

Performance Management in Washington State

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WSDOT profile

WSDOT owns, manages, and maintains:

Highways

- 20,000 state highway lane miles (carries 86 million vehicle miles/day)
- 225 lane miles of a planned 320-mile HOV freeway system
- More than 3,600 bridges and structures

Ferries

- 22 ferry vessels, 20 terminals, and 500 daily sailings (carries 23 million passengers/year)

Passenger rail

- Partner in Amtrak *Cascades* state passenger rail (carries over 700,000 passengers/year)

Freight rail

- Grain Train (runs 89 grain cars)
- 492 miles of public owned short-line rail

Transit support

- Commute programs support more than 810,000 commuters statewide (170 million vehicle miles traveled reduced annually)
- Vanpool program includes more than 2,400 vans (Washington has the largest public vanpool fleet in the nation)

Aviation

- 17 WSDOT-managed airports
- 138 public use airports

Funding

(includes 2010 supplemental budget impact)

\$1.4 billion 2009-2011 operating program budget

\$5.3 billion 2009-2011 capital program budget

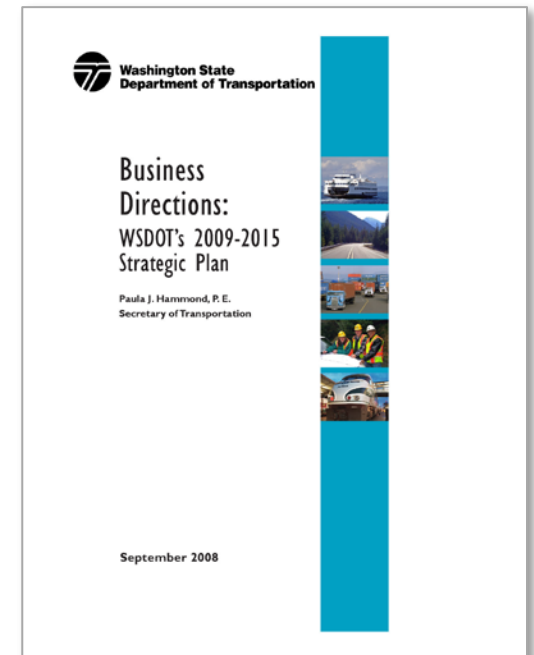
- **State dollars - \$3.4 billion**
- **Federal dollars (non ARRA) - \$1.0 billion**
- **ARRA dollars (highways and rail) - \$0.9 billion**



Commit to transparency and accountability as a fundamental management principle

WSDOT's 2009-15 Strategic Plan

“We will be accountable to the public for all our challenges and achievements by providing clear and concise information to the people of Washington, elected officials, and our many other transportation partners.”



Regularly communicate performance

- Use candor and transparency: “The good, the bad, and the ugly” – no exceptions.
- Use “Plain Talk” – language people can understand.
- Combine quantitative and narrative reporting in Performance Journalism to tell the story.
- Make reports easily accessible to the public and the media.
- Be current and timely.



Performance Journalism at WSDOT

- Our goal: to share the performance of WSDOT's most complex and diverse programs and projects clearly and concisely in a format that everyone can easily understand and explain to their neighbors.
- Seven principles of performance journalism:
 1. Good stories combined with good graphics: Use narrative reporting to make it real and tell the story
 2. Good writing: Use a reader-friendly approach
 3. Good data
 4. Good graphics: Every graph tells a story, every graph asks a question
 5. Good Format/Presentation
 6. Quality Control: It's your credibility
 7. Good Timing: Lead - don't follow

What is performance management?

WSDOT's working definition:

- *An opportunity to better manage your agency and operate state transportation systems.*
- *An opportunity to tell your story.*

WSDOT's driving forces:

