16, 2011, there were three offenders on HD and seven on HC status. These numbers has been consistent since January 2011.

Release of non-violent offenders incarcerated due to lack of housing:

Case staffing process completed on October 6, 2010; of the seventy-four eligible offenders, twenty-four were deemed inappropriate for release; and the department is in compliance with the new statute V.S.A. Title 28 § 808 (h)

Implementation of expanded Reintegration Furlough:

Granting Reintegration Furlough Rule has been adopted; and as of December 17, 2010, fifty-eight offenders released on RF status.

As of March 16, 2011, sixty-three offenders were released on RF status.

Pilot Project for Ignition interlock with DMV (S. 103 sections 11-13):

Meetings with DMV December 2010; list of ISAP participants provided to the DMV; and consulting with Parole Board on offenders in ISAP transitioning to parole and on interlock.

As of March 16, 2011, six participants were involved in the ignition interlock pilot project with one additional offender who is still in the application process. DOC staff has received access to the monitoring website to review data and records of offenders participating in the pilot project.

To provide a continuum of services which aims to prevent people from entering the criminal justice system: 95% of grants are operational.

As of February 2011, all grants have been issued.

Additional transitional housing beds, services, and Housing Search and Retention staff:

DOC has added 68 transitional beds, with an additional 98 beds in various stages of exploration and development; incremental opening of twenty-one beds in Burlington on October 18, 2010; ten bed site acquisition approved in Hartford, VT; ongoing negotiations in Rutland County; site located in Washington County for 20 substance abuse beds; completing purchase agreement for 10 beds in Windsor County; and ongoing development in other sites

The process remains ongoing.

Expanded use of electronic monitoring. Add additional field staff to monitor a significant increase in community offenders on Home Confinement and Home Detention and increased numbers of offenders on reintegration furlough:

All required RFRs have been sent to personnel (7 positions); and two hundred offenders are already on electronic devices.

As of March 14, 2011, the department had 201 offenders on electronic monitoring. This includes GPS, SCRAM, and voice monitoring technologies. There are also approximately 1,450 offenders on telephone supervision on response supervision caseloads. The department recently signed a contract with Pro-Tech monitoring after an RFP process to replace our current GPS provider. Staff training and transition to new equipment will start statewide the week of March 28, 2011.

Term Probation: Specific term for misdemeanors not to exceed two years, unless the court determines that justice will be served by a longer or indefinite period of probation; Term for non-violent felonies not to exceed four years or the statutory maximum term whichever is less unless the court decides that justice requires a longer term:

DOC is beginning the process of review to determine whether current probation sentences reflect the intent of this legislation.

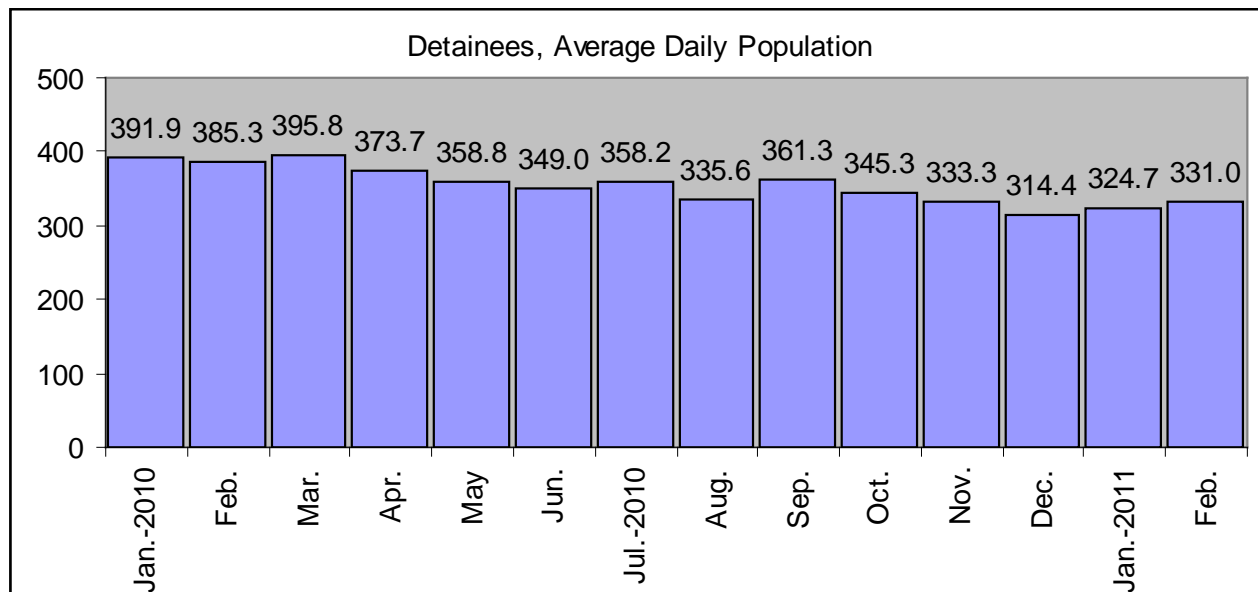
Write emergency rule and complete rule making process:

Graduated Sanctions for Technical Probation Violations Rule was adopted; the Department is using an alternative sanctions continuum in addressing technical probation violations; and staff is utilizing graduated sanctions for probationers in increased numbers.

To date, there have been 156 graduated sanctions issued to probationers for technical violations. This serves as an alternative to incarceration.

Reduce the number of Persons Detained

Initial meeting with key partners on July 8, 2010; our commitment, from DOC's perspective, is to discuss bail guidelines; and as of December 15, 2010, detention numbers were 307 - very low compared with numbers over the last six years.



INVESTMENT

| Investment | Target | Spent/ Committed | Comments |
|------------|--------|---------------------|---|
| FY 2011 | \$ | \$3,164,500 | 2010 Act 156 Sec. D.106 (c)(4) appropriated to lower long-term expenses within the correctional system consistent with Sec. D.9 of H.792 of 2010. |
| FY 2012 | \$0 | \$0 | |

OUTCOMES & MEASURES

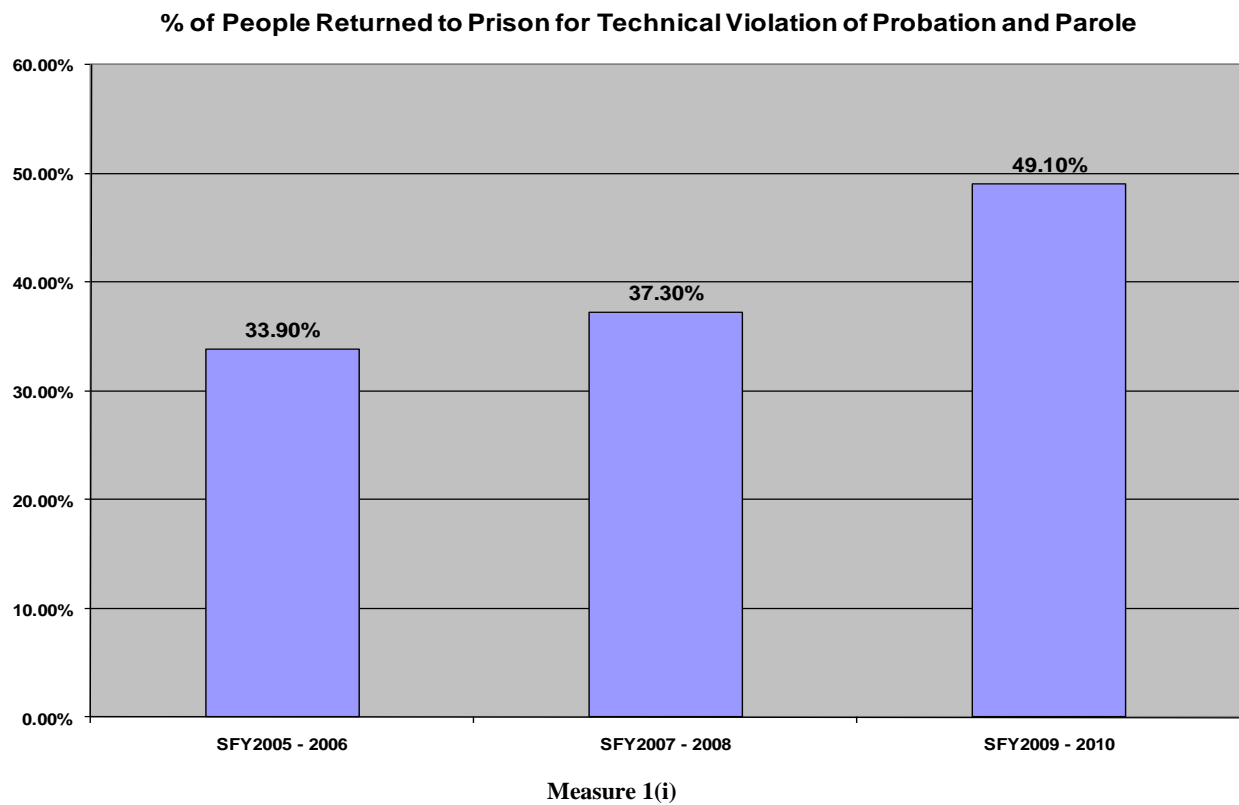
Outcome 1

The number of people returned to prison for technical violation of probation and parole, while ensuring public safety, shall decrease.

