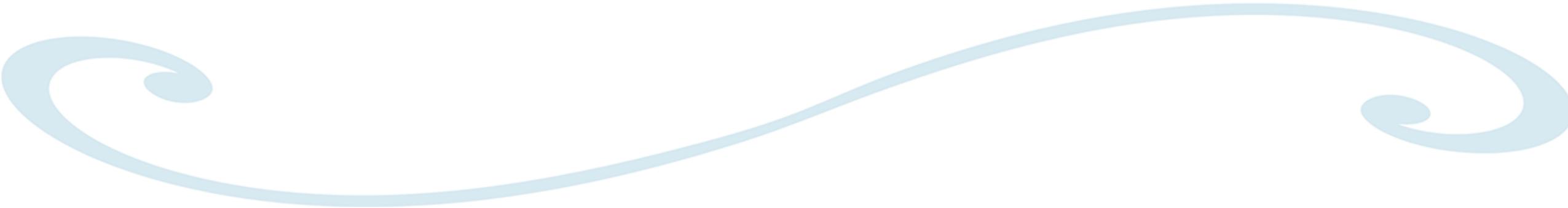

Overview and Recent Highlights



DECEMBER 17, 2014

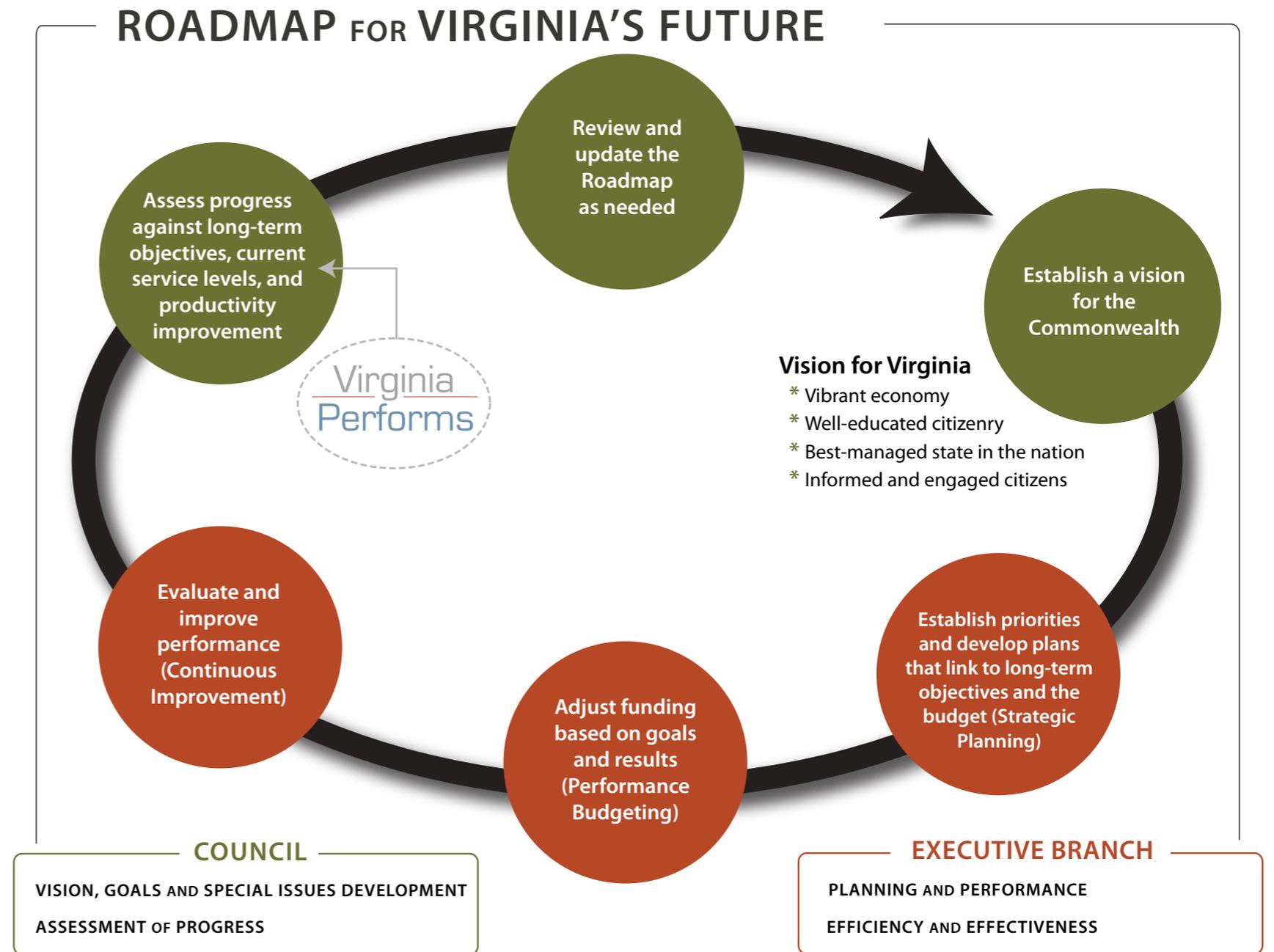
JANE N. KUSIAK
EXECUTIVE DIRECTOR

Agenda

- | | |
|--|--|
| I. Welcome and Opening Remarks | <ul style="list-style-type: none">• The Honorable Terence R. McAuliffe, Governor and Chair |
| II. Overview and Recent Highlights | <ul style="list-style-type: none">• Jane N. Kusiak, Executive Director, Council on Virginia's Future |
| III. Virginia Performs / The Virginia Report 2014 | <ul style="list-style-type: none">• Gerard W. Ward, Deputy Director, Council on Virginia's Future |
| IV. 2015 Workplan and Discussion | <ul style="list-style-type: none">• Jane N. Kusiak |
| V. Closing Remarks | <ul style="list-style-type: none">• The Honorable Terence R. McAuliffe |

Council Overview

- The Council is an advisory board to the Governor and General Assembly that was established in 2004 and re-authorized twice through fiscal year 2017.
- The Governor is the chair of the Council; membership includes the Lieutenant Governor, eight General Assembly leaders, seven business and civic leaders, and two members from the Governor’s Cabinet.
- The Council oversees Virginia Performs, a signature initiative of the Council, and provides a leadership forum for deliberations and a long-term focus on high-priority issues.



Council Portfolio

VaPerforms.virginia.gov

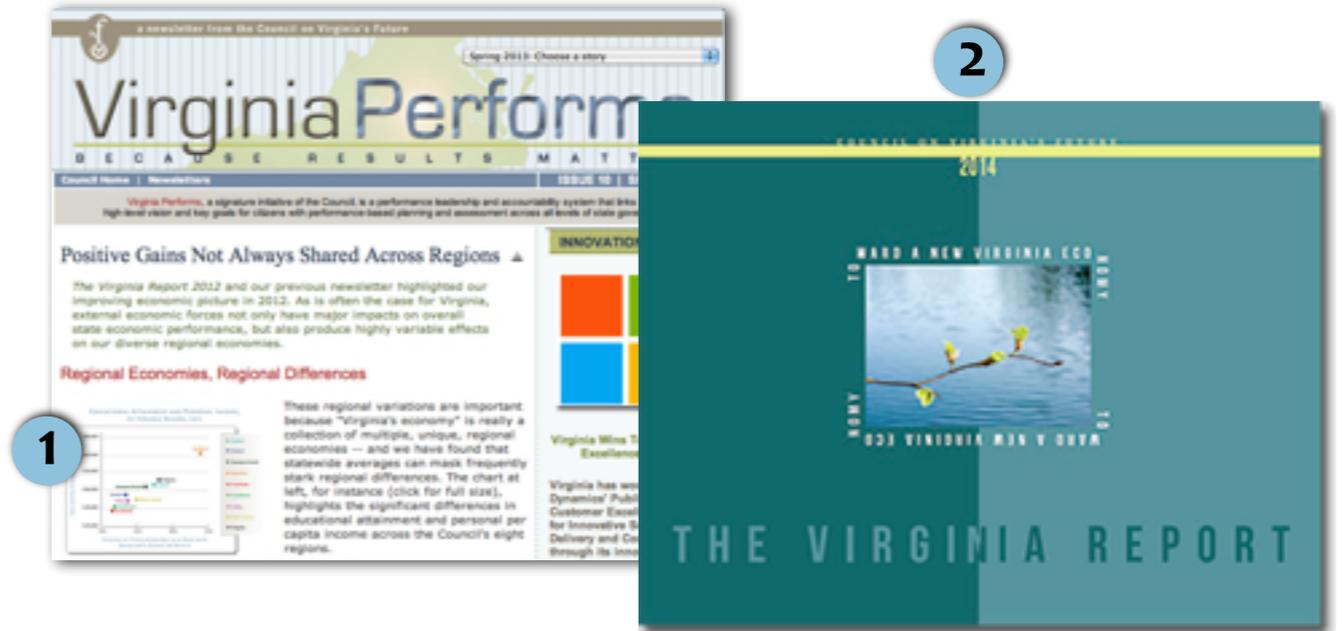


Comprehensive, user-friendly indicator data at state, region and locality levels

Additional assessment information, including Virginia's Scorecard, issue-specific report cards, and trends and rankings data

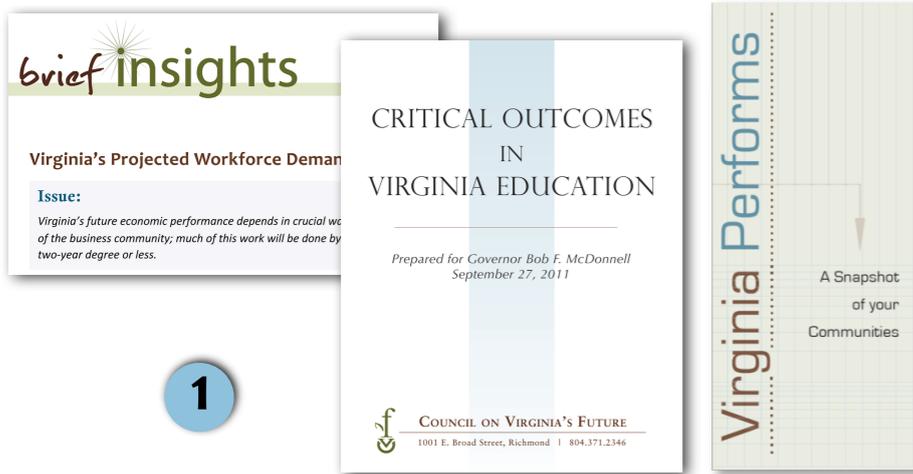
Portal to state agency strategic plans and performance measures

General Audience Publications



1. Digital newsletter covers developments within Virginia Performs and more general performance news for a broad range of subscribers.
2. Annual report takes a summary look back at the year, highlighting performance trends of note. Often includes custom content focusing on an issue which the Council has examined in some detail.

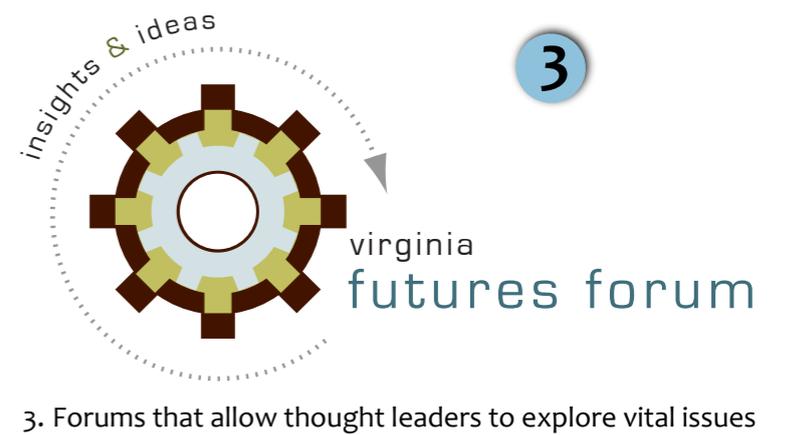
Research and Analysis | Priority Identification and Reporting | Leadership Dialogue



1. Research, analysis, and custom reports, including data snapshots of legislative districts compiled for each General Assembly member



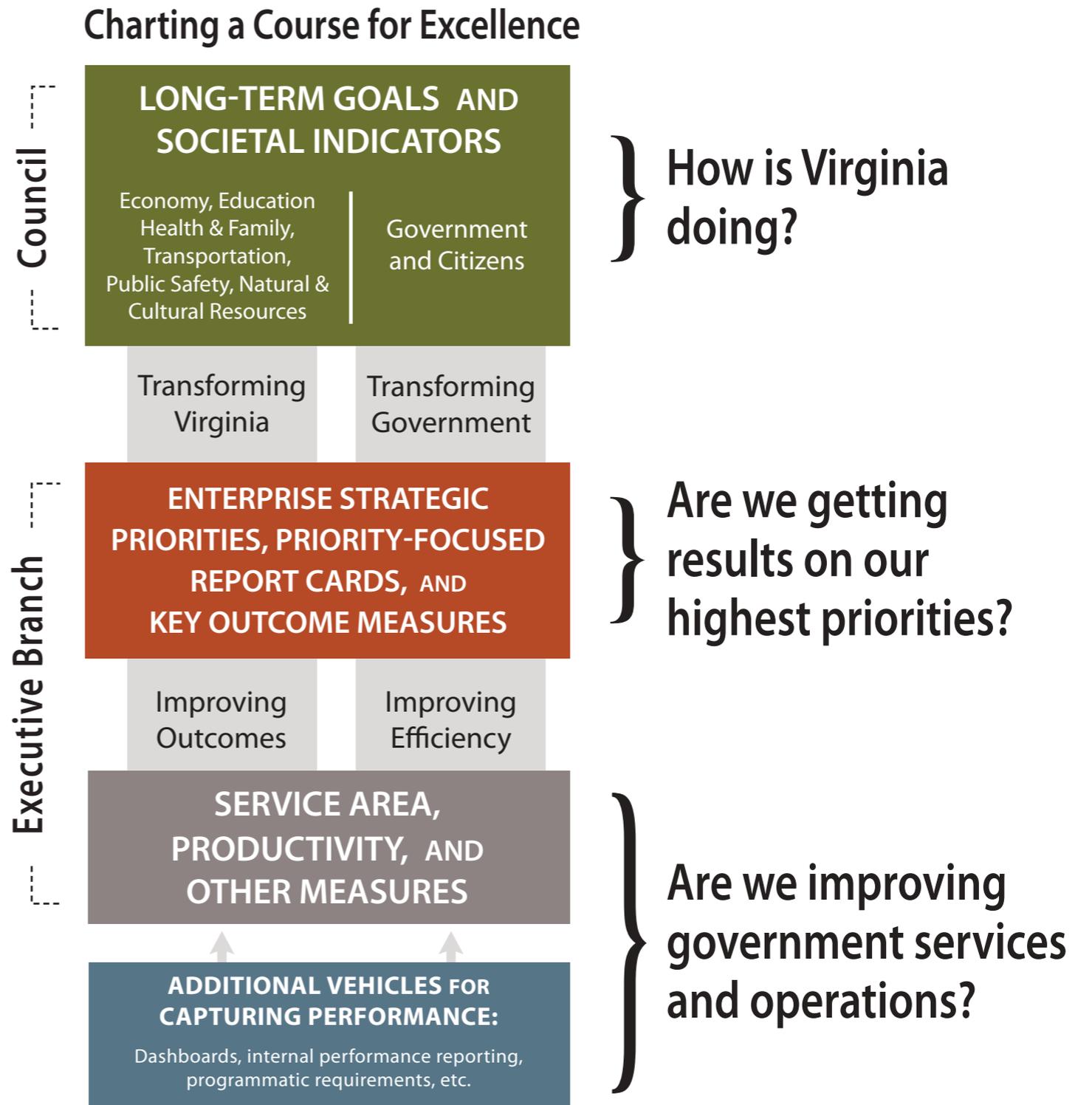
2. Capturing multi-agency measures on high-priority issues



3. Forums that allow thought leaders to explore vital issues

What Is Virginia Performs? (VaPerforms.virginia.gov)

- Virginia Performs was established in 2007 and is our performance leadership and accountability system.
- Virginia Performs:
 - Aligns agency-level strategies and performance with higher-level statewide goals;
 - Increases transparency and accountability; and
 - Provides a foundation for strategic thinking and performance-based planning and budgeting.
- Virginia Performs is supported by the Weldon Cooper Center for Public Service at the University of Virginia and the Department of Planning and Budget.