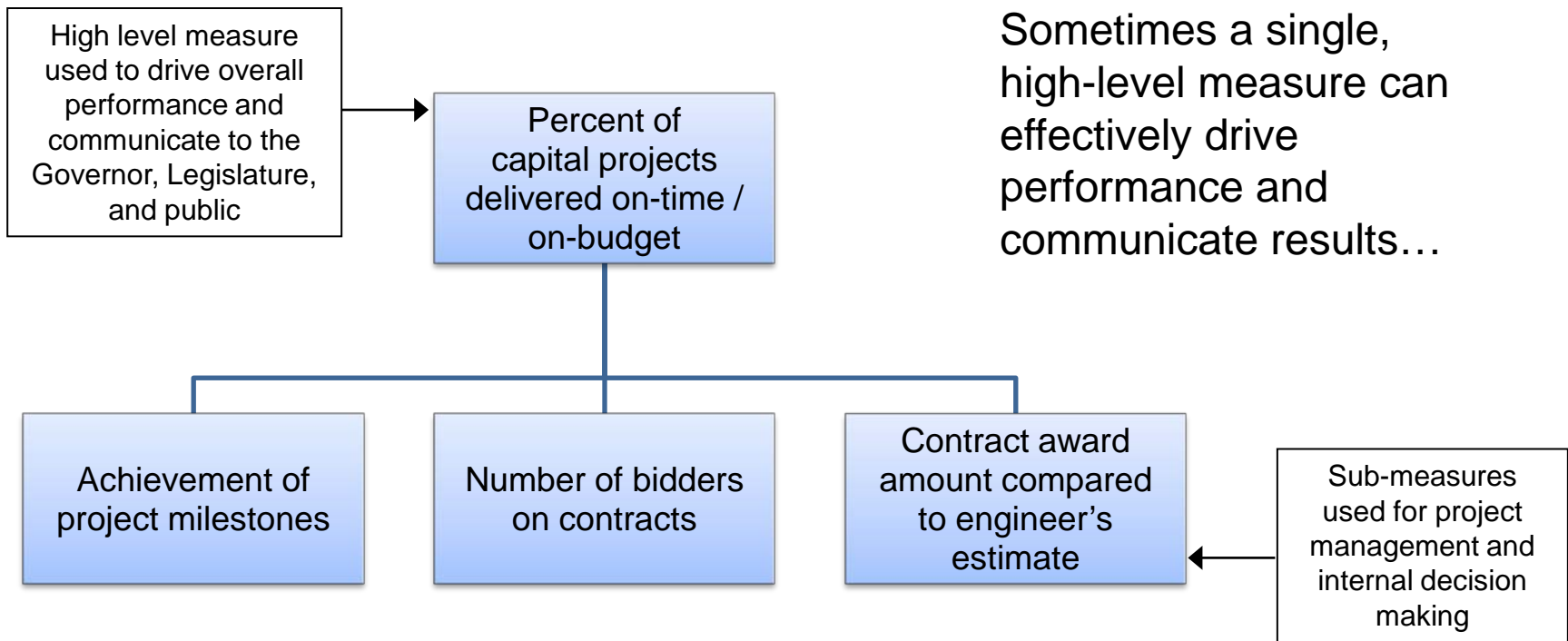
- Federal, gubernatorial, and legislative mandates
- Good management practice/Internal agency initiatives
- Strategic and business planning
- Competition for resources/Investment decision-making
- Public and political expectations for accountability
- National benchmarking and comparisons (e.g. Urban Mobility Report, Council of State Governments, Governing Magazine)
- Federal economic stimulus spending and reporting
- Performance-based federal aid program/reauthorization

Choose the right measures

- Recognize the natural tension between “keep it simple” and the multitude of measures that may be necessary to manage programs and fully “tell the story.”
- Avoid focusing only on measures just because they’re available (low-hanging fruit) if they’re not used to manage. Doing so may lead to unintended policy and investment consequences.
- Don’t let the perfect be the enemy of the good. Start now, describe measure limitations, and develop more robust measures over time. Measure development is incremental, iterative, and evolutionary.
- Communicating to broader audiences usually requires higher-level, simpler, and more general measures.
- More detailed, program-level “sub-measures” should logically link to higher level measures in a way that can be explained and understood.