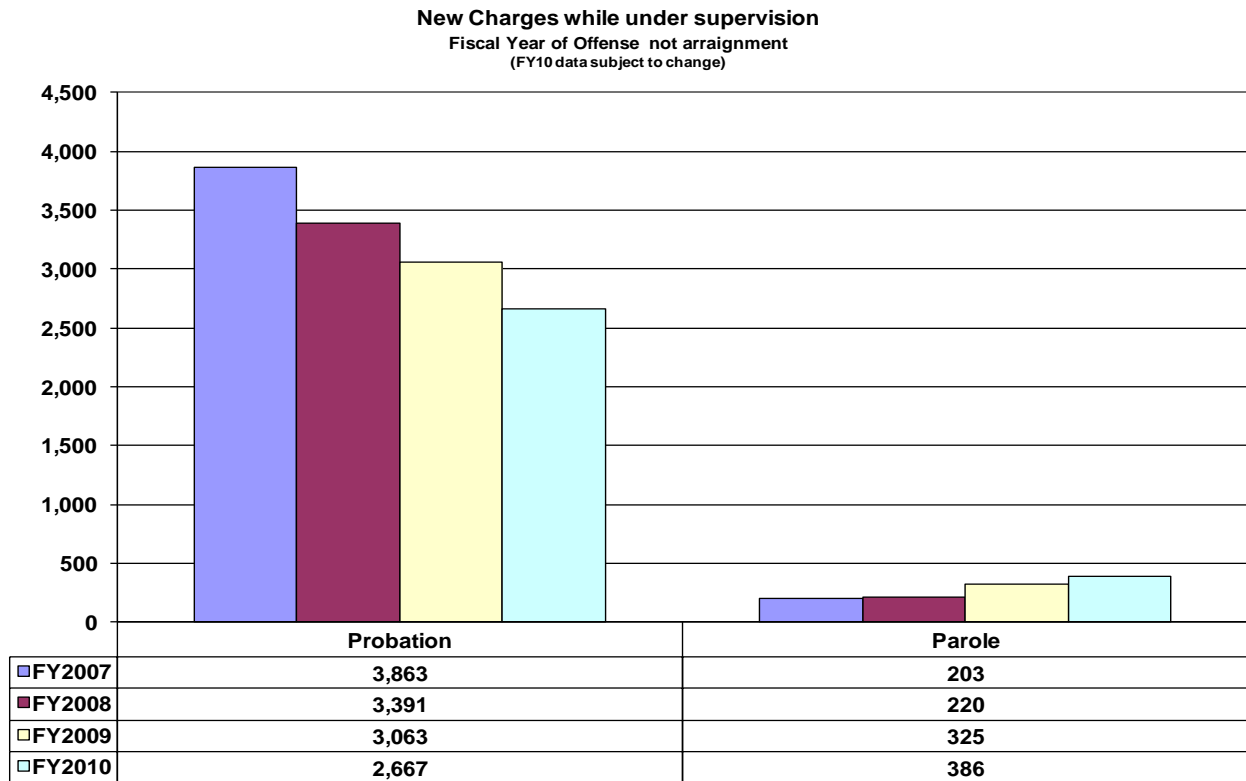
Measures 1

- i. Percent of people returned to prison for technical violation of probation and parole;
- ii. Crime rate among probationers/parolees.

□



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Measure 1(ii)

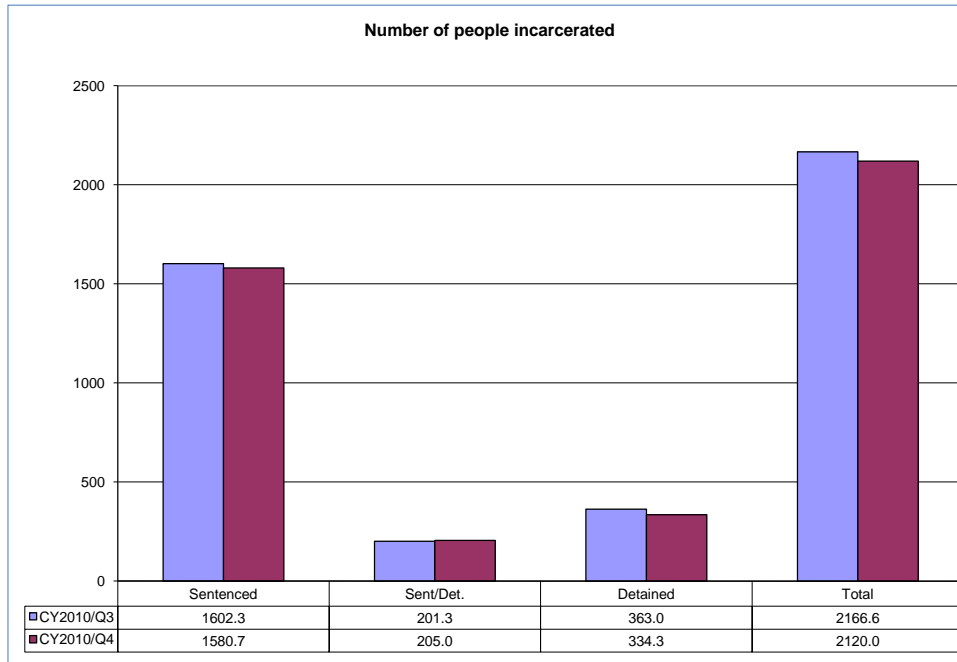
Outcome 2

The number of people coming into the corrections system shall decrease.

Measures 2

- i. Number of people incarcerated.

[Continues next page]



Measure 3

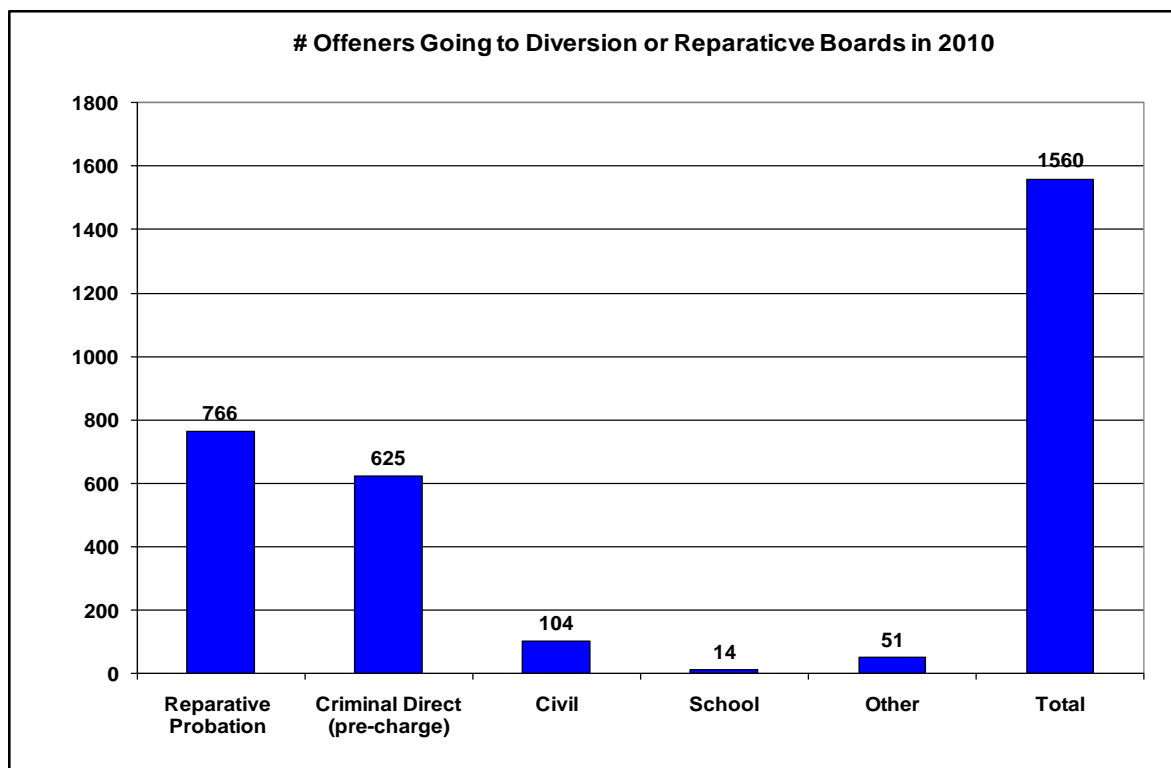
Outcome 3

The number of nonviolent offenders diverted from prison into the community while ensuring public safety and providing effective consequences for criminal behavior shall increase.

