



COUNCIL ON VIRGINIA'S FUTURE

Meeting Summary
September 26, 2013
House Room 3, State Capitol, Richmond, VA
1:00 p.m. – 3:00 p.m.

Meeting Overview: The meeting was designed to (1) provide an overview of the Blueprint Virginia initiative and continue discussions on strengthening economic growth in the Commonwealth and (2) provide an overview on the continued evolution of Virginia Performs, including an update on the development of priority-focused report cards.

Welcome and Opening Remarks

- Governor Robert F. McDonnell welcomed members and guests.
- The Governor emphasized that an important mission of the Council is its focus on outcomes and results rather than the development of specific policies and budget decision-making. He further noted that Virginia Performs is a valuable tool for evaluating our progress as a state.
- He recognized that Virginia has much to be proud of, including a number of issues central to the Council's long-term vision for Virginia:
 - ▶ Economic prosperity: Virginia continues to emerge well from the economic downturn and was just recognized once again by Forbes as the "Best State for Business." Virginia has maintained the lowest unemployment rate in the Southeast and is doing well in the growing important technology and life science sectors.
 - ▶ Educational attainment: Building on the work of the Council, we are making good progress toward producing an additional 100,000 degrees. Virginia has implemented significant K-12 reforms and strengthened performance standards. Virginia was one of the few states to see scores go up in all three SAT score categories.
 - ▶ Governance and infrastructure: We continue to have the best bond rating possible and are making real progress in reforming and strengthening the Virginia Retirement System. New transportation funding will begin to address one of Virginia's most challenging business climate issues.
- The Governor also noted that in today's challenging global economy Virginia cannot take future progress for granted, making performance assessment and the work of the Council all the more important.
- Dubby Wynne, the Council co-chair thanked the Governor for his leadership and noted that the work of the Council has helped make Virginia a model for performance management, laid the foundations for improvements in higher education, and is now playing an important role in the development of new thinking around regional economic competitiveness.

Overview of the Agenda

- The meeting included:
 - An update on the Virginia Chamber of Commerce's Blueprint Virginia initiative.
 - An update on Virginia Performs and key performance management initiatives, including issue-focused report cards being developed to accelerate progress on high-priority issues such as workforce development, innovation and entrepreneurship, and government operations.

Blueprint Virginia: Barry DuVal, President & CEO, VA Chamber of Commerce

Agenda Item Objective: To provide an overview of the Blueprint Virginia initiative, a project of the Virginia Chamber of Commerce to develop a statewide economic competitiveness strategy. The Council is a key partner in the initiative.

- Blueprint Virginia is a statewide initiative to develop a comprehensive economic competitiveness strategy. More than 7,000 businesses have participated in the planning process. The process envisions development of a plan and set of priority issues and actionable goals for consideration by the next administration. Updates will be made annually and evolving priorities will become part of the Chamber's legislative agenda.
- The initiative includes regional and industry councils and builds on existing regional planning initiatives rather than duplicating them. Industry and regional groups are focused on the following issues:
 - Workforce and Education
 - Business Climate and Economic Development
 - Advanced Manufacturing
 - Energy
 - Health Care
 - Transportation
 - National Security and Veterans Affairs
 - Quality of Life/Place
 - Technology and Innovation
 - Small Business
- Discussions are focused around six key pillars for Virginia's future economic prosperity:
 - Competent Workforce
 - Intellectual Capacity
 - Connectivity
 - Entrepreneurship and Innovation
 - Pro-Business Climate
 - Quality of Life and Place
- Regional surveys identified workforce quality and education as the top issues, with transportation next in the list of concerns.
- Transportation recommendations will focus on the highest impact ways to allocate new transportation funding.
- The Chamber values the partnership with the Council and is in the planning stages for a forum to be held next year on regional economic competitiveness and leadership.

Discussion

- Blueprint will be a useful starting point for the new administration, which must develop a new statewide economic development strategy within 180 days of taking office.
- Economic projections show relatively modest growth over the next five years. Still, Virginia will generate almost 845,000 new and 1.2 million replacement jobs between 2012 and 2022. These estimates include the expected impacts of improving technology on job creation.
- The quality of our higher education system is of paramount importance. Investments in STEM-H need to be matched with regional demand for Virginia to be successful. Research suggests that business investment will follow the talent, but in the short term, talented graduates will leave a region if good jobs aren't available.
- Early childhood education, both public and private, are critical for school readiness and early school success. Engaging the private sector is important as a one-size-fits-all strategy won't work for Virginia; flexibility is needed in addressing education issues.
- More detailed recommendations are being developed for each area of the plan. For instance, education recommendations are being finalized by the working groups.
- Governor McDonnell noted that the issue-driven white papers would be useful in preparing for the upcoming legislative session.

Virginia Performs Update: Jane N. Kusiak, Executive Director

Agenda Item Objective: To provide an overview of the current state and future evolution of Virginia Performs, the Commonwealth's performance leadership and accountability system, and key related performance management initiatives.