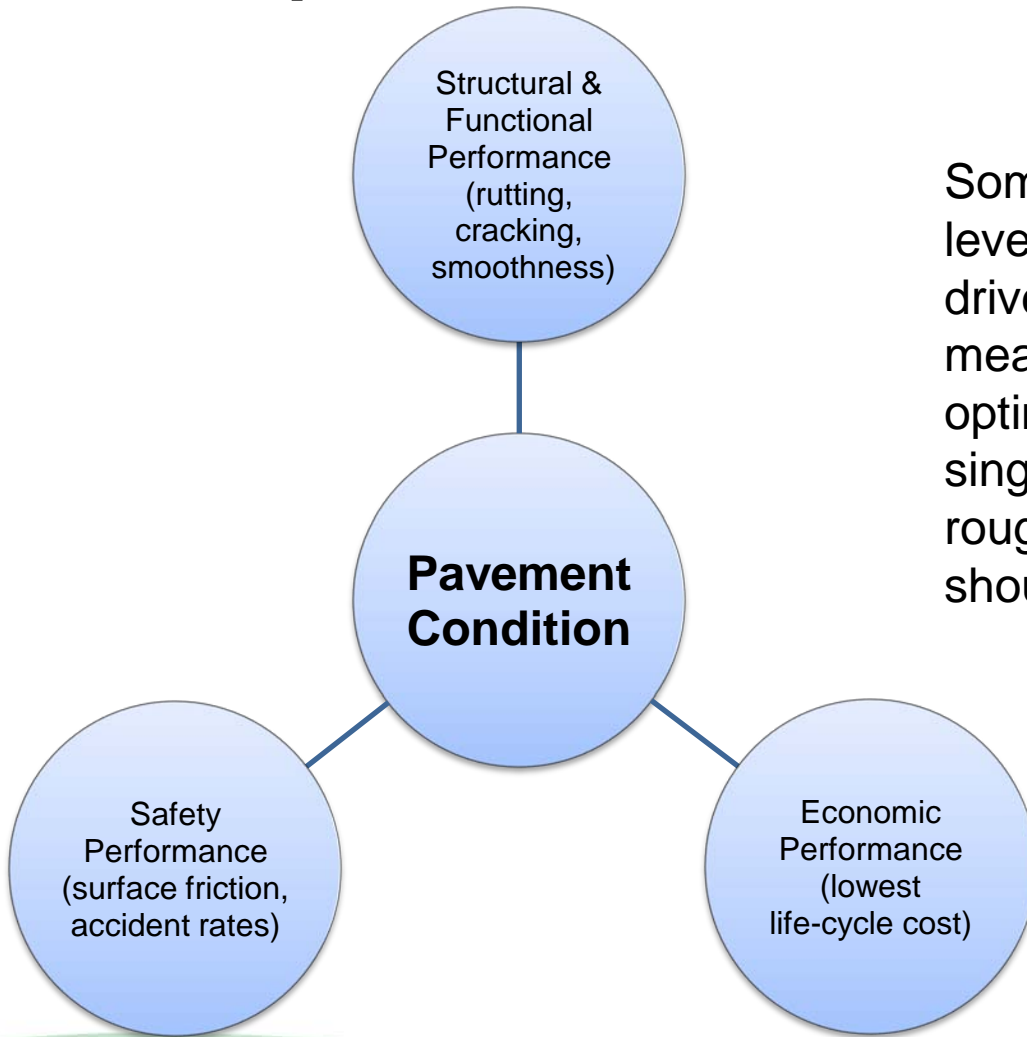
WSDOT's Lessons Learned: Single, High-Level Measures

Example: Capital Project Delivery



WSDOT's Lessons Learned: Multiple, Detailed Measures

Example: Pavement Condition



Sometimes there is no single high-level measure that can effectively drive performance. Multiple measures are needed to ensure optimal investment decisions. If a single measure is used (i.e., roughness index), its limitations should be clearly acknowledged

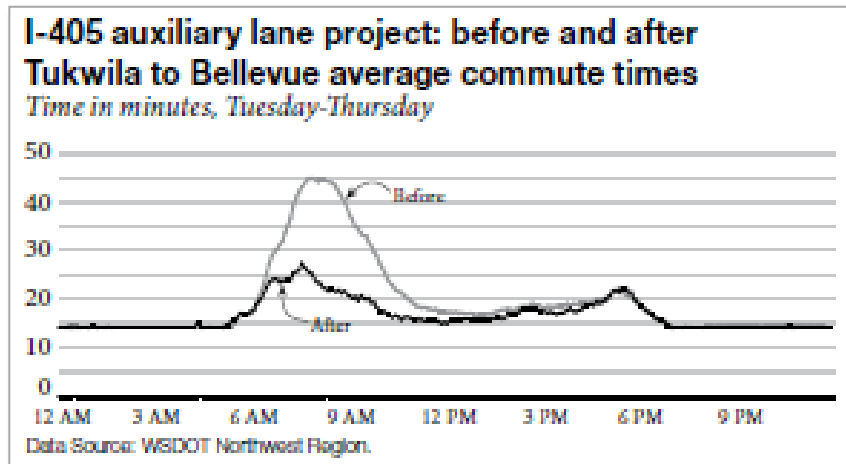


WSDOT's Lessons Learned: Before and After Measures

Example: Congestion relief

A powerful way to communicate the success of projects or programs.