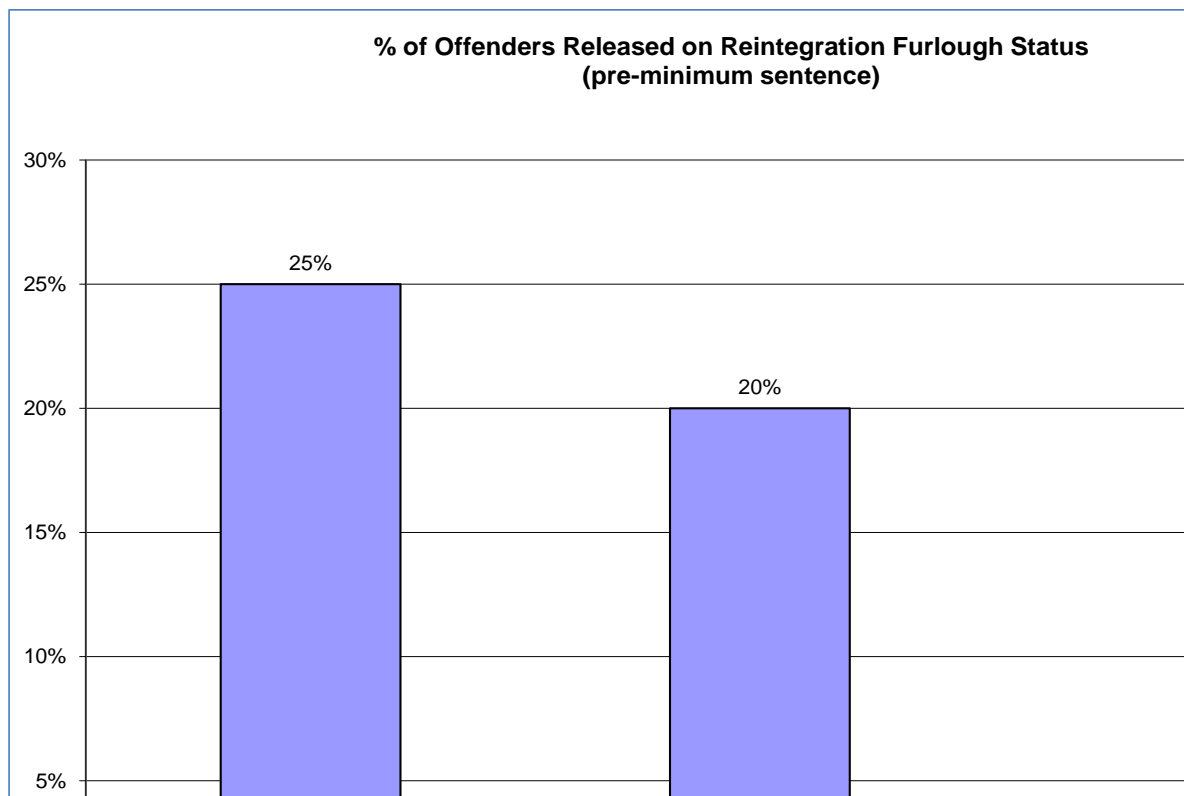
Measures 3

- i. Number of offenders going to diversion or reparative boards;
- ii. Offenders incarcerated pre-minimum and eligible for release decreases.

[Continues next page]



Measure 3 (i)



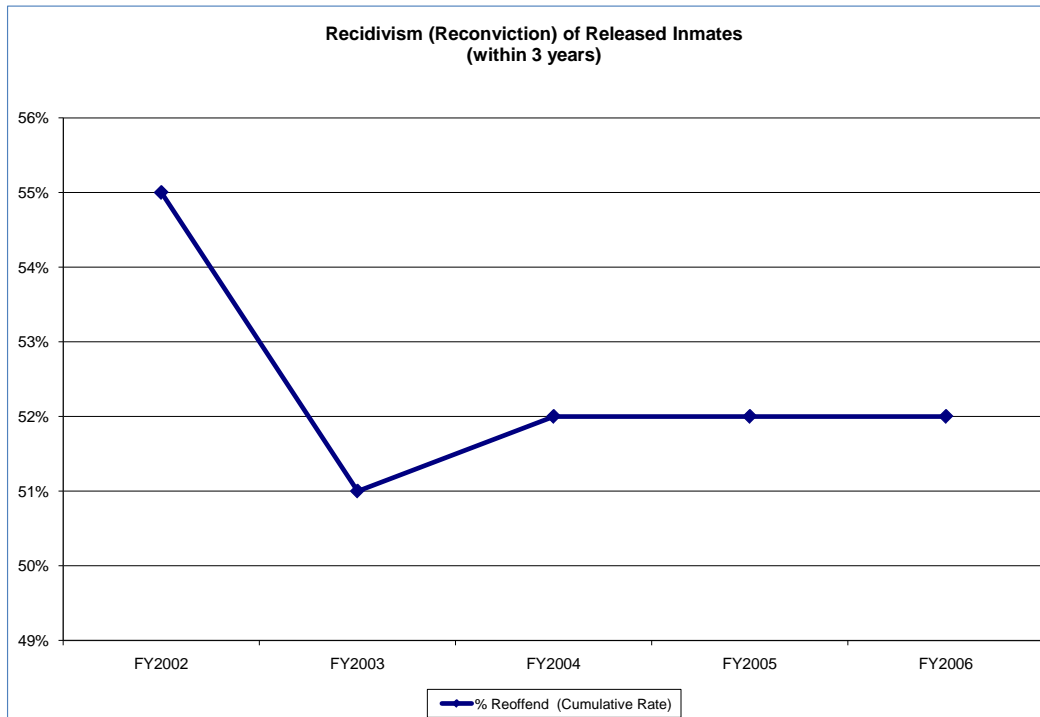
Measure 3(ii)

Outcome 4

Recidivism shall decrease.

Measures 4

- i. Recidivism rate.



Measure 4

Outcome 5

Unified crime prevention and justice system shall be established.

Measures 5

- i. Complete mapping of current system by state and county/AHS district against the sequential intercept model;
- ii. Counties/AHS districts shall be prioritized for implementation. In the selected areas implementation plans will be developed recommending evidence-based programming to fill gaps;
- iii. Two trainings on risks and needs and evidence-based practices will be conducted;
- iv. Stakeholders have agreed upon a risk and needs assessment tool;
- v. Percentage of RFPs that identify which intercept point is being addressed.

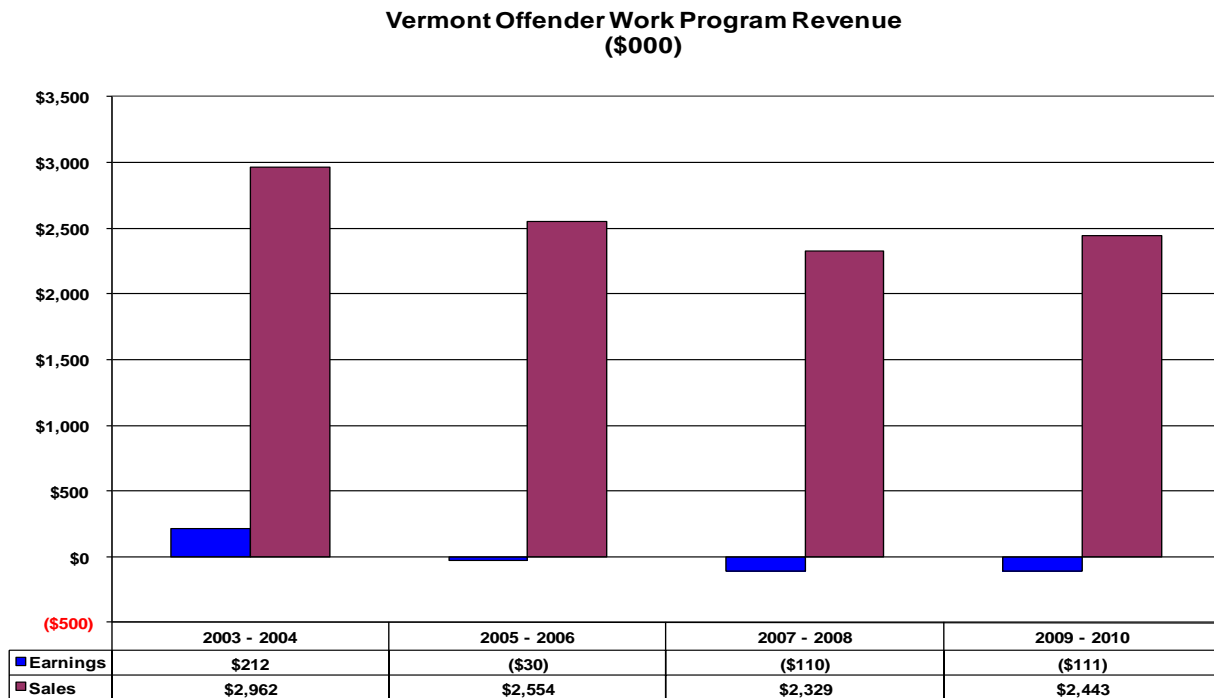
Outcome 6

Revenues realized within the corrections system from programs designed to develop skills of offenders shall increase.