- Since its inception, the Council has sought to provide a forum for dialogue and assessment, not budget- or policy-making. Much of the work of the Council is conducted in partnership with policy groups.
- Enhancements to Virginia Performs include progress at the three key levels of the system: Societal (societal-level data updates and new indicators, Blueprint Virginia, and Issue-specific report cards); Enterprise Level (Enterprise Strategic Priorities and Dashboard); and Agency Level (agency-level planning and Executive Progress Reports).
- The Council web site has been completely redesigned with improved organization, navigation and ease of use.
- Changes were made to five Scorecard indicators, and all went from maintaining to improving. A new indicator was added for Multimodal Transportation because of its strategic importance to Virginia's economic competitiveness and quality of life.
- There is a clear link between many agency performance measures and higher-level goals.
- Enterprise Strategic Priorities capture the highest priorities of government and enhance agency strategic planning and the link between agency objectives and the Commonwealth's high-level goals. A new Dashboard will be deployed for the next administration.
- Virginia's new Performance Budgeting System is the product of years of work and significantly enhances performance budgeting and performance management capabilities.

- Executive Progress Reports are being finalized. These reports, a redesigned version of a previous executive summary, are concise, accessible overviews of what an agency does, what it spends, its performance in key areas, and the most important issues and opportunities facing the agency.
- The Council has begun a long-term effort to help accelerate progress on high-priority issues by developing issue-specific report cards. Three were discussed in the meeting:
 - ▶ Virginia’s Workforce System Report Card is a collaborative project of the Governor’s Office, the Council on Virginia’s Future, the Virginia Workforce Council, and the Virginia Career Pathways Workgroup.
 - ▶ A new Innovation and Entrepreneurship Report Card is being developed in collaboration with the Center for Innovative Technology and will complement the new Innovation and Entrepreneurship Measurement System (IEMS) currently under development. The new IEMS will illustrate performance in five areas: Talent Pipeline, Research and Development, Access to Capital, Commercialization, and Business Dynamics.
 - ▶ The new Government Operations Report Card will complement the existing Government Operations indicator on Virginia Performs and provide a concise overview of enterprise-wide efficiency and effectiveness based largely on data in Virginia Performs.

Discussion

Virginia Performs

- The agency performance measures linkage to higher level outcomes table (Slide 11) is not a comprehensive list.
- While the Council’s work is accomplished mostly in the background and in partnership with others, its impacts are widespread. Key examples include educational attainment, infant mortality, and adoption. This approach—supporting the decision-making process rather than making the decisions or recommendations—has worked well.
- The new Dashboard for the Enterprise Strategic Priorities will provide a useful tool for the next administration by providing a well-articulated set of ideas for their consideration.
- Governor McDonnell cited the value of the Virginia Performs “scorecard” approach and suggested that leadership make better use of the information available.

Workforce System Report Card

- Getting veterans ready to return to the private sector remains a top priority for Virginia. Veterans represent a valuable reservoir of talent but need private sector credentials for the transition. The Secretaries of Education and Commerce and Trade are working with regional and other partners on an accelerated Career Pathways track for returning veterans and new programs such as the Troops to Trucks and Troops to Health Care. Virginia has received a grant from the National Governors Association because of Virginia’s leadership in helping veterans in the transition process

Innovation and Entrepreneurship Report Card

- Virginia has a strong track record in supporting and growing the innovation economy. The Commonwealth Research and Technology Roadmap builds on this strong foundation.

- The legislatively mandated Innovation and Entrepreneurship Management System will support the roadmap by better capturing performance and supporting specific goal and performance targets.
- Development of the report card is occurring at an opportune time as it fits strategically with the new Workforce System Report Card and the Chamber's Blueprint Virginia initiative.

Government Operations Report Card

- The report card builds on the information in Virginia Performs and focuses at the enterprise rather than agency level.
- Governor McDonnell noted the value of the report cards as a way to quickly focus attention on areas of concern.

Closing Remarks

- The Council will continue to brief legislators on Virginia Performs and the Scorecard.
- The Governor noted that he was looking forward to the next edition of The Virginia Report in that it would be useful in priority setting over the final months of this administration.
- The Governor thanked the Council members for their attendance.

Meeting Attendees

- Council Members: Governor Robert F. McDonnell, Chair; John O. "Dubby" Wynne, Vice Chair; Governor McDonnell's Chief of Staff, the Honorable Martin L. Kent; Secretary of Finance Richard D. Brown; Senator Jeffrey L. McWaters; Delegate M. Kirkland Cox; Delegate David J. Toscano (by phone); Ms. Heather Cox; Mr. W. Heywood Fralin; Mr. C. Burke King; Mr. William H. Leighty; and Jane N. Kusiak, Executive Director.
- Key Partners:
 - ▶ Mr. Mark Herzog, Vice Chair of the Virginia Workforce Council and Senior Vice President, Health Diagnostic Laboratory.
 - ▶ Mr. Robert Stolle, Senior Vice President of Operations, Virginia's Center for Innovative Technology.
 - ▶ Mr. Daniel Timberlake, Director, Virginia Department of Planning and Budget.