How Has Virginia Performs Evolved?

	2002-2006	2006 - 2010	2010 - 2014
	<i>Define and Create the Performance System</i>	<i>Strengthen Links to Performance, Improve Transparency</i>	<i>Strengthen Enterprise-level Assessment and Planning</i>
System Development and Enhancement	<ul style="list-style-type: none"> • Overall vision and long-term goals for the Commonwealth • New state budgeting and strategic planning processes 	<ul style="list-style-type: none"> • Virginia Performs website • Agency key and productivity measures 	<ul style="list-style-type: none"> • New high-level enterprise strategic priorities • New Executive Progress Reports • Streamlined strategic-planning and performance-reporting modules within the new Performance Budgeting System
Special Areas of Focus	<ul style="list-style-type: none"> • Regional Divisionary System 	<ul style="list-style-type: none"> • Educational Attainment • Business Climate Survey 	<ul style="list-style-type: none"> • Government Funding and Service Relationships • Regional Profiles and Perspectives • BLUEPRINT Virginia and Economic Summit (Virginia Chamber of Commerce) • Priority-focused report cards

Virginia Performs
The Virginia Report 2014



DECEMBER 17, 2014

GERARD W. WARD
DEPUTY DIRECTOR

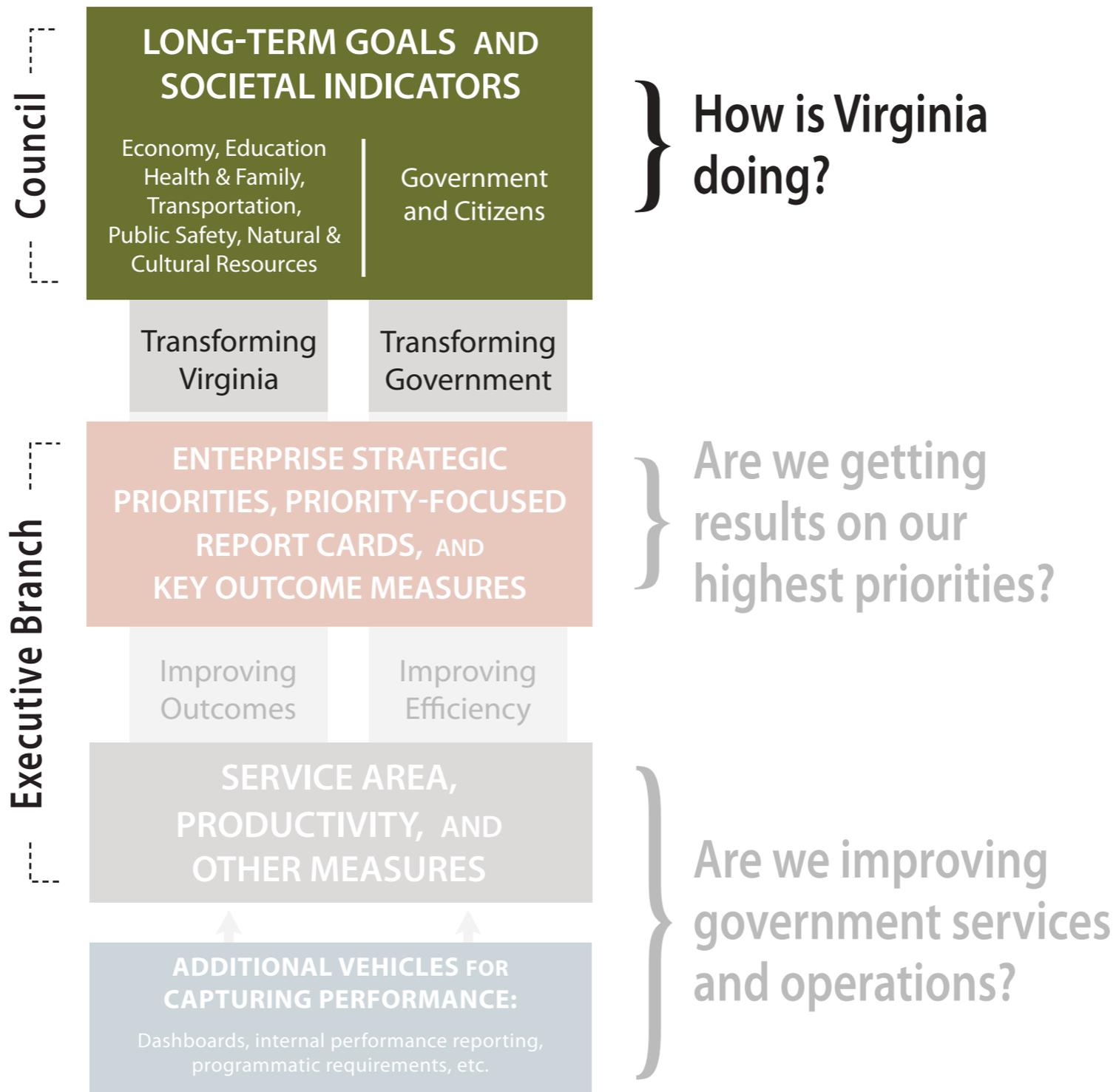
Outline

Charting a Course for Excellence



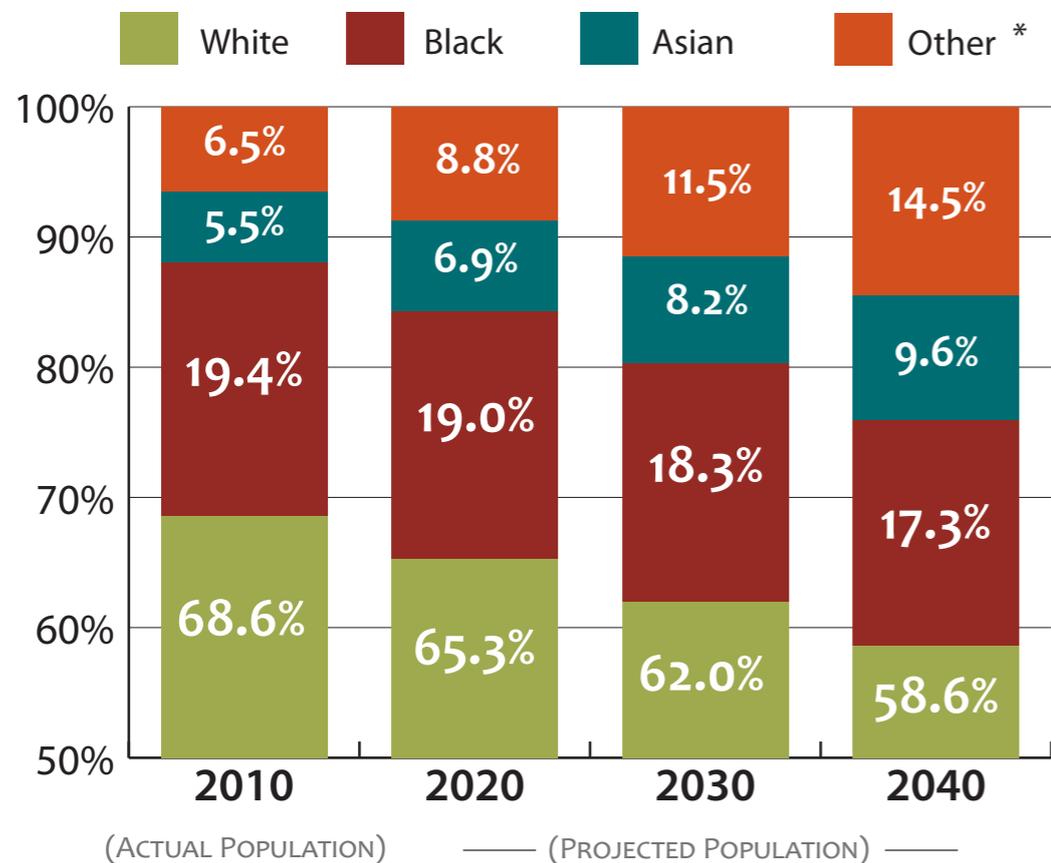
How Is Virginia Doing?

Charting a Course for Excellence



Virginia's Increasing Diversity Creates Challenges

VIRGINIA'S POPULATION BY RACE



* Other includes individuals of two or more races.

Source: U.S. Census Bureau

FALL PUBLIC SCHOOL ENROLLMENT BY RACE/ETHNICITY, 2004 AND 2013

Race / Ethnicity	Fall 2004 Enrollment	% of 2004 Total	Fall 2013 Enrollment	% of 2013 Total	Change, 2004 - 2013	
					Number	Percentage
Total	1,203,701	100.0%	1,273,210	100.0%	69,509	5.8%
White, NH	719,264	59.8%	664,369	52.2%	-54,895	-7.6%
Black, NH	321,303	26.7%	295,942	23.2%	-25,361	-7.9%
Hispanic	84,305	7.0%	166,269	13.1%	81,964	97.2%
Asian, NH	58,006	4.8%	80,689	6.3%	22,683	39.1%
Two or More, NH	N/A	N/A	60,072	4.7%	60,072	N/A
Other	20,823	1.7%	5,869	0.5%	-14,954	-71.8%
Economically Disadvantaged	351,609	29.2%	510,054	40.1%	158,445	45.1%
Limited English Proficiency	74,676	6.2%	125,857	9.9%	51,181	68.5%

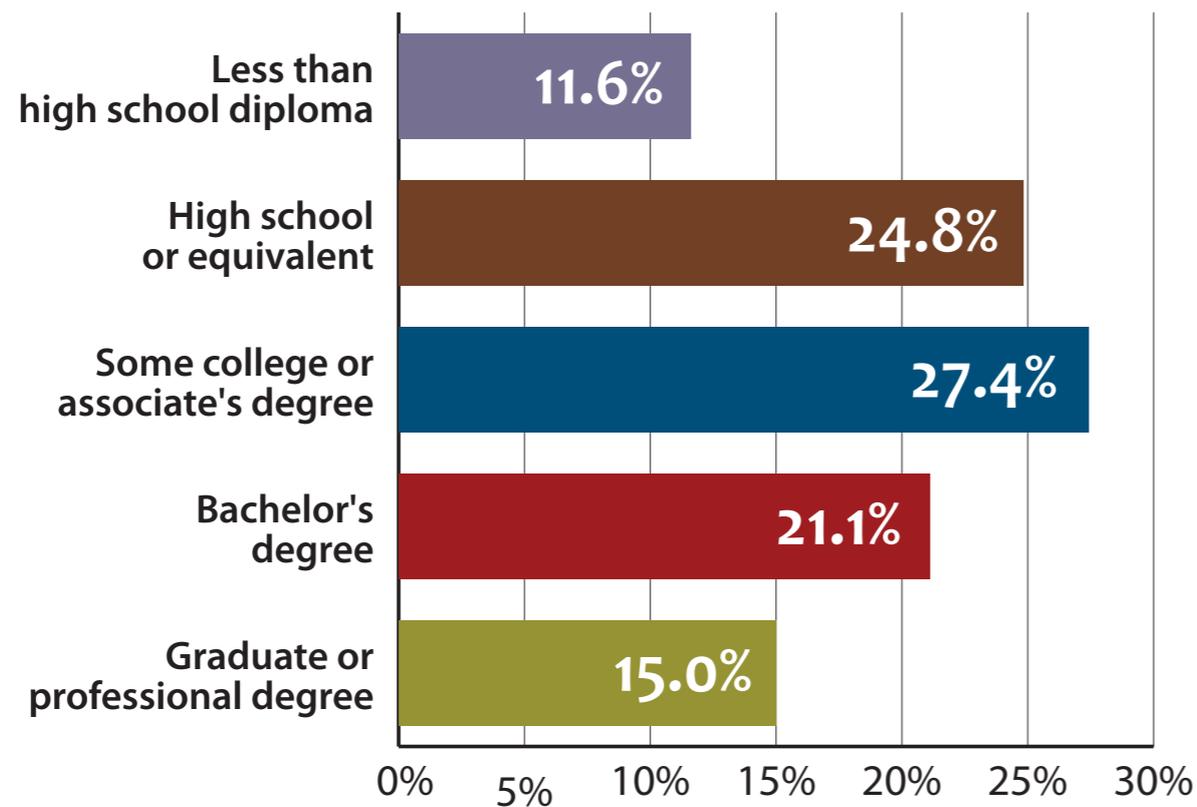
Note: NH - Non-Hispanic

Source: Virginia Department of Education

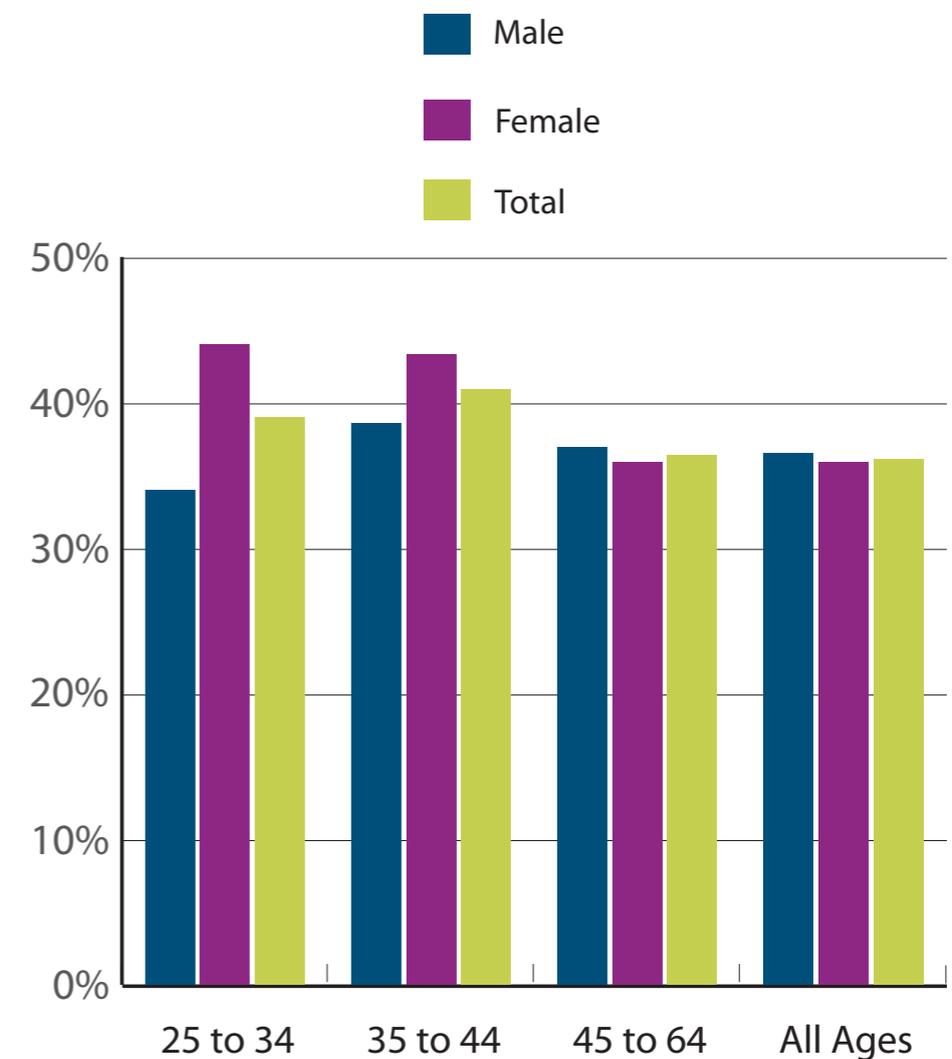
Virginians Are Relatively Well Educated, but Males Are Falling Behind