- Highway safety and corridor safety projects
- Transportation system efficiency
- Congestion relief projects



Before & after results show reduced commute times after WSDOT targeted investment

General guidance: No measure is perfect

Key questions to ask as you develop and apply measures:

- Why this measure? What is its purpose? How will it be used?
- Who is the audience?
- Is the measure easily understood?
- How much can the agency influence performance?
- Is the data accurate, replicable? Can it be used to track trends?
- Do the benefits of measuring outweigh the costs of collecting and analyzing the data?
- Will the measure contribute to management and investment decisions, or help communicate performance to decision-makers and the public? Or is it “measuring for measuring’s sake?”

Build performance measures over time

Examples of WSDOT's existing performance measurement topics

- Project delivery
- Highway safety
- Highway maintenance & operations
- Congestion management
- Environmental compliance
- Asset management (bridges, pavement, ferries, etc.)
- Freight rail
- Passenger rail
- Ferries operations
- Workforce safety

Topics requiring new performance measures – the work continues

- ARRA/economic stimulus project reporting
- Climate change
- Freight mobility
- System (state-local) mobility performance
- Project effectiveness (“before & after” analysis)

Tangible benefits of performance management

- Identifying and fixing problems, and learning from best practices
- Enhancing productivity and service delivery
- Understanding issues at a system level
- Cross-program coordination – removing silos
- Allocating resources based on performance
- Motivating staff and celebrating accomplishments
- Improving communications internally and externally
- Demonstrating program effectiveness
- Making the case for funding of unmet needs
- Enhancing public support and agency credibility

Tangible Results and Benefits : Funding

Enhanced WSDOT credibility and accountability supports positive funding considerations:

2003 State Gas Tax Increase

- Transportation Revenue Package: 5 cents/gallon gas tax increase took effect July 1, 2003

2005 State Gas Tax Increase

- Transportation Revenue Package: 9.5 cents/gallon gas tax increase (phased in over three years) July 1, 2005

Nov 2005: 'No' on I-912

- Through a simple majority vote, Washington State citizens had a choice to eliminate the 9.5 cents gas tax that was passed by the 2005 WA Legislature.
 - 47% voted YES – eliminate the new gas tax
 - 53% voted NO – don't eliminate the new gas tax

A flexible performance management culture can respond well to new challenges

Gray Notebook gave WSDOT a strong foundation for required federal reporting when American Reinvestment and Recovery Act was passed:

- Emphasis on intense scrutiny and quality control of data and analysis.
- Established relationships and processes.
- Candor and transparency already established.

Having this important internal management and integration tool, which elevated agency performance measurement to a high priority at WSDOT, meant that agency was well-prepared for ARRA reporting requirements.

Implications for performance-based reauthorization: Lessons learned

From 2009 international scan:

- With measures, less is more; quality over quantity.
- Focus on longer-term trends instead of short-term targets.
- Management focus on priorities, not measures or targets.
- Project/Program decisions focus on value-for-money.
- Budgets are not linked to metrics, but metrics considered in process.
- Set few national targets; instead, set broad, high-level goals, with linkages between national, state, and regional transportation agency goals.
- Collaborative goal setting between federal-state-local entities, with frequent dialogue.

WSDOT's lessons learned: Challenges and opportunities for performance-based reauthorization

- Manage expectations:
 - Resist the temptation to expand beyond what is useful. Not all functions and measures need targets.
 - Changing or reducing the program is difficult once the bar is set and the brand is accepted.
 - There is no perfect measurement – the process is incremental, iterative, and evolutionary.
- Coordination is key:
 - Successful performance management requires attention and coordination – programs have to work together and be flexible.
 - Everyone needs to be on the same page: assure that all parties are consistent in their understanding of requirements, challenges, and progress.
 - When working with multiple agencies, ensure consistent data sources, definitions, and expectations.

WSDOT's lessons learned: Manage for success

- Maintain passion for quality control at all levels.
- Don't be afraid to ask “stupid questions” and to challenge assumptions.
- New and frequently changing reporting requirements require nimble and dedicated staff, strong executive involvement, and due diligence.
- Use people with diverse skill levels and backgrounds.
- Timing is very important – get your news out first, good and bad. Do not miss the opportunity to tell your own story, or someone else will tell it for you.
- Commit to a data-driven management approach.