Measure 6

- i. Vermont Offender Work Program revenue;

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Measure 6

Outcome 7

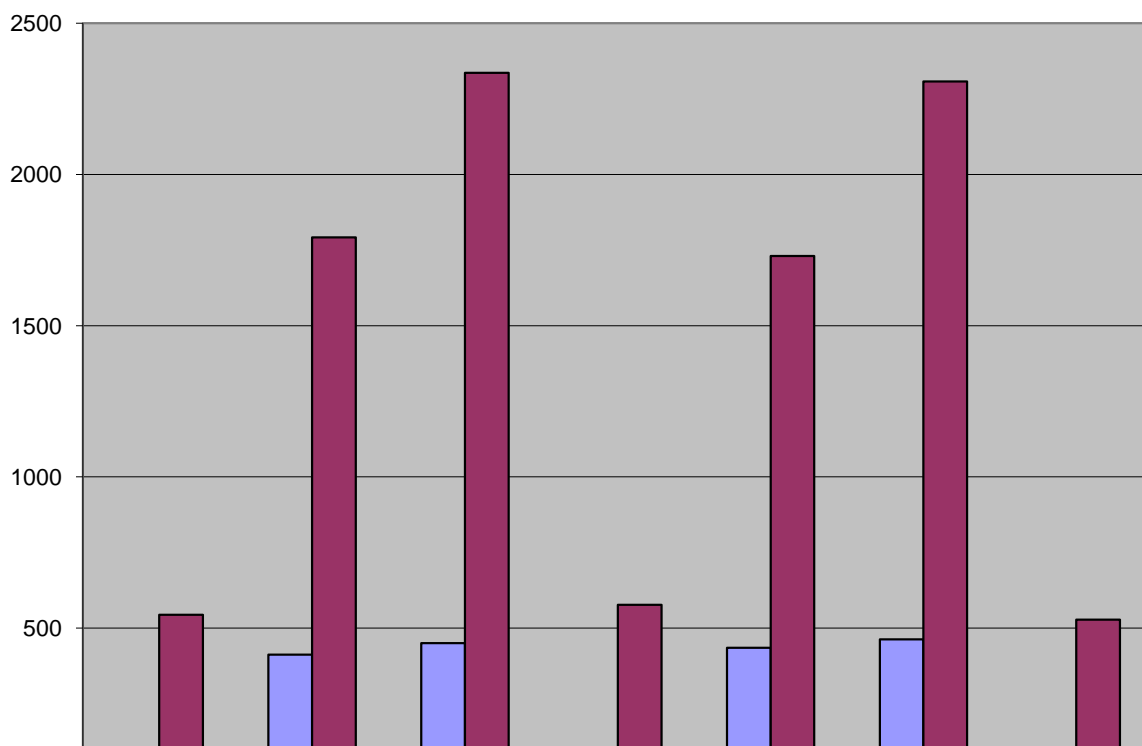
Short-term lodgings in department of corrections facilities shall decrease.

Measure 7

- i. Number of short term lodgings.

[Continues next page]

Number of youths under the supervision of Corrections (ages 18-24)



| Persons Released from Interrupt Weekend Sentenced Incarceration | | | | | | | | | | | |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| % Persons | Fiscal Year | | | | | | | | | | |
| Episodes | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
| 1-5 | 79.1% | 71.80% | 73.10% | 62.70% | 60.70% | 55.00% | 55.80% | 63.20% | 77.50% | 76.50% | 66.40% |
| 6-10 | 13.20% | 15.50% | 12.50% | 25.50% | 23.80% | 28.80% | 31.00% | 28.10% | 18.00% | 16.20% | 22.00% |
| 11-15 | 4.40% | 8.50% | 4.80% | 6.90% | 8.20% | 5.40% | 4.40% | 3.50% | 4.50% | 2.90% | 5.40% |
| 16-20 | 2.20% | 1.40% | 5.80% | 1.00% | 4.90% | 3.60% | 4.40% | 5.30% | 0.00% | 2.90% | 3.40% |
| 21-25 | 0.00% | 0.00% | 1.90% | 2.00% | 0.00% | 1.80% | 2.70% | 0.00% | 0.00% | 0.00% | 0.90% |
| 26-30 | 0.00% | 2.80% | 0.00% | 1.00% | 1.60% | 0.90% | 0.90% | 0.00% | 0.00% | 0.00% | 0.70% |
| 31-35 | 1.10% | 0.00% | 1.00% | 0.00% | 0.00% | 2.70% | 0.00% | 0.00% | 0.00% | 0.00% | 0.50% |
| 36-40 | 0.00% | 0.00% | 0.00% | 1.00% | 0.00% | 0.90% | 0.00% | 0.00% | 0.00% | 1.50% | 0.30% |
| 41-45 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.90% | 0.90% | 0.00% | 0.00% | 0.00% | 0.20% |
| 46-50 | 0.00% | 0.00% | 1.00% | 0.00% | 0.80% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.20% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

* * * END * * *

EDUCATION CHALLENGE

CHALLENGE LEAD:

Bill Talbott, Deputy Commissioner - DOE

NARRATIVE

On Wednesday, December 22, 2010, the Governor Elect, appointed Secretary of State, and Speaker of the House announced they would recommend to the legislature that the challenges target reductions not be made mandatory but that “Act 68 should be allowed to work as intended.” In attendance and speaking in support were the Education Commissioner, Executive directors of the superintendents, school boards, and principals association, and president of the Vermont NEA. Also stated was that \$23.2 million dollars would be deducted from the general fund transfer to the education fund in FY 2012.

The result of this is that if districts do not curtail spending, property taxes will need to be raised to make up for the decreased general fund support. Offsetting a large portion of the general fund transfer reduction will be the \$19 million federal education jobs money received by the Governor’s office late this past summer. Details of the when this funding will be sent are still being worked out although districts have been informed of the amount each will receive.

INVESTMENT

| Investment | Target | Spent/ Committed | Comments |
|-------------------|---------------|-----------------------------|-----------------|
| FY 2011 | \$ | \$0.00 | |
| FY 2012 | \$0 | \$0 | |

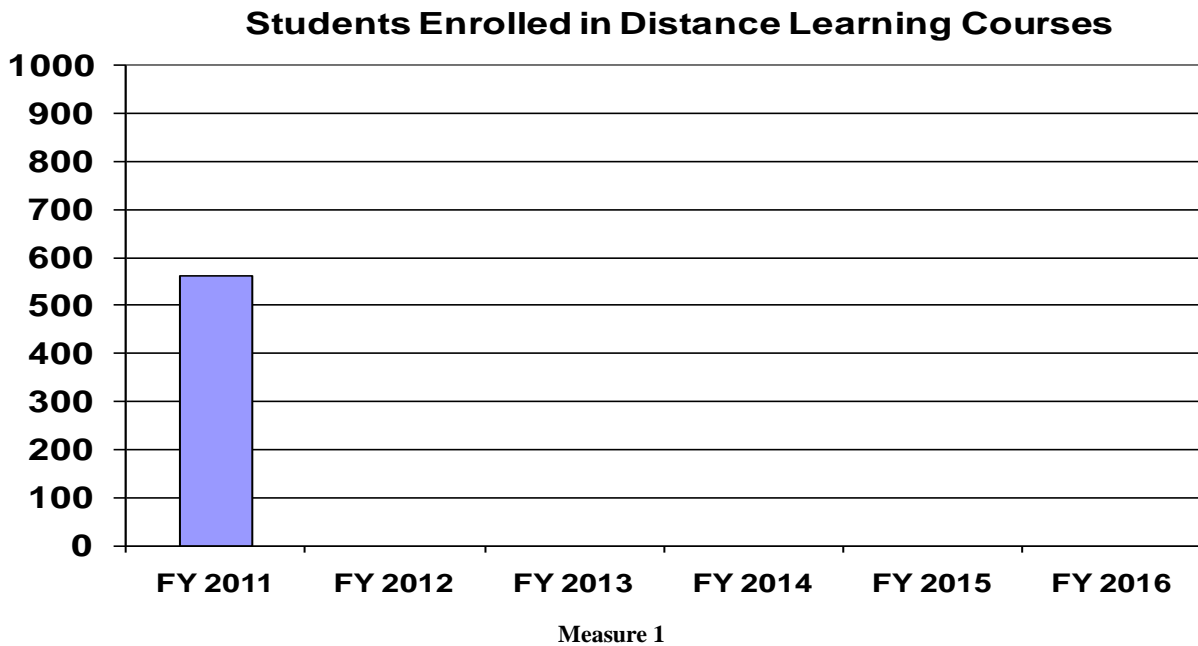
OUTCOMES & MEASURES

Outcome 1

Increase electronic and distance learning opportunities that enhance learning, increase productivity, and promote creativity.