HIGHEST LEVEL OF EDUCATIONAL ATTAINMENT, 2013

ADULTS AGE 25 AND OVER (5,561,224 ADULTS)



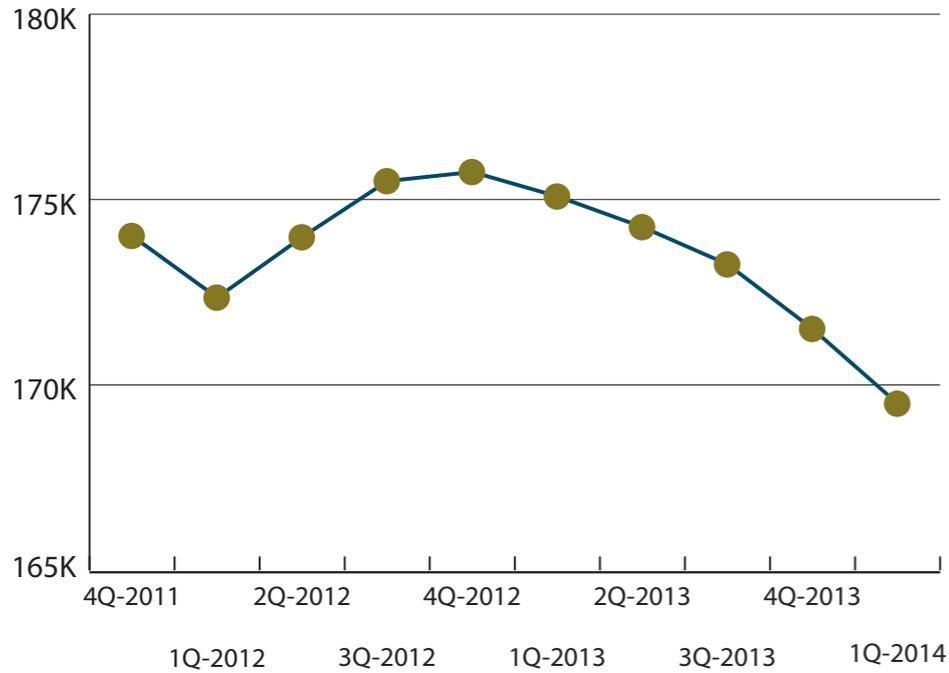
BACHELOR'S DEGREE OR HIGHER, 2013



Source: American Community Survey, U.S. Census Bureau

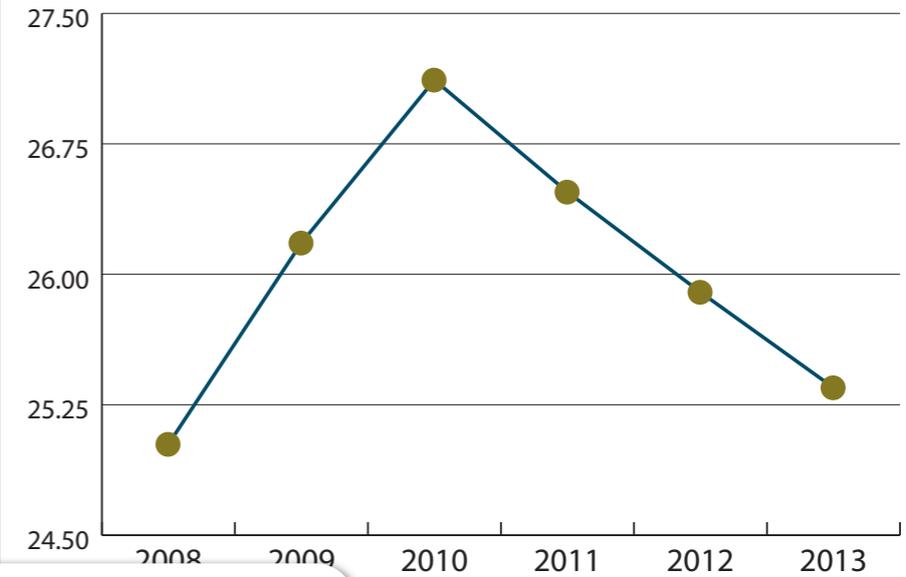
Federal Spending Is Slowing

FEDERAL CIVILIAN EMPLOYMENT
IN VIRGINIA



Source: Quarterly Census of Employment and Wages, U.S. Bureau of Labor Statistics

TOTAL FEDERAL CIVILIAN AND
MILITARY WAGES IN VIRGINIA
(IN BILLIONS, 2013 DOLLARS)



Source: U.S. Bureau of Economic Analysis

FEDERAL PRIME CONTRACT AWARDS
IN VIRGINIA (IN BILLIONS, 2013 DOLLARS)



Source: usaspending.gov

2014 Scorecard at a Glance (with trend changes indicated in gray)

09.2014

SCORECARD AT A GLANCE

Virginia Performs | VISION FOCUS RESULTS

"Measuring what matters to Virginians."

Economy

Goal: Be a national leader in the preservation and enhancement of our economy.

Personal Income	↻ →
Employment Growth	↻ →
Poverty	↓
Unemployment	↑
Business Climate	↑
Workforce Quality	↑
Innovation/Entrepreneurship	↑

Education

Goal: Elevate the levels of educational preparedness and attainment of our citizens.

School Readiness	↻ →
3rd Grade Reading	→
4th Grade Reading/Math	→
High School Graduation	↑
High School Dropout	↑
College Graduation	↻ →
Educational Attainment	↑

Health and Family

Goal: Inspire and support Virginians toward healthy lives and strong and resilient families.

Adoption	↑
Cancer	↑
Cardiovascular Disease	↑
Child Abuse and Neglect	↑
Foster Care	↑
Health Insurance	↻ →
Immunization	↑
Infant Mortality	↑
Life Expectancy	↑
Obesity	↻ →
Smoking	→
Suicide	→
Teen Pregnancy	↑

Each Topic Covers:

Why Is This Important?

How Is Virginia Doing?

- Over Time
- By Region
- Compared to Other States

What Influences the Indicator?

What Is the State's Role?

Public Safety

Goal: Protect the public's safety and security, ensure a fair and effective system of justice, and provide a prepared response to emergencies and disasters of all kinds.

Crime	↑
Emergency Preparedness	↑
Juvenile Intakes	↑
Recidivism	↻ →
Traffic Fatalities	↻ →

Natural Resources

Goal: Protect, conserve and wisely develop our natural, cultural and historic resources.

Air Quality	↑
Energy	↑
Historic Resources	→
Land Preservation	↑
Solid Waste and Recycling	↑
Water Quality	↑

Transportation

Goal: Ensure Virginia has a transportation system that is safe, enables the easy movement of people and goods, enhances the economy, and improves our quality of life.

Infrastructure Condition	↻ ↑
Land Use	→
Multimodal Transportation	→
Traffic Congestion	↓

Government and Citizens

Goal: Be recognized as the best-managed state in the nation.

Bond Rating	↑
Civic Engagement	→
Consumer Protection	↓
Government Operations	↑
Internet Access	↑
Taxation	↑
Voter Registration/Turnout	→

Performance Trend

Improving ↑
Maintaining →
Worsening ↓

Trend prior to 4/2014
↻ ↻ ↻

How Does Virginia Compare to Other States? *

INDICATOR RANK	1-10	11-20	21-30	31-40	41-50
ECONOMY					
Personal Income	●				
Employment Growth					●
Poverty	●				
Unemployment		●			
Business Climate	●				
Workforce Quality	●				
Innovation and Entrepreneurship (Patents)			●		
HEALTH and FAMILY					
Cancer Deaths			●		
Cardiovascular Disease			●		
Health Insurance		●			
Immunization (Children)				●	
Infant Mortality				●	
Obesity		●			
Smoking			●		
Suicide		●			
Teen Pregnancy		●			
NATURAL RESOURCES					
Energy (Per Capita Use)			●		
Historic Resources (Historic Districts)	●				

INDICATOR RANK	1-10	11-20	21-30	31-40	41-50
EDUCATION					
College Graduation (4-Year)		●			
College Graduation (2-Year)			●		
Fourth Grade Reading	●				
Fourth Grade Math		●			
High School Graduation		●			
High School Dropout	●				
PUBLIC SAFETY					
Emergency Preparedness	●				
Property Crime	●				
Violent Crime	●				
Traffic Fatalities		●			
TRANSPORTATION					
Infrastructure (Deficient Bridges)				●	
Traffic Congestion					●
GOVERNMENT and CITIZENS					
Bond Rating	●				
Charitable Giving		●			
Consumer Protection (ID Theft)				●	
Broadband Internet Access				●	
Taxation (State and Local)		●			
Voter Turnout (2012)	●				

* Note: A rank of 1 is considered best.

How Is Virginia Doing? – A Regional Perspective

Measuring what matters to Virginians

Virginia Performs

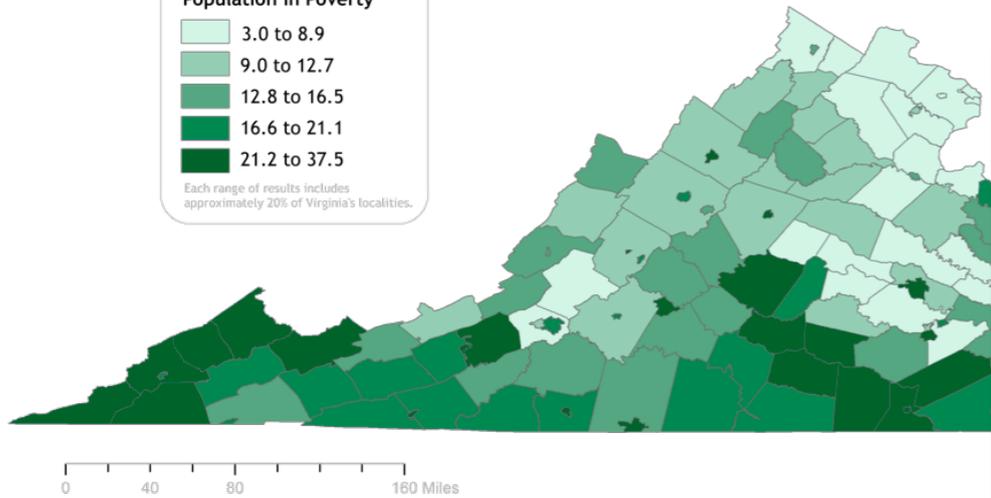
VISION
FOCUS
RESULTS

Poverty Rate, 2012

Percentage of the Population in Poverty

- 3.0 to 8.9
- 9.0 to 12.7
- 12.8 to 16.5
- 16.6 to 21.1
- 21.2 to 37.5

Each range of results includes approximately 20% of Virginia's localities.



NOTE: More information, including data sources,

VaPer

N

SCORECARD AT A GLANCE: Central Region

Economy

Goal: Be a national leader in the preservation and enhancement of our economy.

- Personal Income ↑
- Employment Growth ↑
- Poverty ↓
- Unemployment ↑
- Workforce Quality ↑
- Business Startups ↑
- Patents Awarded ↑
- High-tech Firms ↑

Health and Family

Goal: Inspire and support Virginians toward healthy lives and strong and resilient families.

- Cancer →
- Cardiovascular Disease →
- Child Abuse and Neglect →
- Foster Care ↑
- Health Insurance →
- Infant Mortality →
- Obesity →
- Suicide ↓
- Teen Pregnancy ↑

Performance Trend

- Improving ↑
- Maintaining →
- Worsening ↓

Public Safety

Goal: Protect the public's safety and security, ensure a fair and effective system of justice, and provide a prepared response to emergencies and disasters of all kinds.

- Crime ↑
- Juvenile Intakes ↑
- Traffic Fatalities ↑

Transportation

Goal: Ensure Virginia has a transportation system that is safe, enables the easy movement of people and goods, enhances the economy, and improves our quality of life.

- Alternative Commuting →
- Traffic Congestion →

Education

Goal: Elevate the levels of educational preparedness and attainment of our citizens.

- School Readiness →
- 3rd Grade Reading →
- High School Graduation ↑
- High School Dropout →
- College Degrees Awarded ↑
- Educational Attainment ↑

Natural Resources

Goal: Protect, conserve, and wisely develop our natural, cultural, and historic resources.

- Land Preservation ↑
- Solid Waste and Recycling ↑

Government and Citizens

Goal: Be recognized as the best-managed state in the nation.

