



U.S. Department of Transportation
 Federal Highway Administration
 Federal Transit Administration



National Cooperative
 Highway Research
 Program



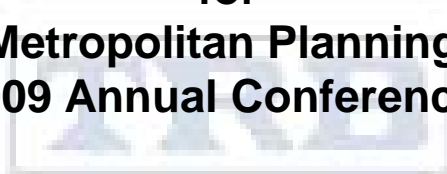
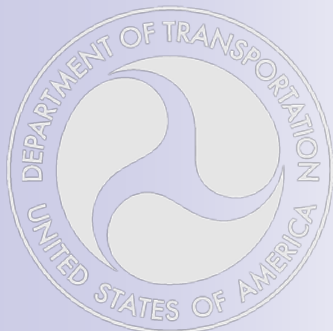
American Association of
 State Highway and
 Transportation Officials

Linking Performance and Accountability International Scan (07/25/2009-08/9/2009)

Sponsored by :
 American Association of State Highway and Transportation Officials
 Federal Highway Administration
 Federal Transit Administration
 National Cooperative Highway Research Program

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Scan Team Member
 for

Association of Metropolitan Planning Organizations
2009 Annual Conference





Context of Scan

(information provided as introduction to host countries)

- “US is attempting to establish formal performance management for transportation”
- “US transport performance measurement is common”
- “Less common is linking management with accountability, planning and budgeting”
- “The US Congress is considering more accountability for state and local transportation grant recipients”
- “We want to learn from your experience in using performance management for surface transportation programs”





What We Wanted to Learn

- How you set long and short-term performance goals
- How you demonstrate outcomes/results and transparency
- How you communicate performance accomplishments to legislators
- How you use performance management to justify financial need and budget requests
- How performance management impacts the outcomes of government programs
- How accountability contributes to achieving performance goals





Scan Team Members

State DOT

- **Carlos Braceras**, Scan Co-Chair and Deputy Director, Utah State DOT
- **Daniela Bremmer**, Director, Strategic Assessment, Washington State DOT
- **Leon Hank**, Chief Administrative Officer, Michigan State DOT

Federal Highways and Federal Transit

- **Robert Tally, Jr.**, Scan Co-Chair and Indiana Division Administrator, FHWA
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- **Jane Hayse**, Chief Transportation Planning Division, Atlanta Regional Commission

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- **Tony Kane**, Director Engineering and Technical Services, AASHTO

Private Sector

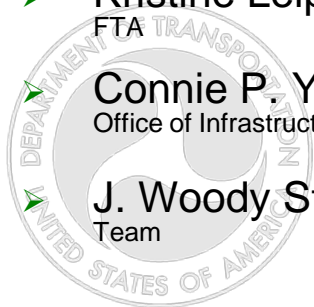
- **Steven Pickrell**, Senior Vice President, Cambridge Systematics

Other

- **Jenne Van der Velde**, Strategic Advisor, Center for Transport and Navigation, Dutch Ministry of Transport

Scan Logistics/Recorder

- **Jake Almborg**, American Trade Initiatives
- **Gordon Proctor**, Report Facilitator





“Around the World in 16 Days”

60,000 air miles; 55 hrs flight; 2 continents, 4 countries, 6 cities



- The Swedish Road Administration;
- The British Department for Transport;
- The New South Wales Road and Traffic Administration in Sydney, Australia;
- The Victoria Department of Transport and Vic Roads in Melbourne, Australia;
- The Queensland Department of Transport and Main Roads in Brisbane, Australia;
- The New Zealand Transport Agency.





Observations:

- National goals were clearly ingrained into transportation agency performance management systems
- Broad national goals – not hard, specific targets – were used
- Budgets and targets were not linked, but....
- Ambitious national visions spurred investment
- Reporting was constant, improvement was iterative





Sweden-Stockholm

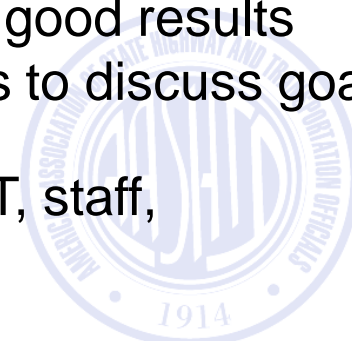
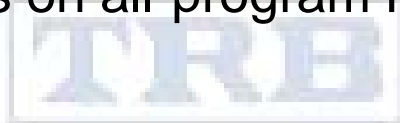




Sweden: Bits, Take-Aways and Favorites

“Community Building, Not Road Building” (Swedish Road Administration)

- Ministry sets high level goals-SRA develops metric, indicators and targets with ministry in collaborative manner
- Goals are stable despite political changes
- Constant evaluation of what is important-what is priority;
- Focus on sub-optimization and efficiency
- Focus on trends instead of short term targets
- Not Road builders but in “travel” business
- Trust in government to do right thing-
- Agency staff doubled in last 10 years
- Regions report PM data to HQ/quarterly –keep surplus if good results
- Periodic 6 day training session with 200 senior managers to discuss goals, priorities, culture and strategic directions in PM
- Spent 30 million US dollars on all-program PM system (IT, staff, consultants)





UK-London





UK: Bits, Take-Aways and Favorites

“It is not about targets but about priorities”

- Don't use targets but indicators- most important lessons learned; from 1200 to 200 national indicators (metrics for all sectors);
- 6 fed. goals: economic growth; safety; carbon reduction; security & health; equality of opportunity
- Expanded benefit cost analysis/Value for Money approaches (B/C has to be 2/1 or not done)
- No link between performance and resources/budgets but clear expectations articulated by treasury
- Performance Agreements (PA) and 6-month in depth reviews
- PAs are confidential reports to allow for problem solving
- PM takes time- took two years to analyze and understand data – and process and develop best measures-before committing