Measures 1

Number of students enrolled in distance learning.

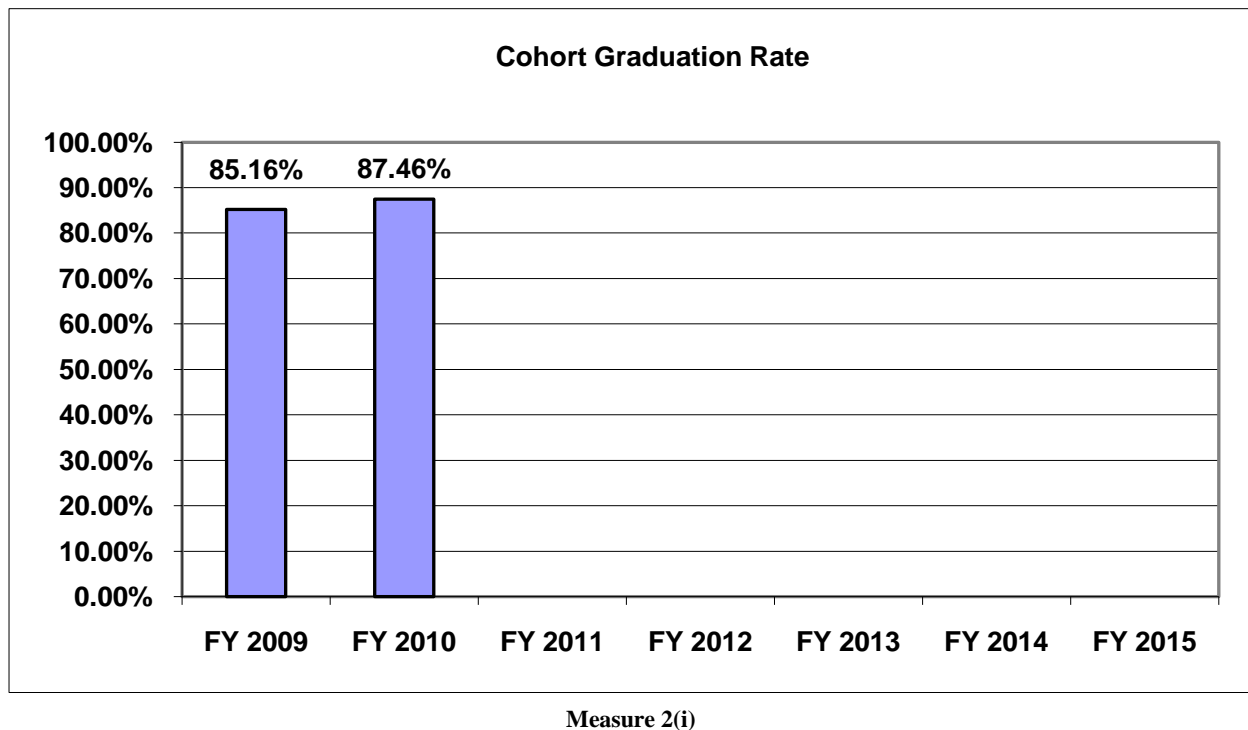


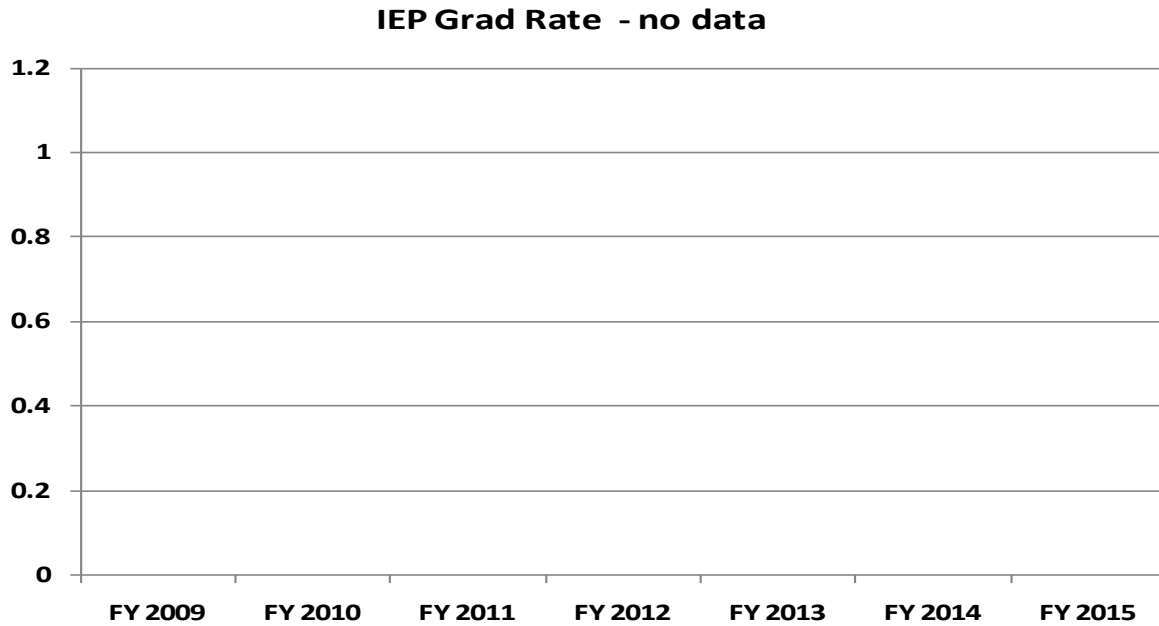
Outcome 2

Increase the secondary school graduation rates for all students.

Measures 2

- i. Graduation rate;
- ii. Graduation rate for special education students.





Measure 2(ii)

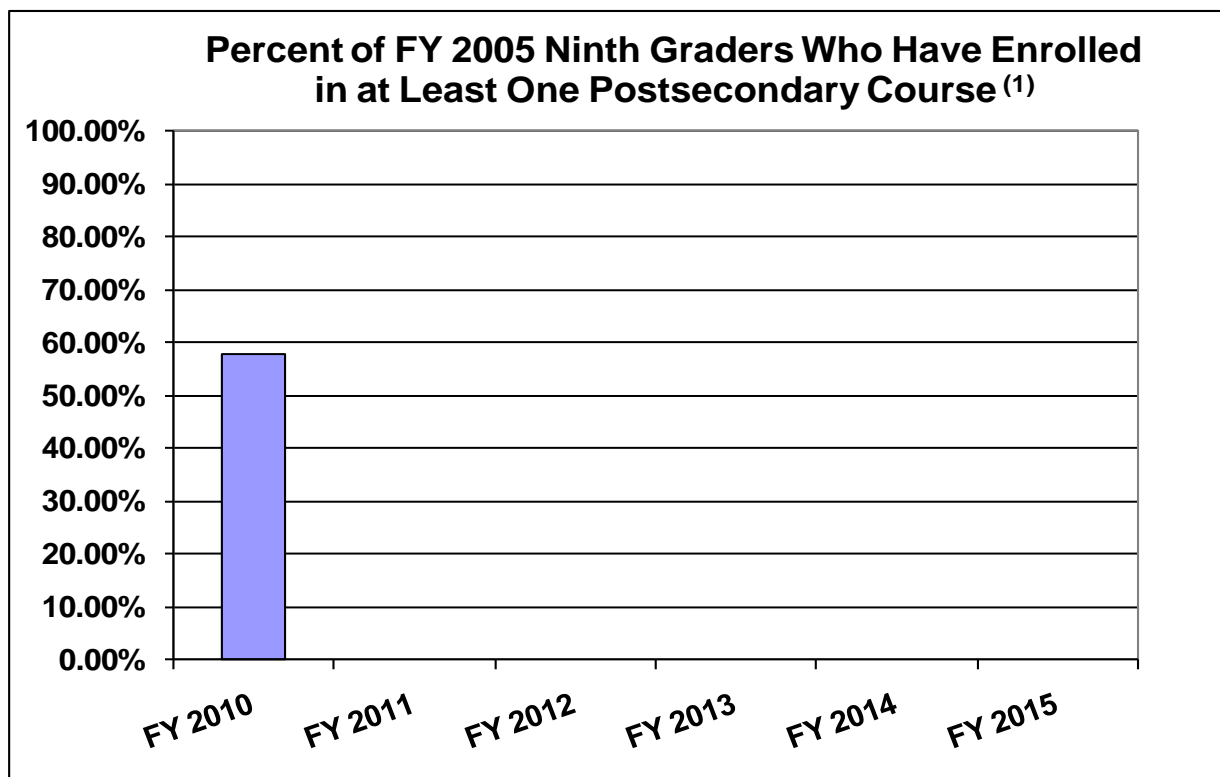
Outcome 3

Increase the aspiration, continuation, and completion rates for all students in connection with postsecondary education and training.