- Internet Access ↑
- Tax Burden ↑
- Voter Registration ↑
- Voter Turnout →

Virginia's Central Region



Localities within the Central Region:

Albemarle, Amelia, Buckingham, Caroline, Charles City, Charlottesville, Chesterfield, Colonial Heights, Culpeper, Cumberland, Dinwiddie, Fluvanna, Goochland, Greene, Hanover, Henrico, Hopewell, King & Queen, King William, Louisa, Madison, Nelson, New Kent, Orange, Petersburg, Powhatan, Prince George, Rappahannock, Richmond (city), Sussex

Population Statistics:

Total Population (2013): 1,623,600
State Share of Total Population: 19.7%
Percent Growth (since 2010): 2.9%

Some Key Performance Measures:

- Slowest annual average real per capita income growth among the regions from 2002 to 2012
- Largest employment gain (1.3%) in 2013
- Consistently highest recycling rate among the regions
- Lowest rate of child abuse and neglect cases (1.7 per 1,000 children) in 2013
- Highest voter registration (87.6%) and voter turnout rates (66.3%) in 2012

Measuring what matters to Virginians

Virginia Performs

VISION
FOCUS
RESULTS

VaPerforms.virginia.gov

09.2014

Scorecard Trends Are Influenced by Many Factors

- Within the overall Virginia Performs architecture, the **Scorecard at a Glance** creates a framework for aligning government performance with key outcomes for Virginia's citizens, as well as improving transparency and accountability. It provides an informative, high-level view of progress towards important long-term goals.
- However, many of the important issues facing Virginia are complicated and beyond the direct influence of a single agency or, in many cases, of government itself. In addition, the performance metrics available can't always reveal whether we are making progress on the the root causes behind key outcomes.
- Major influences on high-level trends can be quite complex; selected examples included in the following slides are:
 - Regional Variations
 - Limited State Influence
 - Leadership Priorities
 - Intergovernmental Relationships
 - Testing Changes

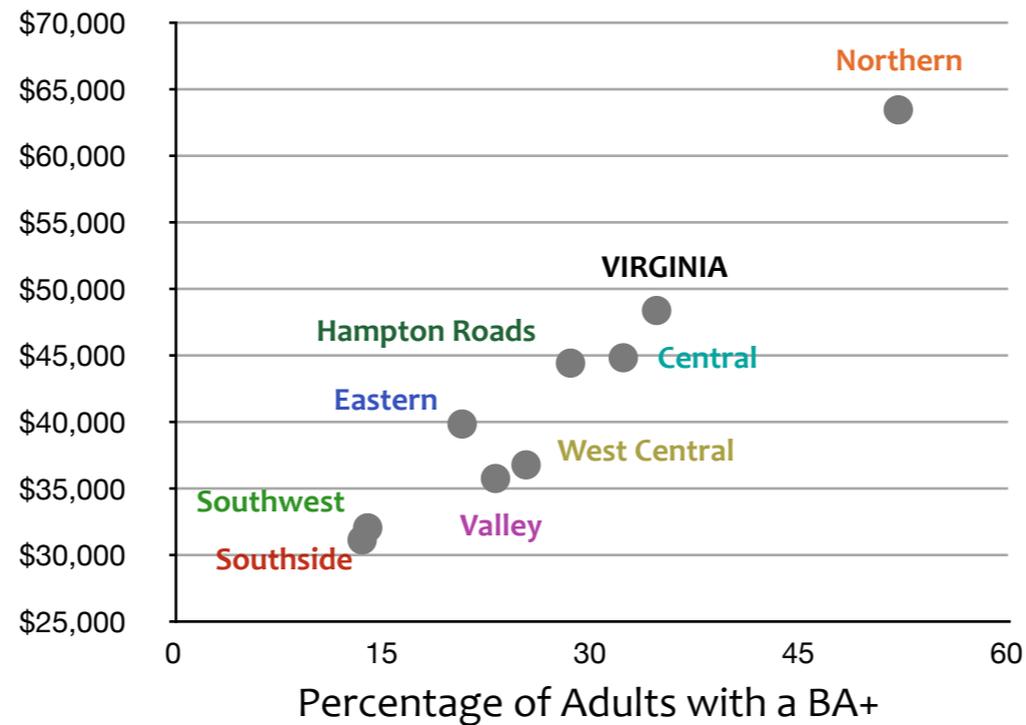
Scorecard Trends: Regional Variations

Personal Income and Obesity

Why is this important?

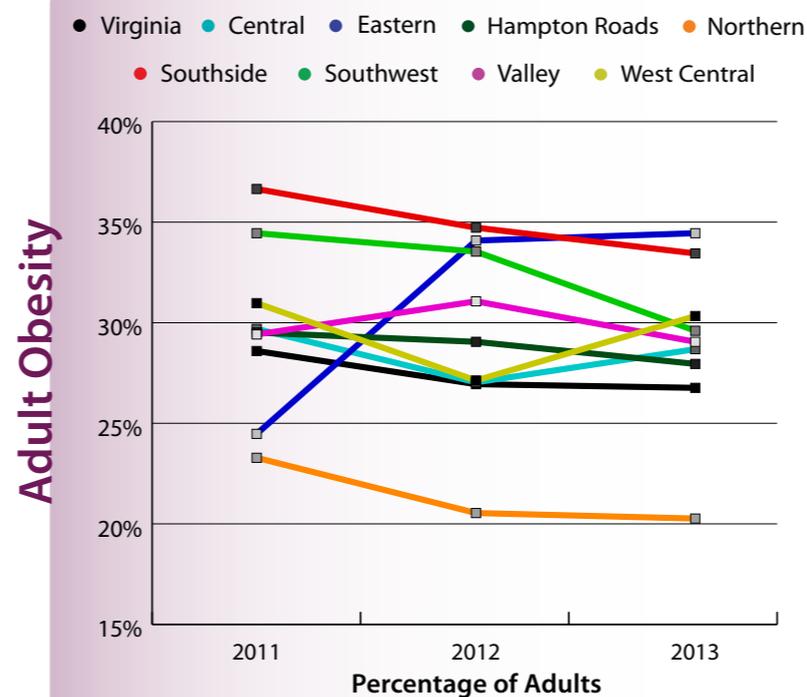
Regional variations are normal for a state like Virginia, with large, prosperous metropolitan areas and smaller cities and rural counties.

- Statewide averages often mask significant regional differences.
- Virginia's overall economy is actually comprised of diverse regional economies.
- Assessment at the regional level is important.



Income / Educational Attainment

- Average income in Northern Virginia (\$63,454 in 2012) is about 30% higher than the state average. No other region matches the state average.
- Educational attainment also varies markedly – the percentage of adults with a bachelor's degree ranges from 52.1% in the Northern region to 13.5% in the Southside region. There is a strong correlation between attainment and income.



Obesity

- Obesity rates – an indicator of current and future health problems – remain above the state average in every region but Northern Virginia.
- Health outcomes are generally improving across the state. However, some outcomes are improving more slowly in the state's non-metropolitan regions.

Scorecard Trends: Limited State Influence

Economy

Goal: Be a national leader in the preservation and enhancement of our economy.

Personal Income



Employment Growth



Poverty

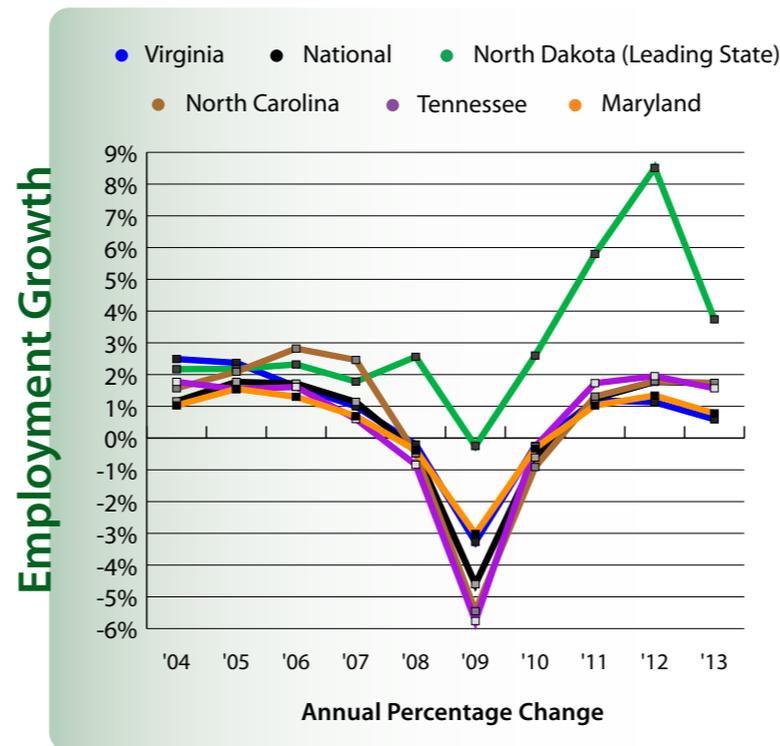
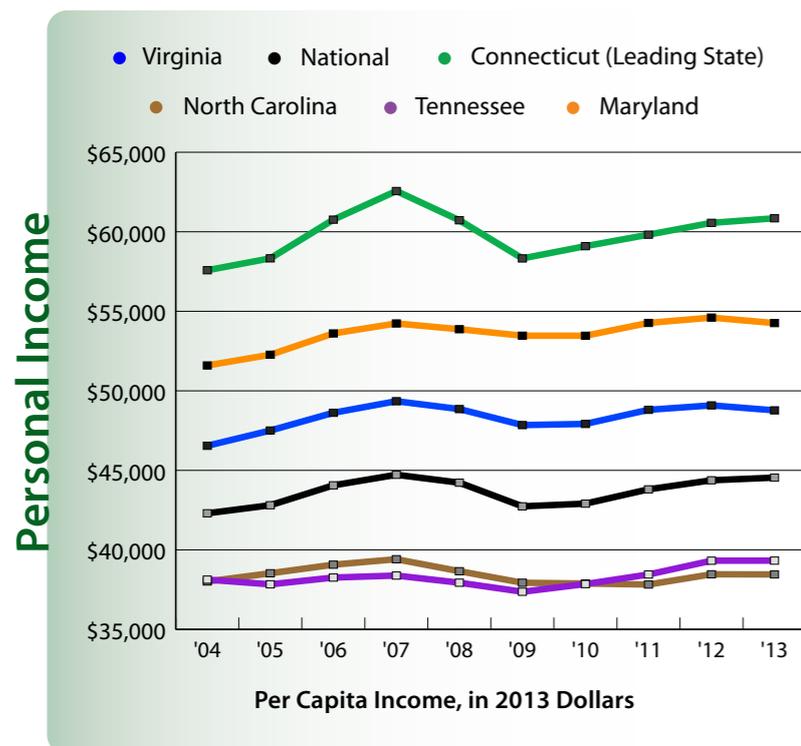


Unemployment



- The state's influence over employment growth and other key economic indicators is limited and often indirect.
- Economic growth in Virginia is heavily influenced by national and international economic forces.
- For instance, federal spending accounts for about 20% of Virginia's current economy; about 40% of that total is defense spending.
- Federal cutbacks are having a significant impact on job growth in Virginia.

Limited State Influence (continued)

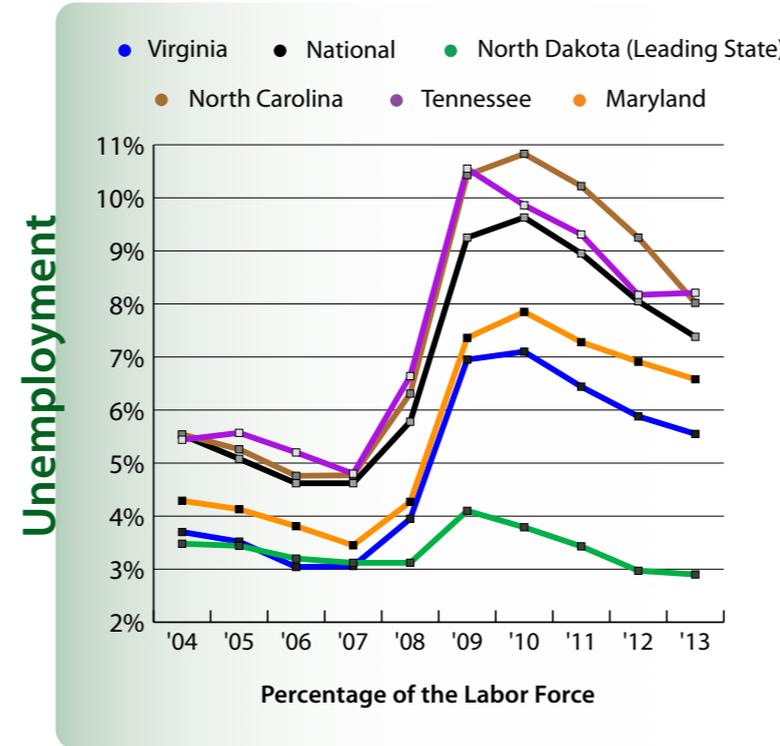
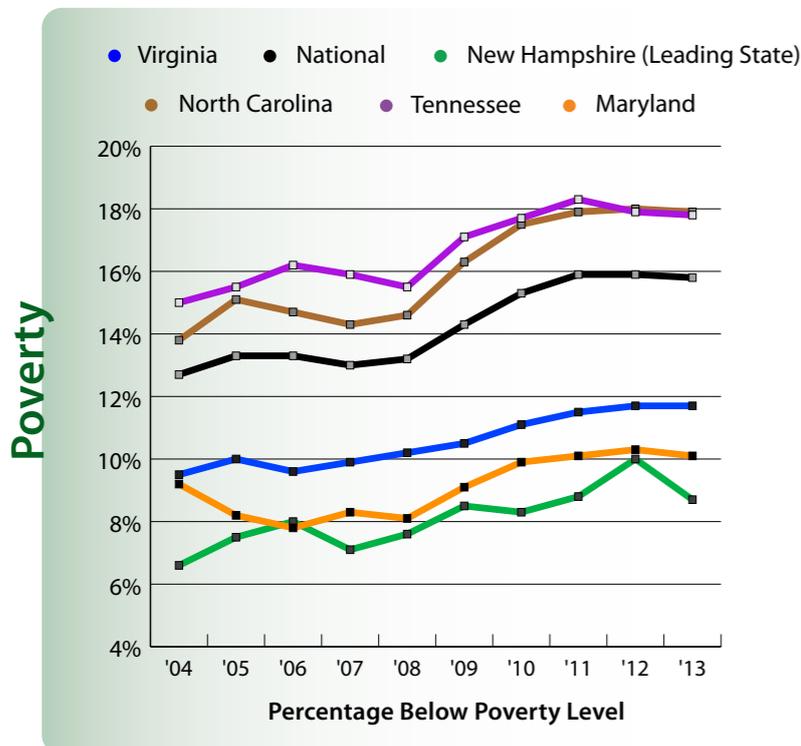


Personal Income (PCPI)

- Personal income fell slightly in 2013 to \$48,773, down from \$49,086 in 2012.

Employment Growth

- Job growth in Virginia has slowed with the advent of sequestration.



Poverty

- For the first time in years, Virginia's average poverty rate held steady at 11.7 percent in 2013.

Unemployment

- Unemployment fell to 5.6 percent in 2013 and fell further in October of this year to 5.3 percent.