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Sydney- New South Wales-AU





NSW-Sydney: Bits, Take-Aways and Favorites

“Indictor development is an evolutionary and fluid process-there is never one right way and it requires continuous dialogue”

- *“Imposing targets is ineffective-will create resistance and avoidance-rather collaborative”*
- Each employee gets a personal, customized service plan that connects to specific goals within 6 months of hire
- Conduct monthly, executive performance review meetings
- Assets: Use Capital Sustainability index—percent of assets they can maintain –needed investment/actual investment ratio
- Safety: focus on engineering solutions to reduce consequences of mistakes, reduce crash forces on body
- Moved from fatalities/K to fatalities/population metric
- Overall metrics focus on KPIs (Key Performance Indicators)





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Melbourne-Victoria -AU

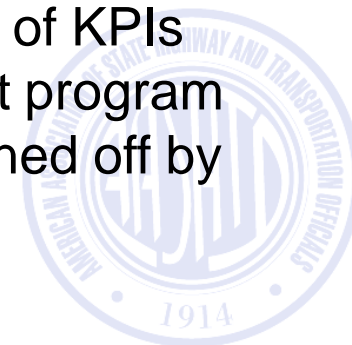




Victoria-Melbourne: Bits, Take-Aways and Favorites

“Develop measures related to problems you want to solve”

- Energetic and passionate new CEO- VicRoads was recently merged into the former Public Transit agency-cultural shift
- Melbourne largest Light Rail system in world
- Big immigration 1,000/week - strong pop. and land use focus-all projects and planning tied to detailed population plans
- No hard targets but clear policy directions and aspirational goals-more interested in trends (previous targets could not be met despite improvements-dropped to manage expectations)
- Move to service outcomes and Sustainable Transport goal
- Despite data difficult to sell maintenance to treasury
- PM system is mature in VicRoads, still reducing number of KPIs
- Safety; “Arrive Alive”- aggressive enforcement, Greyspot program
- Any projects that can add to congestion needs to be signed off by minister personally





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Brisbane-Queensland-AU

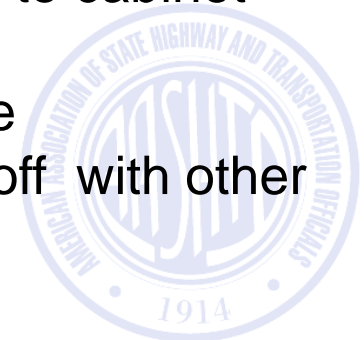
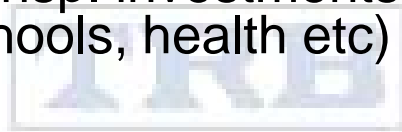




Queensland-Brisbane: Bits, Take-Aways and Favorites

“we put our strategic plan and goals under glass on conference room tables so everyone remembers”

- Main Roads recently reorganized into larger agency (Eco.Dev; Planning, Transport)
- Complex Road Asset Valuation (RAV): Uses depreciation methods to articulate declining road value, maintenance and preservation backlogs; concerns for bond rating gets attention
- Road Alliance: a new, voluntary partnership between local and transport agency-aim for borderless management relationship of assets
- Strategic Performance Reports (quarterly)- “so what” analysis on key results area (KRA); “in confidence” from agency to cabinet
- Strong engagement of local governments
- Land use focus; 1,500/week immigration to Brisbane
- High scrutiny of all transp. investments due to tradeoff with other public sectors (i.e. schools, health etc)





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Wellington-New Zealand





New Zealand-Wellington: Bits, Take-Aways and Favorites

“Paralysis by Analysis- measure everything all the time -more time reporting what you are doing than doing ”

- *“Focus on outcomes and best value for money not process”*
- *“Be aware of dislocation between what is reported and what is used to manage”*
- *“Targets can lead to risk aversion and stifling of innovation if done wrong-pick metrics and process that actually drives performance ”*
- *“we don’t do transport for transport sake”* recognition of society goals
- Focus on corridor based investments and priorities
- *“Ministry (government) is like a coach-those (agency) are our players on the field, if well coached we succeed –need to help government be good coach”*





Key Considerations:

- Metrics translated into personal terms
 - ‘The Journey Home’
 - ‘We Are Community Builders’
 - ‘We are a travel agency’
 - ‘Support for the Journey’
 - Support for ‘Active Travel’ of walking, cycling





What We Have Learned – Brief Highlights

- Metrics; Quality over Quantity– Less is more
- Metrics: Focus on trends instead of short terms targets
- Metrics: Just one decision tool-manage expectations
- PM Process: A journey-Incremental, evolutionary and dynamic
- PM Process: Focus on priorities, not measures or targets
- Project/Program Decisions: focus on Value for Money
- Fed-State-Locals: Collaborative goal setting- frequent dialogue
- Employees: Linkages to personal Performance Plan
- Executives: Hands on; performance review meetings





In other words....

- Less is more
- Do it together
- Use compelling language
- Carrots instead of sticks
- Not a black box





Next Steps

- Publish a Report
- Identify how these strategies might be adapted to the US context—at the National, State and Regional levels
- Develop specific US implementation strategies to advance performance management based on results of this scan





Key Findings - Lessons for Reauthorization of Federal Aid Program and Other PM Efforts

- **1. Avoid national level targets but provide strong federal vision and policy goals**
- **2. Less is more: Focus on a few, key national policy goals and metrics**
- **3. Carrot versus Stick: Use incentives rather than disincentives**
- **4. Do it together: Apply collaborative performance management processes**
- **5. A Means not an End: Performance measurement is one of multiple decision tools but can't replace a balanced decision process or funding increases**





QUESTIONS ??

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