Measures 3

Percent participation in post secondary education.

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Measure 3(i)

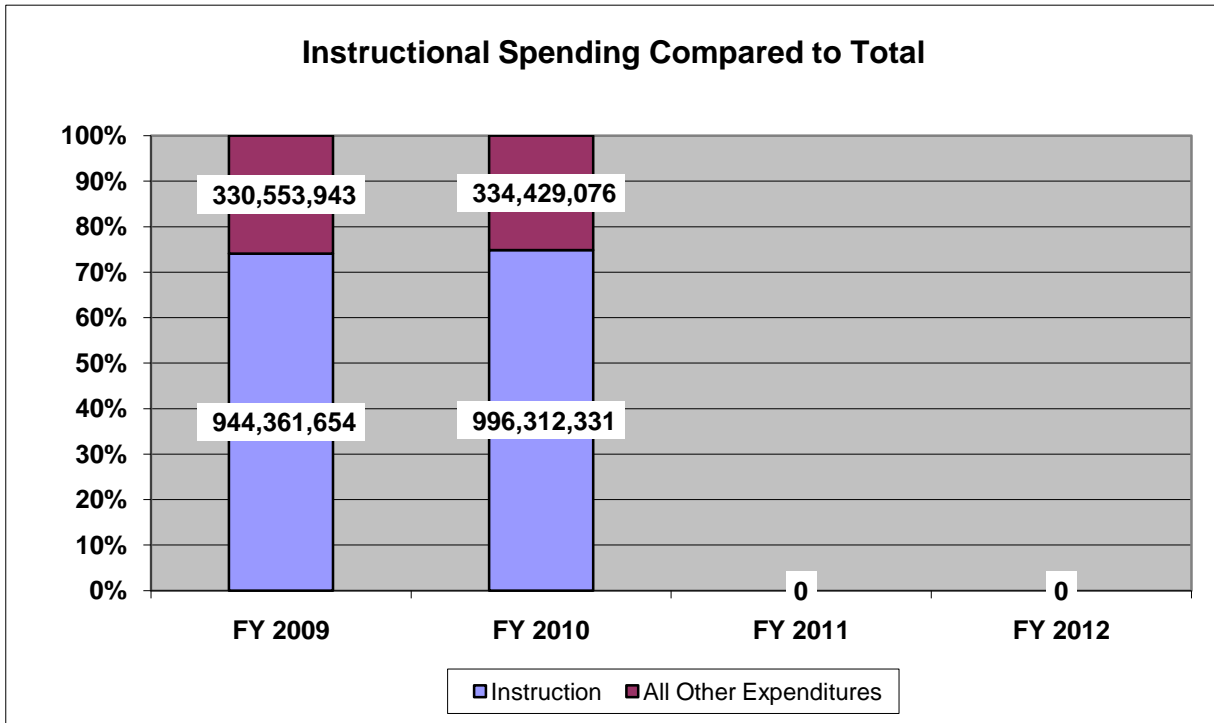
(1) This reflects the number of students who were ninth graders in FY 2005 who have enrolled in at least one post secondary course.

Outcome 4

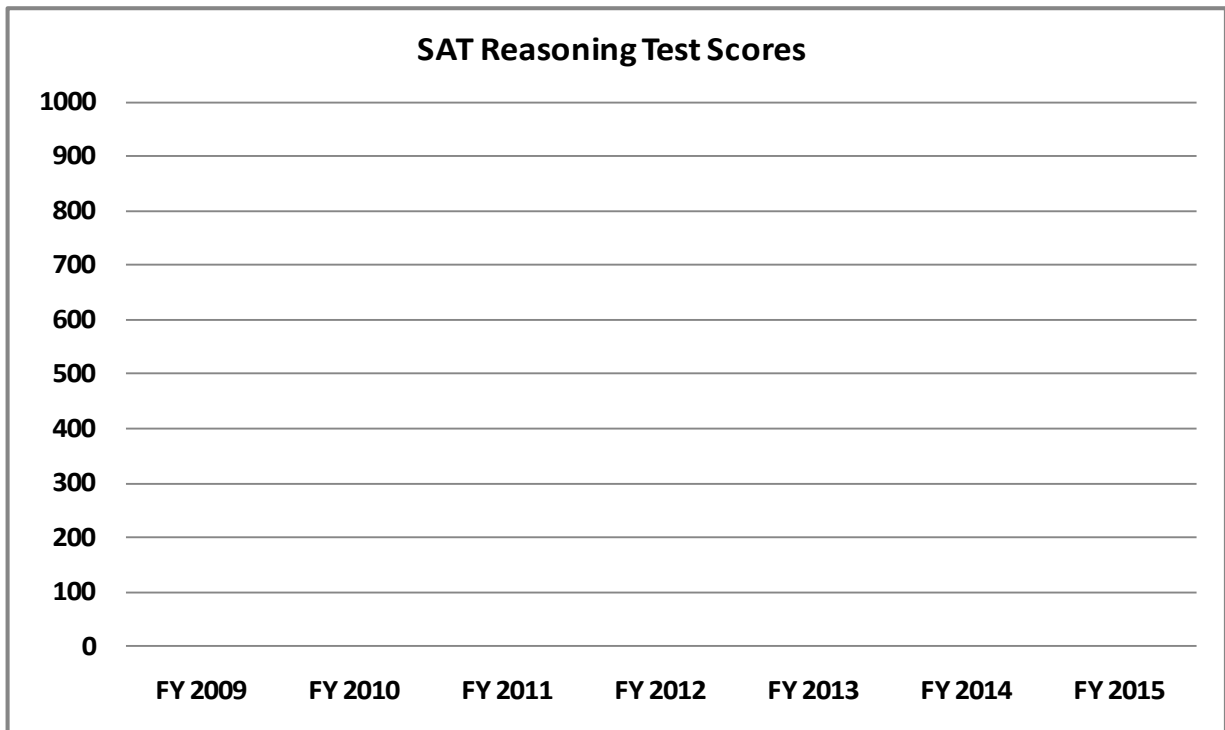
Increase administrative efficiencies within education governance in a manner that promotes student achievement.

Measures 4

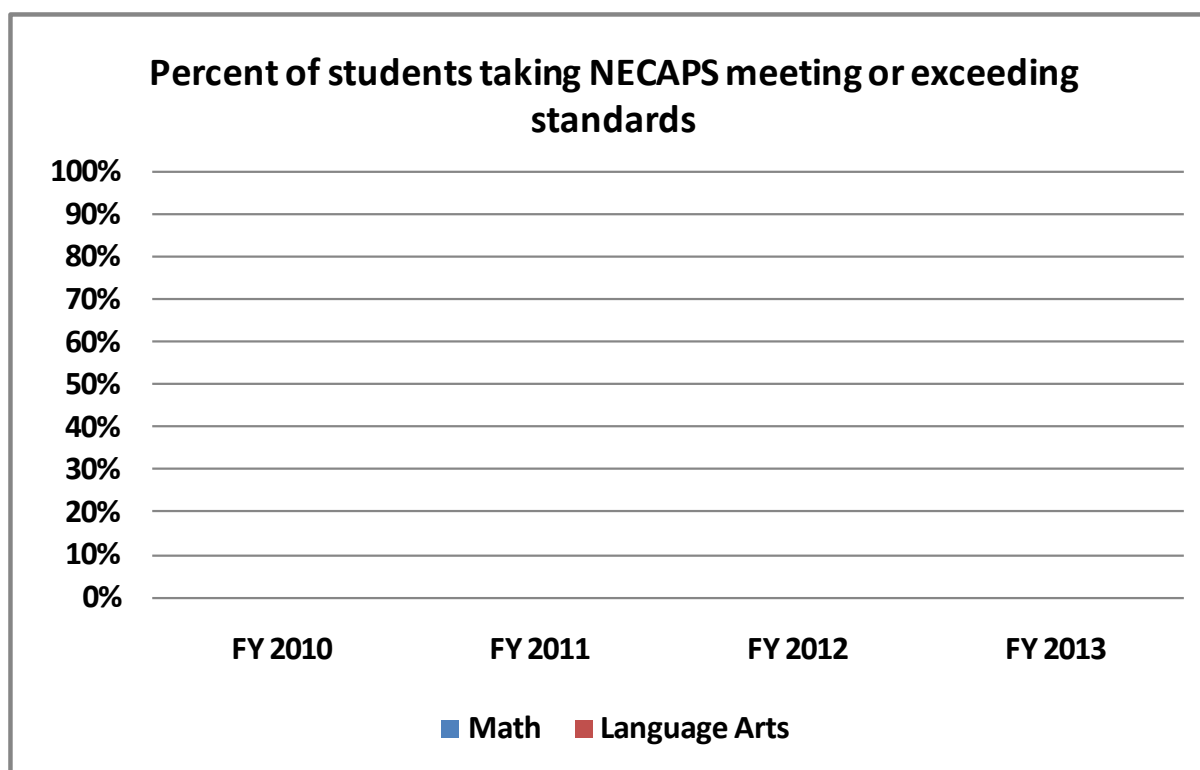
- i. Percent of education funds going to direct instruction;
- ii. SAT Reasoning Test scores;
- iii. NECAP test scores.