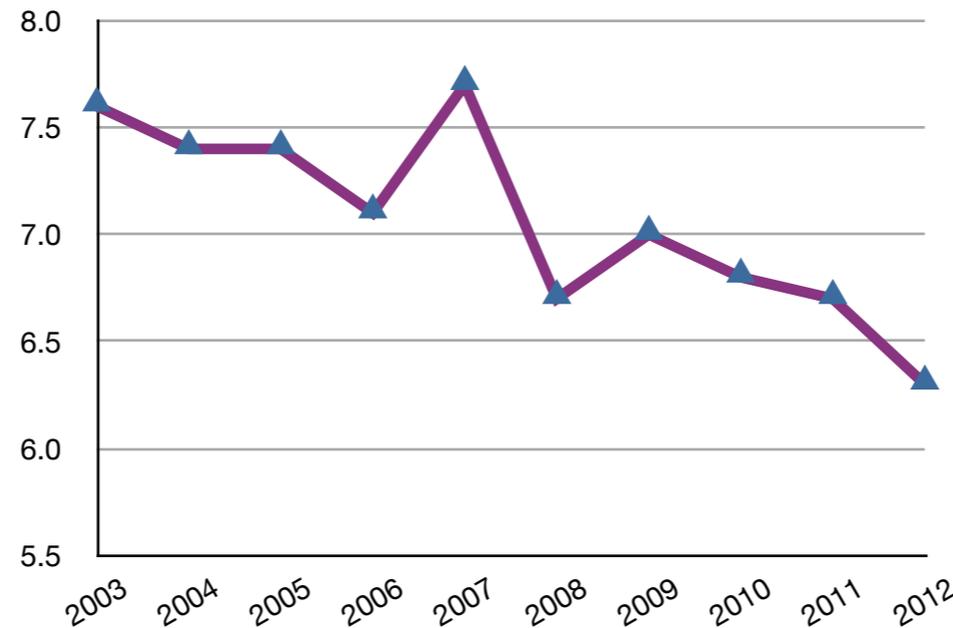
Scorecard Trends: Leadership Priorities

Infant Mortality and Land Preservation

Why is this important?

- Direct and open commitments to improving outcomes can accelerate progress towards important, sometimes hard-to-reach goals.
- By setting concrete, public goals for improving outcomes in infant mortality land preservation, Virginia's leaders were able to spur significant progress in both areas.

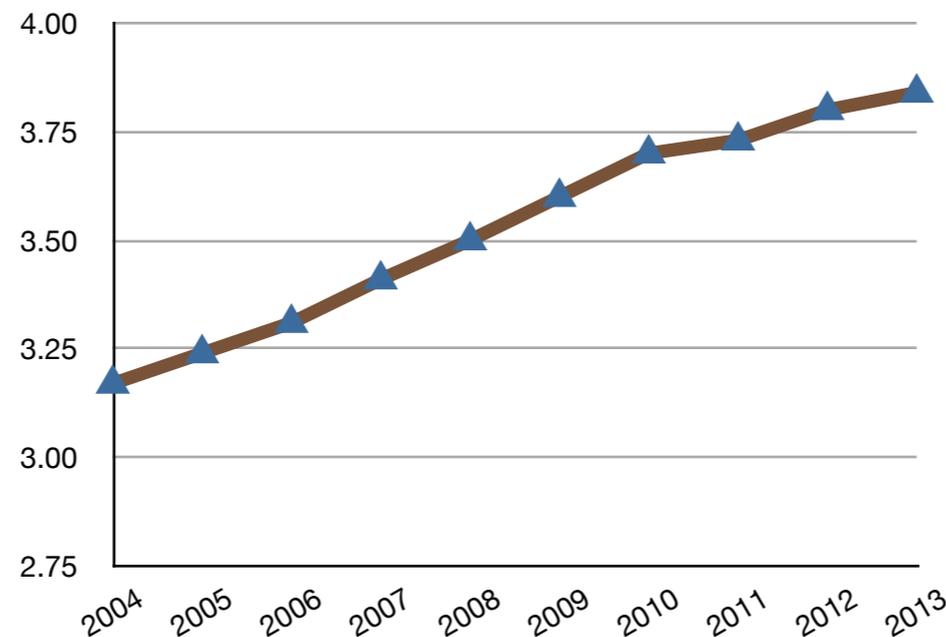
Infant Mortality (Deaths per 1,000 Live Births)



Infant Mortality

- Virginia's infant mortality ranks 33rd in the nation.
- Increased leadership emphasis has reduced the state rate to 6.3, down from a ten-year high of 7.7 deaths per 1,000 live births in 2007.

Cumulative Acres Preserved (Millions)



Land Preservation

- Virginia's open spaces remain under pressure from development.
- A strong commitment from Virginia's leaders has helped preserve more than 667,400 acres since 2004.

Scorecard Trends: Intergovernmental Relationships

K – 12 Education

Education

Goal: Elevate the levels of educational preparedness and attainment of our citizens.

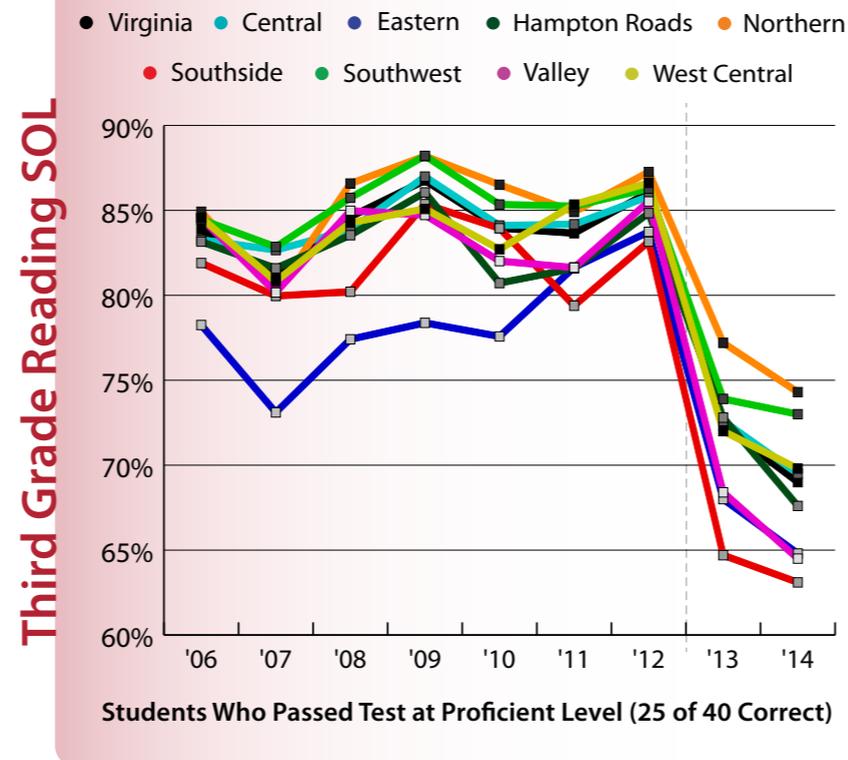
- 3rd Grade Reading →
- 4th Grade Reading/Math →
- High School Graduation ↑
- High School Dropout ↑

- K – 12 education is an example of inter-governmental service delivery in Virginia. The federal, state and local governments provide funding, but leave it to localities to deliver services.
- Shared responsibilities can diffuse accountability and make driving change more complicated and challenging.

Scorecard Trends: Testing Changes Affect Results

Why Is This Important?

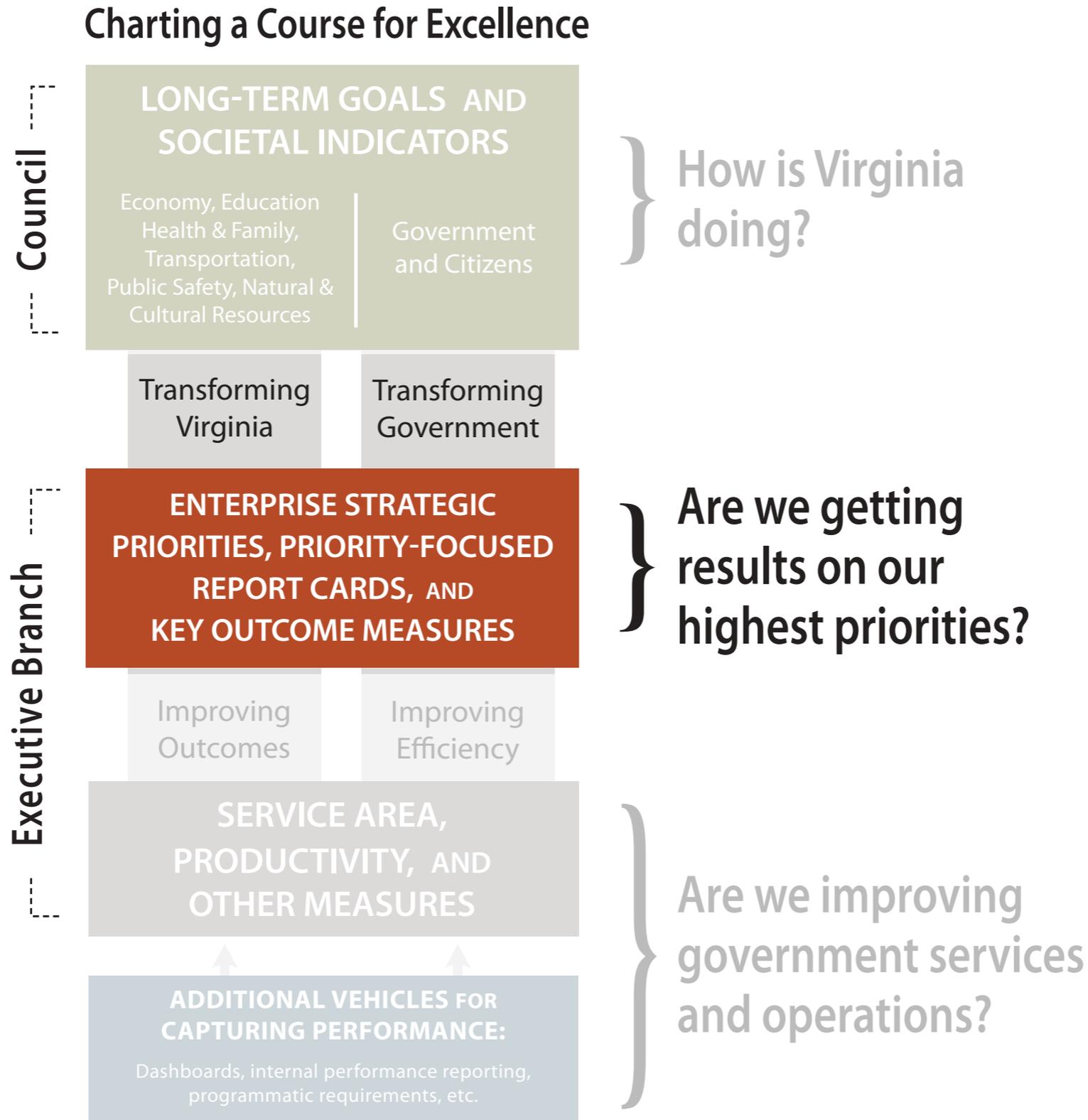
- Methods of assessment can affect measured results.
- It is important to improve how we assess results when necessary, but these changes can affect our ability to see trends over time.



Third Grade Reading SOL Test Results

- Students take the Standards of Learning (SOL) assessments for the first time in the third grade, which provide the first universal assessment for Virginia children.
- Achievement in third grade is a good predictor of future success.
- Performance on the SOL third grade reading test declined significantly for the 2012-13 school year.
- The Department of Education attributed the drop to test changes that incorporated rigorous new standards to align with the Common Core and to ensure stronger college and career readiness.

Are We Getting Results on Our Highest Priorities?



Are We Getting Results on Our Highest Priorities?

➤ Creating a centralized vision for driving progress on important issues is a challenging process:

- Many state-funded services are administered by other entities, including local governments and schools, private health care providers, and a wide range of other public and private providers. For instance, more than half of the state's general fund budget is provided as aid to localities, with amounts often set by pre-determined income- and population-based criteria.
- Our first efforts to clarify and assess progress toward higher-level goals led us to develop agency key objectives and measures. While this approach worked well when higher-level goals aligned with specific agency missions, it did not adequately address those broader priorities that cross secretariats, levels of government, and third-party providers.

➤ We have since broadened our approach to include:

1. **Enterprise Strategic Priorities**
2. **Priority-focused Report Cards**

Why Are Enterprise Strategic Priorities Important?

- Creating a centralized vision is essential to drive progress on important issues.
 - Virginia takes in about \$45 billion per year, and its government employs 120,000+ employees in more than 100 agencies, universities, and other organizations. The Commonwealth would rank about 61st on the Fortune 500 based on revenues, alongside iconic companies such as Coca Cola, Lockheed Martin, Walt Disney, and FedEx.
 - In addition to government's size and complexity, driving progress can be challenging because of government's many service delivery partnerships.
 - State agencies often long to move beyond a focus on their own unique missions to articulate their roles in furthering state-level priorities.
 - The Enterprise Strategic Priorities platform, developed and tested during Governor McDonnell's administration, allows for a more intense and aligned focus on those things deemed most critical.
- Governor McAuliffe and his team have developed their priorities and agencies used them in their recent planning and target-setting process.