Measure 4(i)



Measure 2(ii)



Measure 4(iii)

Outcome 5

Increase cost-effectiveness in delivery of support services for students with individualized education plans.

Measures 5

- i. Special Education student test scores per dollar spent;
- ii. Percentage of students in special education that continue education or become employed;
- iii. Percentage of students meeting IEP goals per dollar spent.

Comment: Measure 5(i)-(iii) -These data not collected, per DOE.

Outcome 6

Increase the use of early intervention strategies that enable students to be successful in the general education environment and help avoid the later need for more expensive interventions.

Measures 6

- i. Percent of Early Essential Education students meeting IEP goals
- ii. Percent of infant/toddlers meeting IFSP goals.

Comment: Measure 6(i)-(ii) -These data not collected, per DOE.

* * * END * * *

REGULATORY CHALLENGE

CHALLENGE LEAD:

Deborah Markowitz - Secretary ANR
Lou Borie & Nancy Manley

NARRATIVE

The regulatory reform challenge is to the state's environmental and energy regulatory systems to achieve the current standards, goals, and requirements of federal and state law and regulation through improved administrative, application review, and compliance processes while spending three percent less in the agency of natural resources' and agency of agriculture, food and markets' budgets in each fiscal year 2011 and 2012 than in fiscal year 2010.

INVESTMENT

| Investment | Target | Spent/ Committed | Comments |
|-------------------|---------------|-----------------------------|-----------------|
| FY 2011 | \$400,000 | \$0.00 | |
| FY 2012 | \$0 | \$0 | |

OUTCOMES & MEASURES

Outcome 1

The permitting and licensing processes achieve environmental standards, and are clear, timely, predictable, and coordinated between agencies and municipalities.

Measures 1

- i. Processing time for permit applications and renewals;
- ii. Percentage of solid waste facilities complying with post-closure requirements;



Measure 1(i):

Baseline information for NRB and ANR metrics is extracted from previous NRB and ANR annual performance (PEP) reports. For the quarter ending 5/31/11 median processing time for Act 250 applications was 40 days compared to a baseline (Calendar year 2010) of 42 days.

For the quarter ending 5/31/11, ANR/DEC permit processing data reflects about 40% of the programs with performance standards. However, the reported program actions represent 73% of the total DEC actions processed in an average 2010 quarter. Ninety-three percent of these quarterly DEC permit actions met their associated performance standards. In comparison, 90% of all the 2010 permit actions met their respective performance standards.

**Measure 1(ii):**

DEC Solid Waste program staff has been evaluating the status of the closed landfills with respect to groundwater and surface water quality. Staff has also been defining requirements that closed landfills should meet to qualify to discontinue water quality monitoring and graduate to “custodial care”. Once these requirements have been defined, rule making will be initiated. After the rules are adopted, a program will be developed to track compliance of the requirements.

Outcome 2

The permitting process enables applicants to readily determine what permits and licenses are needed and what information must be submitted to apply for those permits and licenses.

Measures 2

- i. Total number of applications received and the number of incomplete applications (initial submittals) received are reported;
- ii. Survey of applicants regarding quality of information received from regulators.

**Measure 2 (i):**

Data on incomplete applications has not historically been collected across all NRB and ANR/DEC permitting programs. Consequently, there is no baseline data for this metric. NRB reports that 116 applications were received and 23% of these applications were determined to be incomplete. For the quarter ending 5/31/11, the reporting DEC programs providing data received 728 applications and 38% of these applications were determined to be incomplete.



Measure 2 (ii): The Permit and Compliance Portal, launched in October 2010, includes a *Contact* link on all pages, enabling users to ask a question or provide feedback on the content or design of the portal. A User Survey was added to the Permit and Compliance Portal in June 2011. To date, no responses to the survey have been received. When responses are received, they will be forwarded to the appropriate agency for review and action.

Outcome 3

The permit and enforcement processes enable citizens and visitors to the state of Vermont to understand and comply with the laws protecting our natural and agricultural resources.

Measure 3

Number of enforcement cases that involve the defense of lack of understanding of state permit requirements.



Measure 3: Enforcement cases involve businesses, corporations and municipalities as well as Vermont citizens. ANR and NRB have not historically collected this data on a quarterly basis; therefore baseline data will be developed over time. For the quarter ending 5/31/11 NRB reports that 8 enforcement cases commenced; in 2 cases the defense of lack of understanding of state permit requirements was raised. For this same timeframe, ANR reports that 24 enforcement cases commenced and in no case was the defense of lack of understanding of state permit requirements raised.

Outcome 4

Permitting, licensing, and environmental protective services are cost-effective and user friendly.

Measures 4

- i. Applicant satisfaction with application process;
- ii. Number of permit applications submitted electronically;
- iii. Number of technical certifications submitted, number accepted, number spot-checked, and the number resulting in violations are reported.



Measure 4 (i):

The Permit and Compliance Portal, launched in October 2010, includes a *Contact* link on all pages, enabling users to ask a question or provide feedback on the content or design of the portal. A User Survey was added to the Permit and Compliance Portal in June 2011. To date, no responses to the survey have been received. When responses are received, they will be forwarded to the appropriate agency for review and action.



Measure 4 (ii):

Currently NRB applications cannot be submitted electronically. ANR/DEC has a web based application submittal system, eDEC, servicing three permit programs. For the quarter ending 5/31/11, DEC reports that Wastewater Regional Office program received 68 applications through eDEC or about 13% of the total received applications. The previous 12 month average receipt rate is 9.2%. DEC is working with staff and system users to significantly increase the percentage of eDEC submittals over the next 6 months.



Measure 4 (iii):

The DEC's Wastewater on-site program currently accepts technical certifications. For the quarter ending 5/31/11, 189 certifications were received and 188 were accepted. The facilities associated with these certifications were not spot checked.

As an initial step in expanding the number of programs that have the authority to use technical certifications, ANR reported to the legislature regarding programs where technical certifications

would be suitable. This report included draft language for potential legislation. The legislature considered but did not take further action on this matter.

Outcome 5

The decision-making process is transparent, and citizens understand and participate in the process.

Measures 5

- i. Applicant satisfaction with the transparency of the process;
- ii. Total number of comments received on draft permits & proposed rules;
- iii. Number of unique visits to web portal to review notices and draft permits, read rules, check hearing times, and make comments.



Measure 5(i):

The Permit and Compliance Portal, launched in October 2010, includes a *Contact* link on all pages, enabling users to ask a question or provide feedback on the content or design of the portal. A User Survey was added to the Permit and Compliance Portal in June 2011. To date, no responses to the survey have been received. When responses are received, they will be forwarded to the appropriate agency for review and action.



Measure 5 (ii):

ANR and NRB have not historically collected this data on a quarterly basis; therefore baseline data will be developed over time. For the quarter ending 5/31/11, NRB and ANR/DEC rulemaking activities were very limited. The DEC Stormwater Program completed the public participation part of rulemaking related to an amendment to the Chapter 18 Stormwater Rule. No comments were received.



Measure 5 (iii):

The Permit and Compliance and Rulemaking portals have been deployed. For the quarter ending 5/31/11 Google Analytics has been applied to the Permit and Compliance web portal. These statistics show that there were 1062 unique visitors to the Permit portal with 83% arriving at the portal through referring sites such as the main Vermont web page; and NRB and ANR's home pages.

* * * END * * *

ECONOMIC DEVELOPMENT CHALLENGE

CHALLENGE LEAD:

Lawrence Miller, Secretary of ACCD

NARRATIVE

There have been no changes reported for this Challenge.

INVESTMENT

| Investment | Target | Spent/ Committed | Comments |
|------------|--------|---------------------|----------|
| FY 2011 | \$ | \$0.00 | |
| FY 2012 | \$0 | \$0 | |

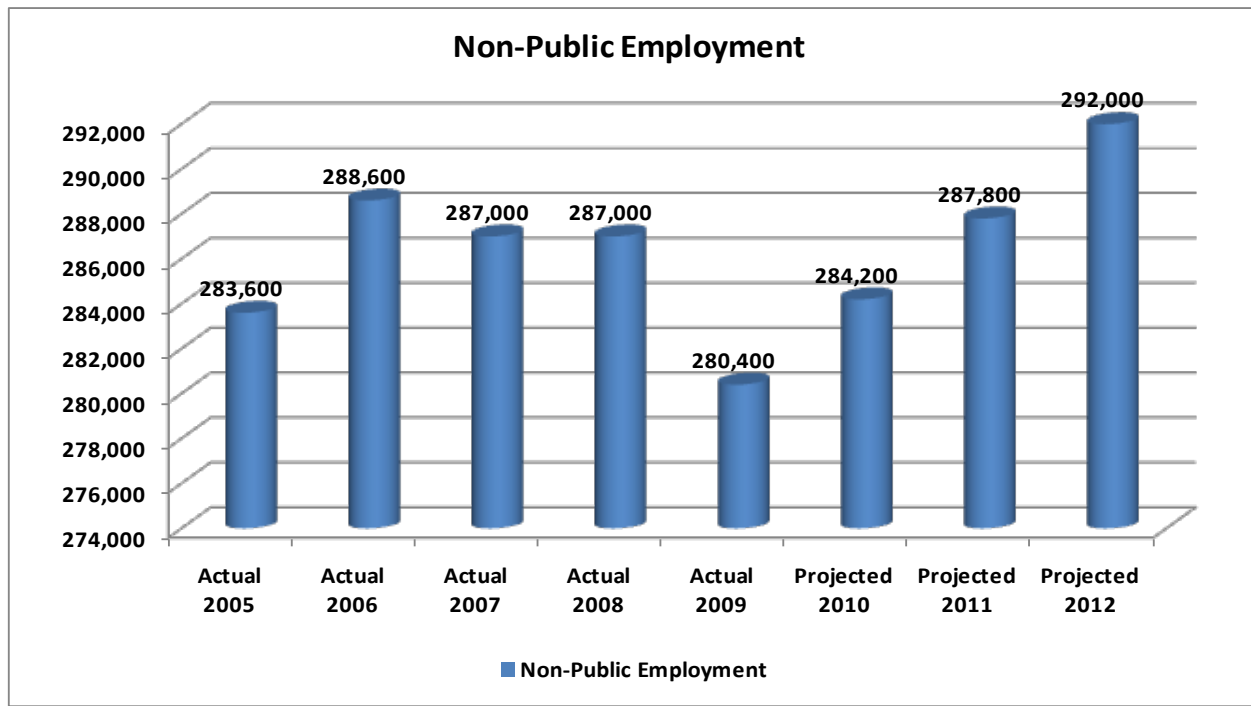
OUTCOMES & MEASURES

Outcome 1

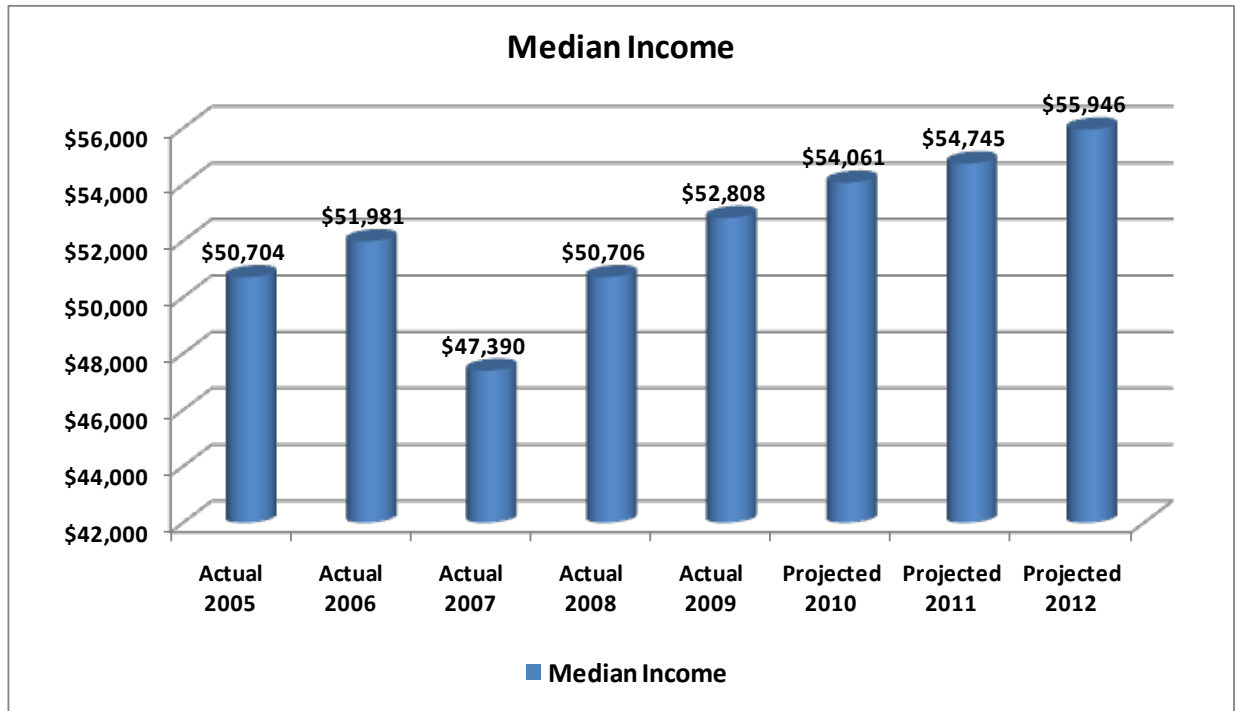
Vermont achieves a sustainable annual increase in nonpublic sector employment and in median household income.

Measures 1

- Nonpublic sector employment (absolute and versus projections);
- Median household income (absolute and versus projections).



Measure 1(i)



Measure 1(ii)

Outcome 2

Vermont attains a statewide, state-of-the-art telecommunications infrastructure.

Measures 2

- i. Percentage of residences and businesses with broadband access, using the current Vermont definition of broadband;
- ii. Percentage of cellular coverage on major roads
- iii. Percentage of cellular coverage on minor roads
- iv. Percent of state where public safety radios work.

| | | |
|--|-----|------------------|
| (i) Percentage of residences and businesses with broadband access, using the current Vermont definition of broadband | | See Update below |
| (ii) Percentage of cellular coverage on major roads ⁽¹⁾ | 87% | |
| (iii) Percentage of cellular coverage on minor roads ⁽¹⁾ | 76% | |
| (iv) Percent of state where public safety radios work ⁽²⁾ | 85% | On average |

Measure 2

Broadband update – Measure 2(i):

The VTA does not independently develop information about broadband availability in Vermont. Instead, we rely on information from other publicly-available sources. The most recently available state-wide broadband availability statistics were published by the Vermont Department of Public Service in its Telecommunications Almanac in February 2009. The PSD estimated broadband access to Vermonters increased from 75.3% in 2003 to 91% in December, 2007 (<http://publicservice.vermont.gov/telecom/TelecomAlmanacFinal030909.pdf>). This information was calculated based on data collected from broadband service providers.

More recently in April 2010, the PSD published the results of a survey conducted in December 2009 pursuant to the development of the Vermont Telecommunications Plan (<http://publicservice.vermont.gov/telecom/2009DPSTelecomSurveyReport.pdf>). This survey found that 81% of residents surveyed believed that they had access to broadband. At least some of the difference between this number and the higher number reported earlier may be explained by residents who do not subscribe to broadband and are unaware that it is available at their location. It does not mean that broadband availability declined between December 2007 and December 2009. The telephone survey and the collection of data from providers are two different data collection methods, and the results are not directly comparable.

Current efforts to map and analyze the availability of broadband information are being conducted by the Vermont Broadband Mapping Initiative pursuant to a federal grant received by the Vermont Center for Geographic Information (VCGI) under the U.S. Department of Commerce's State Broadband Data and Development Program. On August 12, 2009, Governor Douglas designated VCGI as the single eligible entity in Vermont eligible for funding under this program. PSD provides data collection, verification and analysis under contract to VCGI as part of this Initiative. VCGI has published maps of statewide broadband availability by census block as of June 2009, based on PSD's data collection from broadband service providers. These maps are available at www.vcgi.org/broadband. As of this date, VTA does not believe a statewide broadband availability number has been calculated from this data, although availability data by census block has been published and is available on the VCGI website. The Vermont Broadband Mapping Initiative is also in the middle of developing a website, www.broadbandvt.org, where interactive information about broadband availability in Vermont will be published and available to the general public. This site is expected to be operational prior to the end of this year.

Footnotes – Measure 2(ii)(iii)(iv):

(1) Based on 2010 drive-test data collected through the Vermont Broadband Mapping Initiative, the VT Telecommunications Authority would estimate that 87% of major roads and 76% of minor roads ("roads" here being roads that are part of the federal aid highway system, not every last city street or residential neighborhood). We examined the coverage for the two major air interfaces for cellular phones, GSM (used by AT&T and T-Mobile) and CDMA (used by Verizon Wireless, Sprint, and US Cellular). The reported numbers reflect the coverage for GSM phones, which was more extensive (the CDMA estimate is 55% of major roads and 44% of minor roads.).

(2) This is with the current analog radio system. Public Safety is undergoing the transition to narrow banding, which is federally mandated, and this change will result in less radio coverage.

* * * END * * *