2014 Enterprise Strategic Priorities

Economy	Education	Health and Family
<p>Business Climate and Economic Development: Promote Virginia’s competitive business climate to maintain the designation as the best state for business.</p> <p>Poverty: Develop a clear and consistent anti-poverty policy.</p> <p>Diversification: Attract businesses to the Commonwealth that operate in new and growing fields in the 21st century economy. Targeted areas include cyber security and biosciences.</p> <p>Exports: Enhance Virginia’s trading relationship with international partners.</p> <p>Energy: Promote a diverse and reliable energy supply.</p>	<p>Achievement Gap: Improve educational success in struggling schools in high poverty communities and expand access to quality early education for all children.</p> <p>K12 Education: Promote great teaching and learning through accountability reform, emphasize creativity and critical thinking skills, and strengthen support for teachers and educational leaders.</p> <p>Pathways to the 21st Century Workforce: Strengthen pathways in K-12, community colleges, and throughout higher education, increasing affordable completion of high-demand degrees and credentials.</p> <p>Higher Education Access and Affordability: Continue to strengthen Virginia’s system of community colleges and four-year institutions and promote greater access and affordability for all Virginians.</p>	<p>Healthcare Accessibility: Advance access to high-quality healthcare for more Virginians.</p> <p>Behavioral Health: Strengthen Virginia’s behavioral health system in partnership with hospitals, law enforcement, free clinics and community health centers, private providers, consumers, family members and advocates.</p> <p>Nutritional Divide: Promote strategies to improve nutritious options for Virginians in at-risk circumstances.</p> <p>Healthcare Innovation: Embrace innovative models of care and new technologies to improve health outcomes and lower costs.</p> <p>Women’s Health: Protect women’s rights to make their own healthcare decisions.</p> <p>Children and Families: Promote strategies that encourage a culture of health through stable housing, access to high-quality health care and proper nutrition.</p>
Government and Citizens		
<p>Transparency: Collaborate across secretariats to improve citizens’ access to government data and decision-making processes.</p> <p>Supplier Diversity: Ensure that small, women, and minority-owned businesses are afforded representative access to government procurement.</p> <p>Restoration of Rights: Maximize restoration of voting rights for individuals who qualify.</p>	<p>Innovation: Explore and pursue innovative strategies to increase government efficiency or to reduce government costs for needed services.</p> <p>Fiscal Stewardship: Manage public resources efficiently and effectively in challenging economic conditions.</p> <p>Cyber Security and Upgraded Technology: Enhance current technology platforms and infrastructure while protecting all data.</p>	<p>State Workforce Succession: Improve recruitment, retention, and succession planning for the state workforce.</p> <p>Customer Service: Deliver high quality products and services to customers in a timely manner.</p> <p>Accessibility: Encourage user-friendly online services for all citizens.</p>

2014 Enterprise Strategic Priorities

Natural Resources	Public Safety and Homeland Security	Transportation
<p>Chesapeake Bay Restoration: Protect and improve the health of the Chesapeake Bay by making every effort to meet the goals for nutrient reduction outlined in the federal government’s cleanup plan.</p> <p>Land Conservation: Implement a targeted, strategic land conservation plan that protects Virginia’s biodiversity and public access.</p> <p>Climate Change: Prepare the Commonwealth for the effects of climate change and reduce the state’s contribution to its causes.</p>	<p>Public Safety: Protect our citizens and ensure everyone lives in a safe community.</p> <p>Homeland Security and Emergency Preparedness: Ensure Virginia is prepared to address threats to the safety and security of the Commonwealth and to respond rapidly and efficiently to emergencies.</p> <p>Gun Violence: Pursue strategies to ensure all gun owners undergo a background check when purchasing a firearm.</p> <p>Sexual and Domestic Violence: Aggressively target sexual and domestic violence for prevention and enforcement.</p> <p>Smart Sentencing: Promote improvements to the sentencing process to recognize and treat the root causes of crime thereby reducing recidivism.</p>	<p>Prioritization: Develop a transparent, data-driven prioritization model to help determine allocations of transportation funding and ensure ongoing accountability.</p> <p>Multi-Modality: Expand the role of non-highway modes of transportation in the Commonwealth’s transportation network.</p> <p>Engagement: Guarantee that local governments and citizens play a meaningful role in transportation decision-making.</p>
Veterans and Military Families	Workforce	
<p>Workforce: Create seamless transitions for Virginia’s veterans with high quality education and workforce services that accelerate career opportunities.</p> <p>Homeless: Increase affordable housing opportunities and veterans support programs.</p> <p>BRAC: Retain and reinforce Virginia’s military installations and defense activities.</p> <p>Family Support: Ensure that Virginia remains the preeminent state for military personnel, their families and veterans.</p>	<p>Supply and Demand: Align Virginia’s workforce to meet current and anticipated employer demands with career pathways and training solutions for dislocated, underemployed, and future workers.</p> <p>Credentialing: Establish annual goals and identify ways to increase statewide credentials that align with employer current and future needs.</p> <p>New skills: Facilitate in-demand skills sets for Virginia’s new economy, while fostering private sector innovation and entrepreneurship.</p>	

Why Are Priority-focused Report Cards Important?

- Many broader, high-level priorities are exceedingly complex, involving multiple players.
- Our current Priority-focused Report Cards:
 - Reflect efforts that are difficult to capture at the agency level alone;
 - Involve multiple state agencies and other public and private service providers;
 - Are a tool for leaders to discuss high-priority issues; and
 - Include measures that have been collaboratively developed with subject-matter experts.

Priority-focused Report Cards

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INNOVATION & ENTREPRENEURSHIP REPORT CARD

NOTE: Data provided by the Center for Innovative Technology

Talent Pipeline

Goal: Expand and enhance Virginia high-quality, highly skilled work

- Entrepreneurship Training
- High-tech Employment
- Knowledge Worker Migration
- STEM Degrees
- Virginia FIRST Participation

Commercialization

Goal: Accelerate the introduction of new technologies and products derived from research in Virginia

- University Licensing
- University Startups

- STEM: Science, Technology, Engineering, and Mathematics
- FIRST: For Inspiration and Recognition of Science and Technology (programs to introduce 18-year-olds to science and technology)
- SBIR: Federal Small Business Innovation Research grants
- STTR: Federal Small Business Technology Transfer programs
- IPOs: Initial public stock offerings

December 2013

Virginia
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Measuring what matters to Virginians

STATE GOVERNMENT OPERATIONS REPORT CARD

Customer Service

Goal: To improve the quality and responsiveness of government services across the enterprise.

- Customer Satisfaction →
- Customer Service Management Practices ↑
- Digital Government ↑
- Service Quality →

Accountability

Goal: To protect the health and safety of Virginians while using resources in a fair, accountable, and transparent way.

- Consumer Protection →
- Diversity and Fairness →
- Fraud and Waste Control ↑
- Regulatory Framework ↑
- Transparency ↑

Performance Trend

- Improving ↑
- Maintaining →
- Worsening ↓

Under Development

Performance Assessment and Improvement

Virginia
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Measuring what matters to Virginians

VIRGINIA'S WORKFORCE SYSTEM REPORT CARD

STEM-H Pipeline

GOAL: Increase the number of students with science, technology, engineering, math, and healthcare skills.

- STEM-H enrollments ↑
- STEM-H credentials and degrees ↑
- STEM-H dual enrollment credits ↓
- STEM-H Advanced Placement exam →

Secondary Educational Attainment

GOAL: Enable all students, including at-risk students, to complete high school and prepare for college.

- High school graduation ↑
- Advanced studies diplomas ↑
- Adult secondary credentials ↓

Postsecondary Educational Attainment

GOAL: Increase the number of students entering college and earning degrees, certifications, licenses, and apprenticeships.

- Postsecondary enrollments →
- Postsecondary credentials and degrees ↑
- Industry certifications or state licensures ↑
- Apprenticeship credentials ↑

Career & College Readiness

GOAL: Increase student readiness for both postsecondary education and the workplace.

- Workplace Readiness Skills Credentials ↑
- Career Readiness Certificates ↑
- Certificates and degrees before high school graduation ↑
- Dual enrollment credits ↓
- Advanced Placement exams →
- Algebra II ↑

Employment & Business Development

GOAL: Reduce unemployment and increase both employment and income.

- Labor force participation ↓
- Wages →
- Unemployment rate ↑
- Weeks on unemployment →
- Employment ↑
- Establishments ↑
- Demand-focused workforce solutions

Emerging Workforce in Manufacturing

GOAL: Increase credentials and enrollments in manufacturing-related programs; improve the reach of manufacturing instruction and overall employment.

- Dual enrollments ↑
- Project-based competitive events ↑
- Career and technical education ↑
- Community college internship programs ↑
- State-registered apprentices ↑
- Industry certification ↑
- Credentials and degrees ↑
- Annual new hires →
- Shared assets (labs, equipment, instructors) -
- Shared manufacturing curriculum programs -

Performance Trend

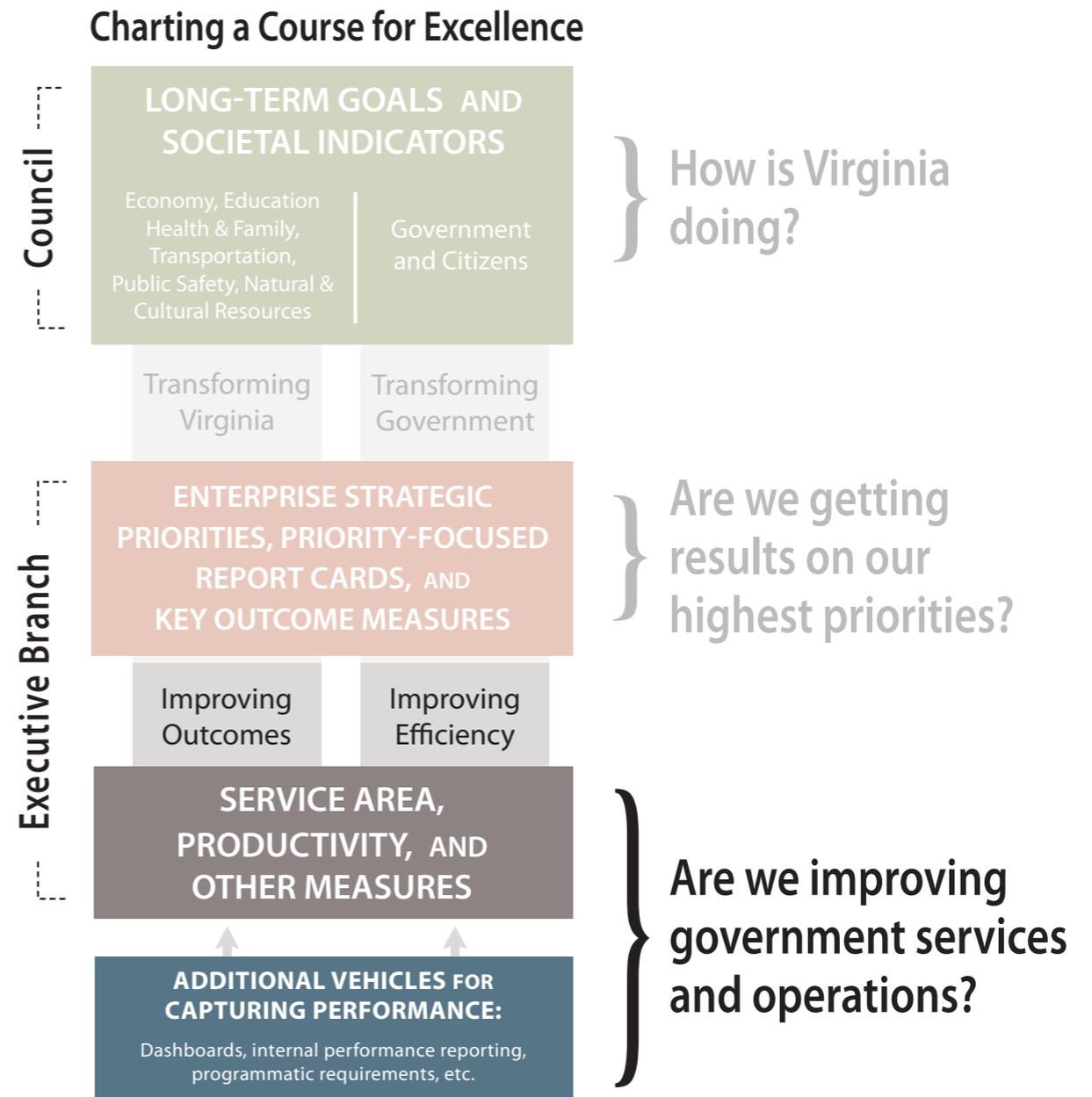
- Improving ↑
- Maintaining →
- Worsening ↓
- Trend data not yet available -
- In development

Performance is tracked from 2008 to the latest year data is available.

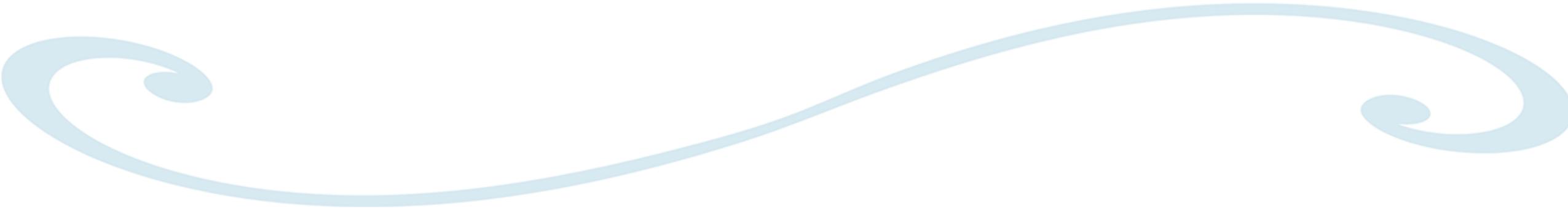
January 2014

Are We Improving Government Services and Operations?

- The November edition of The Virginia Report did not include agency-level data, as agencies are still finalizing strategic plans and performance targets.
- The Virginia Report 2014 will be re-released in early 2015 with agency-level performance information.



2015 Workplan and Discussion



DECEMBER 17, 2014

JANE N. KUSIAK
EXECUTIVE DIRECTOR

Outline

- Overview and Discussion
- Areas of Focus
 - Workforce
 - Innovation and Entrepreneurship
 - Government Operations

Overview and Discussion

2015 Workplan

Special Issues

- ✓ Continue to focus on the drivers of state and regional economic growth with an emphasis on how Virginia and its regions can better meet the workforce-related needs of the business community:
 - Work with the Governor’s Office and other partners on key workforce initiatives, including:
 - Identifying high-demand, high-value workforce credentials based on job opportunities, wages, and skill needs
 - Strengthening Virginia’s access to reliable, user-friendly data on demand
 - Participating in Virginia’s leadership team for a National Governors Association Policy Academy on aligning economic development and workforce
 - Analyzing best practices for regional workforce development that align with industry needs
 - Provide support for the Virginia Chamber of Commerce’s BLUEPRINT Virginia Initiative on workforce-related issues, including:
 - Partnering with the Chamber and the Virginia Employment Commission to survey Virginia’s employers to determine their long-term talent needs

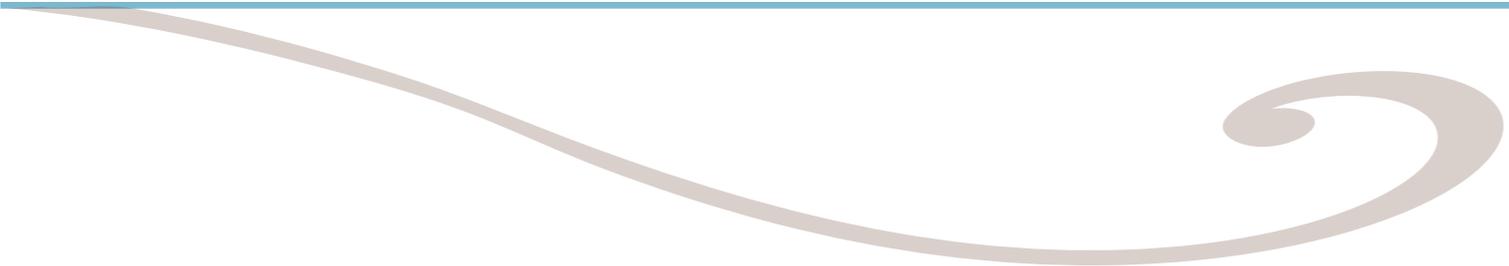
High-priority Assessment in Virginia Performs

- ✓ Continue to work with strategic partners to improve and report outcomes through high-priority report cards in Virginia Performs:
 - Virginia’s Workforce System Report Card Version 3.0 and beyond:
 - Include additional industry data; assess demand-focused workforce solutions in Virginia’s regions; and create a platform to access report card data online
 - Innovation and Entrepreneurship Report Card Version 2.0:
 - Benchmark indicators to other states and the nation; enhance indicators related to commercialization; and identify a method to track Entrepreneurship Training
 - State Government Operations Report Card Version 2.0:
 - Develop a consistent approach to assessment for Customer Service; enhance the Facilities Maintenance and Construction indicator; and identify a method to track Leadership Development/Succession Planning
 - Explore emerging new models focused on process and outcome improvements
- ✓ Work with strategic partners to develop report cards on additional high priority issues:
 - Children’s issues (Partner - Children’s Cabinet)
 - Manufacturing (Partner - Manufacturing Development Commission)
- ✓ Continue to solidify the enterprise-level platform by ensuring the relationship between the Enterprise Strategic Priorities and agency strategic planning is synchronized

Virginia Performs Enhancement and Outreach

- ✓ Enhance Virginia Performs:
 - Continue to strengthen data assessment and enhance indicator content wherever possible
 - Work with the Department of Planning and Budget to maintain and enhance agency-level planning and performance measurement components of Virginia Performs
- ✓ Publish required reports and publications:
 - The Virginia Report, Issue Insights, Regional Snapshots, Newsletter, Brief Insights, etc.
- ✓ Support international, national, state, and regional dialogue on performance assessment and accountability

Areas of Focus

A decorative flourish consisting of a thin blue horizontal line that transitions into a thick, grey, wavy line that curves downwards and then loops back up to the right.

Areas of Focus: The New Virginia Economy

- Since its inception, the Council has accomplished its work through a strong focus on performance assessment and accountability through Virginia Performs.
- In addition, we have sought to highlight high-priority issues, our 2015 workplan includes the following:
 - Understanding the drivers of state and regional economic growth, with an emphasis on how Virginia and its regions can better meet the workforce-related needs of the business community.

Important Drivers of Economic Growth
for the Governor's New Virginia Economy



“Credentials to Compete” Workforce: Virginia must ensure it aligns its workforce and education programs with the needs of the business community.



Innovation and Entrepreneurs: Virginia must create an environment that encourages individuals to form new companies, commercialize research into new products and services, and invest in new businesses.



“Project Ready” Infrastructure: Virginia must continue to develop its infrastructure assets in the areas of energy, broadband, economic development sites, and housing to compete nationally and globally.



Diversified High-growth Industries: Virginia must support the growth of strategic industry sectors to diversify its economy and create new opportunities.



Preeminent Business Climate: Virginia must ensure that it continues to provide a strong business climate for retaining its existing businesses and attracting new ones through tax incentives, regulations, and other economic development tools.

Virginia's Workforce System Report Card

In 2012, the Council on Virginia's Future partnered with the Governor's Office, the now Virginia Board of Workforce Development, and Virginia's Career Pathways Workgroup to develop a report card that transcends individual workforce programs, agencies, and stakeholders.

Virginia's Workforce System Report Card for the first time reflects the concerns state agencies, businesses, and policy leaders have with workforce issues through a common set of indicators. The report card captures the key drivers of workforce quality and tracks the state's ongoing progress in these areas.

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Measuring what matters to Virginians

VIRGINIA'S WORKFORCE SYSTEM REPORT CARD

STEM-H Pipeline

GOAL: Increase the number of students with science, technology, engineering, math, and healthcare skills.

STEM-H enrollments	↑
STEM-H credentials and degrees	↑
STEM-H dual enrollment credits	↓
STEM-H Advanced Placement exam	→

Secondary Educational Attainment

GOAL: Enable all students, including at-risk students, to complete high school and prepare for college.

High school graduation	↑
Advanced studies diplomas	↑
Adult secondary credentials	↓

Postsecondary Educational Attainment

GOAL: Increase the number of students entering college and earning degrees, certifications, licenses, and apprenticeships.

Postsecondary enrollments	→
Postsecondary credentials and degrees	↑
Industry certifications or state licensures	↑
Apprenticeship credentials	↑

Career & College Readiness

GOAL: Increase student readiness for both postsecondary education and the workplace.

Workplace Readiness Skills Credentials	↑
Career Readiness Certificates	↑
Certificates and degrees before high school graduation	↑
Dual enrollment credits	↓
Advanced Placement exams	→
Algebra II	↑

Employment & Business Development

GOAL: Reduce unemployment and increase both employment and income.

Labor force participation	↓
Wages	→
Unemployment rate	↑
Weeks on unemployment	→
Employment	↑
Establishments	↑
Demand-focused workforce solutions	♻️

Emerging Workforce in Manufacturing

GOAL: Increase credentials and enrollments in manufacturing-related programs; improve the reach of manufacturing instruction and overall employment.

Dual enrollments	↑
Project-based competitive events	↑
Career and technical education	↑
Community college internship programs	↑
State-registered apprentices	↑
Industry certification	↑
Credentials and degrees	↑
Annual new hires	→
Shared assets (labs, equipment, instructors)	-
Shared manufacturing curriculum programs	-

Performance
Trend

Improving	↑
Maintaining	→
Worsening	↓
Trend data not yet available	-

♻️ Under Development

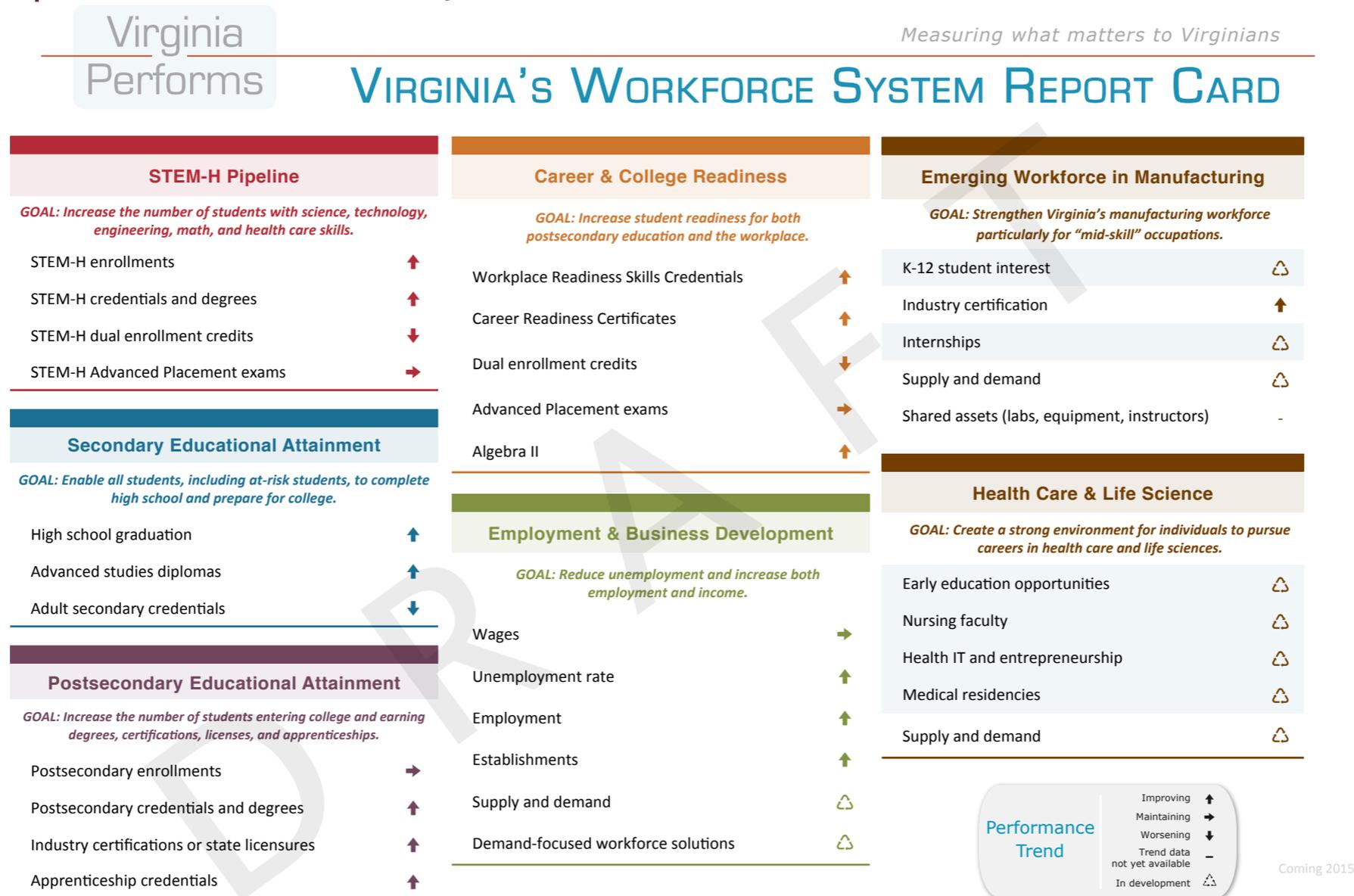
Performance is tracked from 2008 to the latest year data is available.

January 2014

Virginia's Workforce System Report Card: Winter 2015

In Winter 2015, updates to the Workforce System Report Card will feature:

- New indicators to track Virginia's health care and life science workforce
- Revised metrics for Virginia's emerging workforce in manufacturing
- Updated data for its over 30 indicators

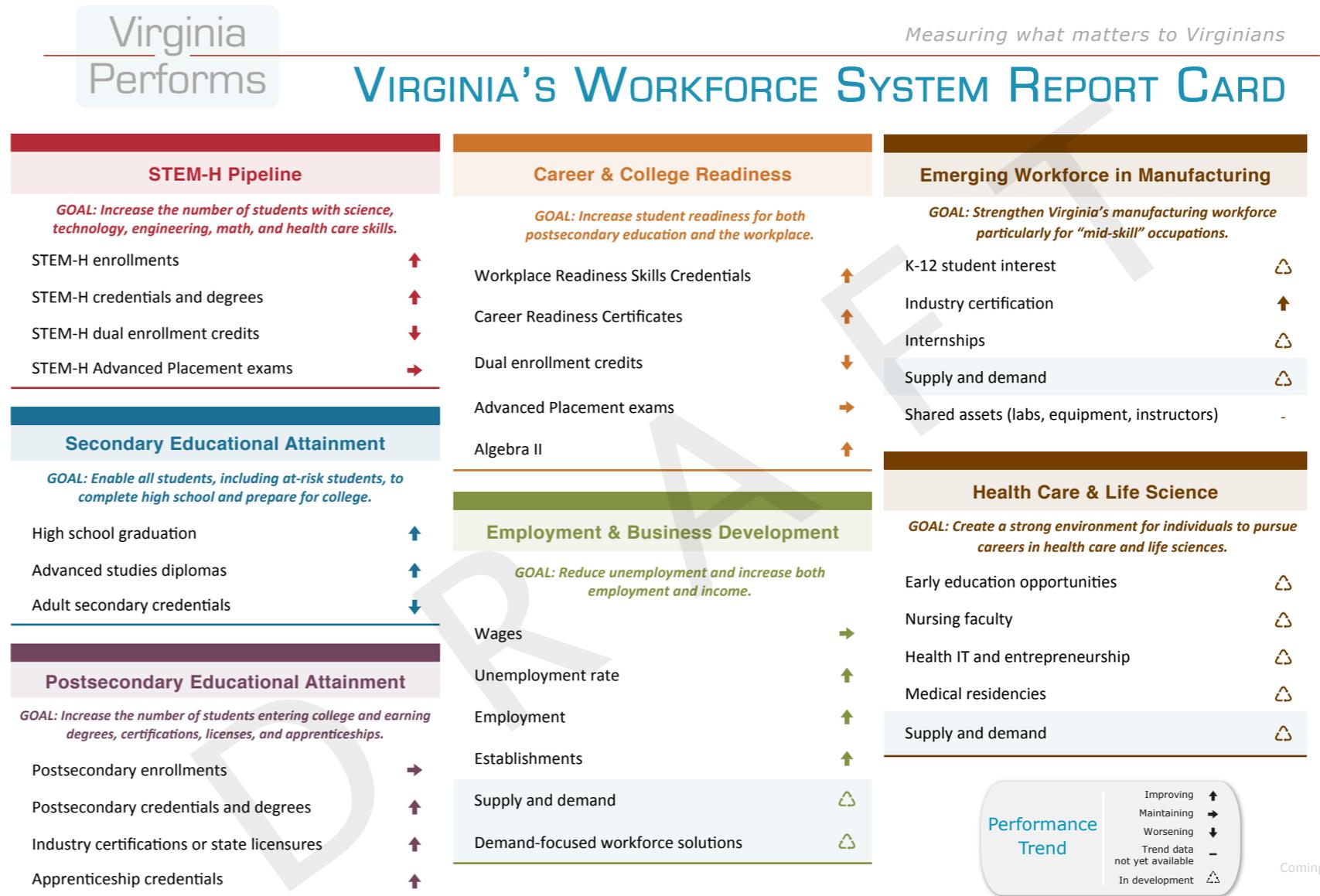


NOTE: Highlighted indicators are those that are on schedule to be available by Winter 2015.

Virginia's Workforce System Report Card: Spring/Summer 2015

Additional changes will be initiated in Spring/Summer 2015:

- Launch a new indicator to capture regional Demand-focused Workforce Solutions
- Develop an approach to measuring Supply and Demand
- Create an online platform for access to Report Card data
- Research potential new indicators for Virginia's information technology workforce



NOTE: Highlighted indicators are those that will be developed in Spring/Summer 2015.

Virginia's Workforce System Report Card: Demand-focused Workforce Solutions (Summer 2015)

Over the last six months, Council staff, along with key partners, have been working to develop a model to assess regions along a continuum of stages on their progress in creating workforce solutions to meet industry needs.

Proposed Stages of Demand-focused Workforce Solutions

Stage	Definition
Pre: Minimal	There is minimal effort in the region to develop a partnership with the business community to close workforce skill gaps for a key industry sector.
Stage 1: Convening	A workforce intermediary (an organization with a deep understanding of employer and workforce issues in a particular industry) takes the first step in engaging a stakeholder group that includes economic developers, business leaders, educators, and trainers on workforce challenges for a key regional industry.
Stage 2: Understanding	The regional consortium or partnership conducts a gap analysis of timely and accurate labor market information and other data to identify occupations with the greatest demand. Additionally, the regional consortium or partnership engages the business community, and education and training providers to identify the gaps between available training and employer identified competencies.
Stage 3: Planning	The regional consortium or partnership develops an approach to address gaps by identifying the strategies, including the partners and funding resources, needed to create new or revise existing programs and curricula. The resulting plan has a clear, business-driven vision.
Stage 4: Implementing	The regional consortium or partnership works together to implement the approach to address demand by redesigning curricula, aligning programs, and redirecting resources.
Stage 5: Ongoing	The regional consortium or partnership continues to meet with representatives of the business community; to revise demand assessments periodically; to adjust strategies based on performance outcomes; and, to collaboratively contribute resources to the work of the partnership.

Virginia's Workforce System Report Card: Demand-focused Workforce Solutions (*Examples*)

Employer Engagement Best Practices and Innovations

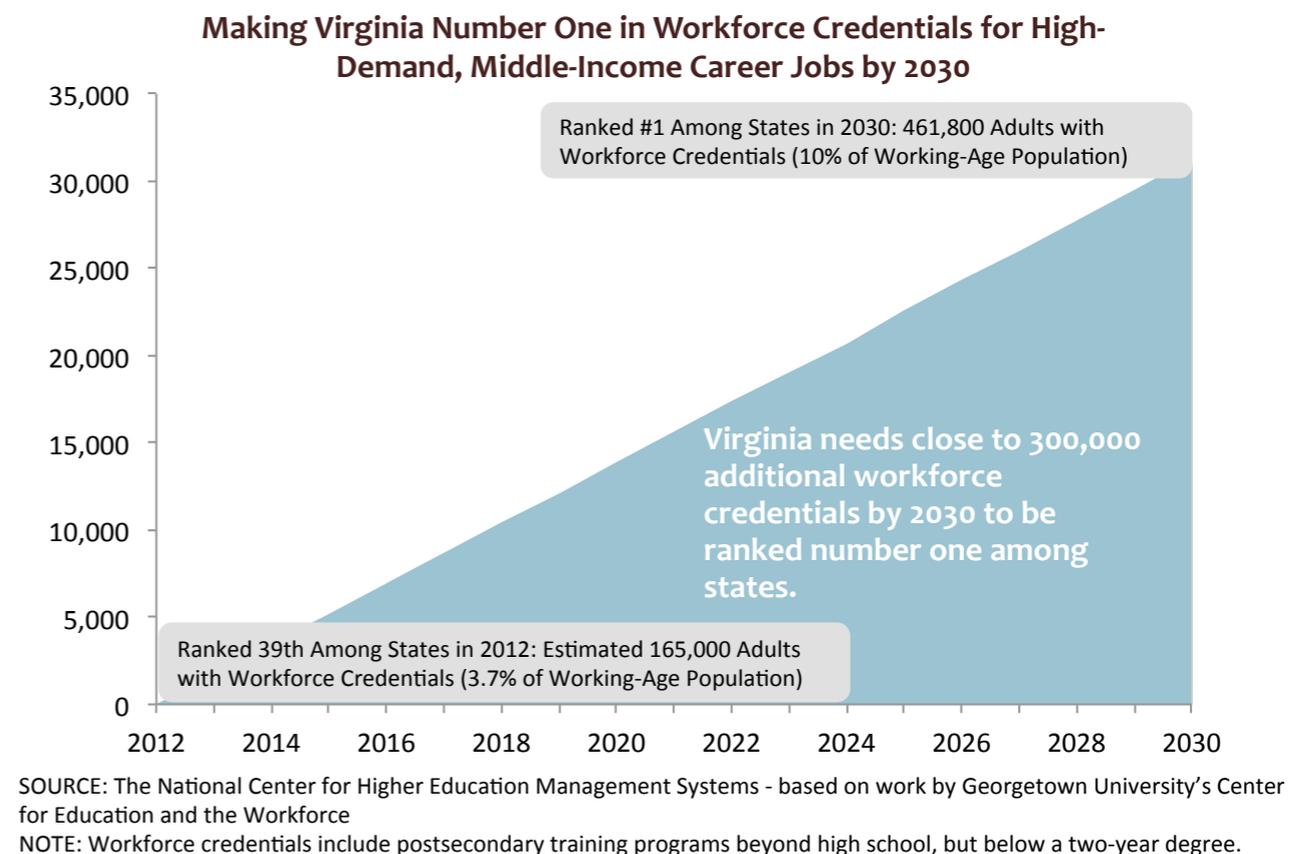
Example	Overview	Partners
Southeast Maritime and Transportation Center/Tidewater Community College's Registered Apprenticeship Program	The Southeast Maritime and Transportation Center (SMART) Center is one of 41 National Science Foundation Advanced Technological Education (ATE) centers. The SMART Center has a national footprint and works with employers to develop career pathways programs that align with industry standards. The origins of the SMART Center are in Tidewater Community College's Registered Apprenticeship Program.	<ul style="list-style-type: none"> • BAE Systems Ship Repair • Huntington-Ingalls Industries • AMSEC • Tidewater Community College • Florida State College at Jacksonville • K-12 School Divisions
Peninsula Council for Workforce Development	The Peninsula Council for Workforce Development is a uniquely structured Workforce Investment Board that divides its work between two divisions. One division administers the federal Workforce Investment Act while the other engages directly with the employer community. Through its public-private partnership division, it has initiated industry-specific partnerships for manufacturing and healthcare.	<ul style="list-style-type: none"> • Alcoa Power and Propulsion • Newport News Shipbuilding • Canon Virginia, Inc. • Thomas Nelson Community College • Old Dominion University • K-12 Public School Divisions • Hampton Roads Economic Development Alliance
Northern Virginia Health Care Workforce Alliance	The Northern Virginia Health Care Workforce Alliance (NoVaHealthForce) is a coalition created to address Northern Virginia's health care workforce shortage. Since its formation, Northern Virginia has increased its supply of nursing graduates by 57 percent in addition to creating programs in Radiation Oncology and Sonography. Northern Virginia had 851 nursing graduates in 2012.	<ul style="list-style-type: none"> • Virginia Hospital Center • Inova Health Systems • Sentara • Northern Virginia Community College • Shenandoah University • The Skills Source Group
SySTEMic Solutions	SySTEMic Solutions creates opportunities for STEM (Science-Technology-Engineering-and-Math) exposure in a geographic area that covers eight school divisions in Northern Virginia. The programming offered by SySTEMic solutions creates a connection to STEM fields for students from elementary to high school as well as opportunities for teachers to grow professionally as STEM educators.	<ul style="list-style-type: none"> • Micron Technology • Aerojet Rocketdyne • Verizon • K-12 Public School Divisions • Northern Virginia Community College • George Mason University
Lynchburg Regional Governor's STEM Academy	The Lynchburg Regional Governor's STEM Academy offers science, technology, engineering, and mathematics programming to high school juniors and seniors in five school divisions. While the region's Governor's School targets college bound students in science and engineering fields, the STEM Academy offers students that are not necessarily on track to a four-year degree opportunities to earn credit towards an associate's degree.	<ul style="list-style-type: none"> • AREVA • Delta Star • Babcock and Willcox • Centra Health • K-12 Public School Divisions • Central Virginia Community College
Automotive Technical Education Collaborative	The Automotive Technical Education Collaborative (AMTEC) in Kentucky is part of the National Science Foundation's network of Advanced Technological Education (ATE) centers. This ATE center includes industry and college partners in over 10 states including Virginia and is focused on identifying and meeting the workforce needs of automotive manufacturers.	<ul style="list-style-type: none"> • Nissan North America • Ford Motor Company • Goodyear Rubber and Tire Company • Easton • Danville Community College • Patrick Henry Community College

NOTE: Graphic includes select partners.

Virginia's Workforce System Report Card: Identifying and Articulating the Needs of Employers

➤ In 2015, the Council on Virginia's Future will partner on a number of initiatives designed to strengthen alignment between the needs of employers and the training delivered by Virginia's education and workforce community.

- **Identifying the Credentials That Virginia Needs to Compete:** The Governor's Office, along with the Council and other key partners, will focus on identifying the skills and credentials needed by Virginia's employers to compete both statewide and regionally.
- **Surveying Virginia's Business Community:** The Council will partner with the Virginia Chamber of Commerce and the Virginia Employment Commission to develop and implement a survey to identify the business community's long-term workforce needs across industry sectors and regions.
- **Strengthening Access to Data on Supply and Demand:** Council staff will participate in a small work group to make recommendations to the Secretary of Commerce and Trade's office on additional sources of workforce demand data that can enhance Virginia's current Labor Market Information System.



Innovation and Entrepreneurship Report Card

The 2013 General Assembly charged the Center for Innovative Technology (CIT) with the creation of the Innovation and Entrepreneurship Measurement System (IMES) to measure the growth of innovation and entrepreneurship in the Commonwealth and to inform the Commonwealth Research and Technology Strategic Roadmap.

The Council partnered with CIT to develop the Innovation and Entrepreneurship Report Card as a complement to the IEMS. 2015 updates will include:

- Benchmarking current indicators, where possible to other states and the nation
- Enhancing the current indicators related to commercialization
- Identifying a method to track Entrepreneurship Training

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Measuring what matters to Virginians

INNOVATION & ENTREPRENEURSHIP REPORT CARD

NOTE: Data provided by the Center for Innovative Technology

Talent Pipeline

Goal: Expand and enhance Virginia's high-quality, highly skilled workforce.

Entrepreneurship Training	↻
High-tech Employment	→
Knowledge Worker Migration	↓
STEM Degrees	↑
Virginia FIRST Participation	↑

Commercialization

Goal: Accelerate the introduction and growth of new technologies and products derived from research in Virginia.

University Licensing	↓
University Startups	↑

STEM: Science, Technology, Engineering, and Math
 FIRST: For Inspiration and Recognition of Science and Technology (programs to introduce six to 18-year-olds to science and technology)
 SBIR: Federal Small Business Innovation Research grants
 STTR: Federal Small Business Technology Transfer programs
 IPOs: Initial public stock offerings

December 2013

Research and Development

Goal: Increase support for the research and development activities that provide a foundation for high-tech growth.

Corporate R&D Intensity	↑
Federal R&D Spending in Virginia	↓
Patents Filed	↑
Patents Awarded	↑
SBIR and STTR Awards	↓
State R&D Intensity	↑

Business Dynamics

Goal: Enhance Virginia's business climate for entrepreneurs and high-growth technology enterprises.

Broadband Access	↑
Entrepreneurial Activity	↑
Establishment Churn	↓
Fast Growing Firms	↑
IPOs, Mergers, and Acquisitions	↑
Startups	→

Access to Capital

Goal: Improve access to capital for new and expanding high-tech enterprises.

Private Investment	↓
Public Sector Investment	→
R&D Tax Credits	↑

Outputs

Goal: Accelerate technology-based capital investment and job growth.

High-tech Export Share	↓
High-tech Job Creation Share	↓
High-tech Output Share	↑
High-tech Wages	→
Hypergrowth Share	→
Market Trends	↑
Workforce Educational Level	→

Performance
Trend

Improving ↑
 Maintaining →
 Worsening ↓
 Under Development ↻

Areas of Focus: Operations

The new Government Operations Report Card was developed with state leaders to provide a higher level, enterprise view of state government operations. The first version was released in early 2014.

Discussions with state leaders have provided the foundation for improvements in 2015, which include:

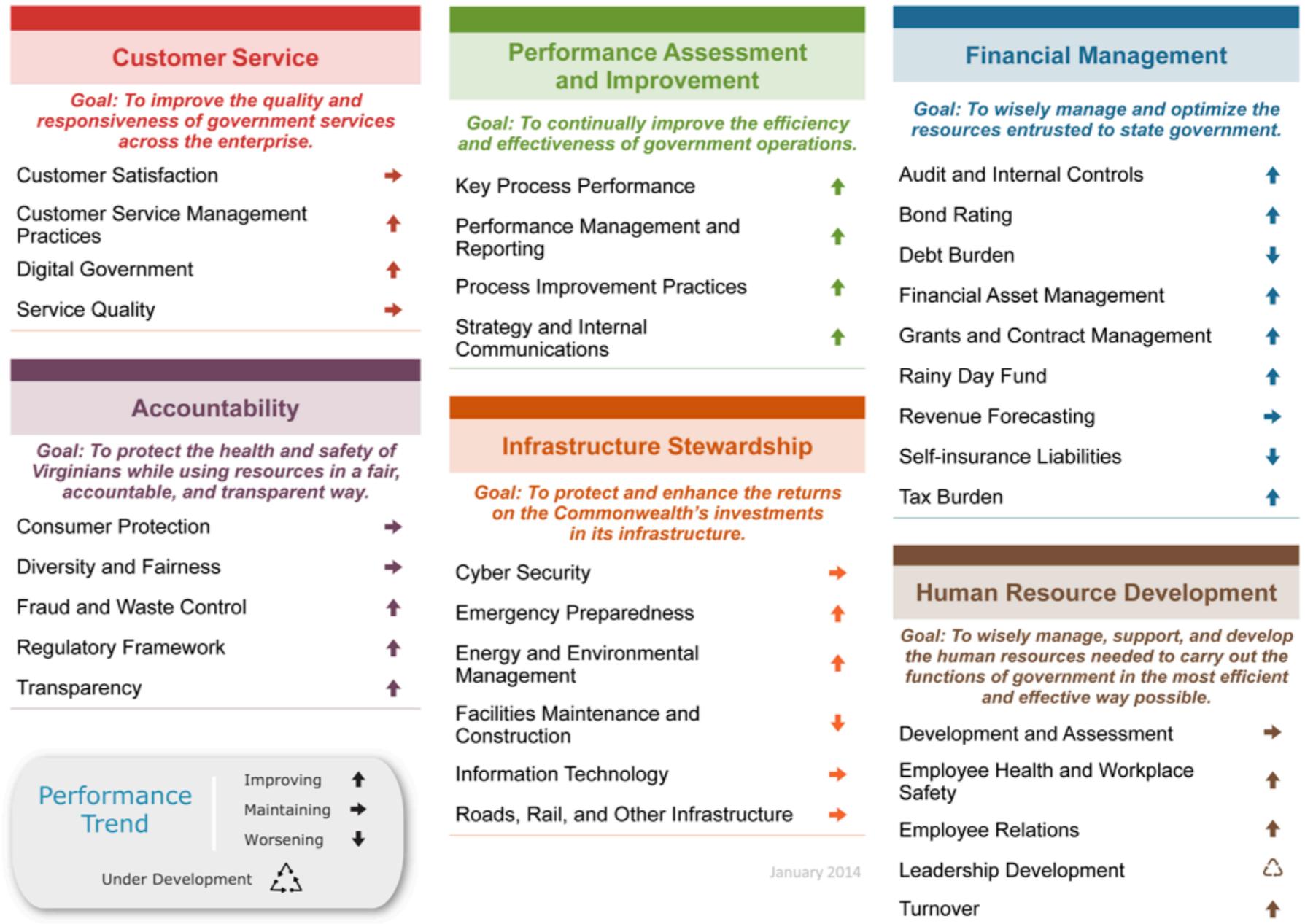
- Developing a more consistent and comprehensive approach to assessing Customer Service
- Collecting better data for the Facilities Maintenance and Construction indicator including on-time and on-budget status and deferred maintenance
- Identifying a method to track Leadership Development/ Succession Planning

The Council will also explore emerging new models focused on process and outcome improvements.

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STATE GOVERNMENT OPERATIONS REPORT CARD



January 2014

Sites of Interest

Virginia Performs:
VaPerforms.virginia.gov

Council on Virginia's Future:
future.virginia.gov

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