



# COUNCIL ON VIRGINIA'S FUTURE

## Meeting Summary

December 17, 2014

Senate Room 3, State Capitol, Richmond, VA

3:00 p.m. – 5:00 p.m.

Introduction: The meeting was designed to provide an overview on the continued evolution of Virginia Performs and the recent work of the Council, including an update on the development of priority-focused report cards and a discussion of the Council's 2015 workplan.

### Welcome and Opening Remarks

- Governor Terence R. McAuliffe welcomed members and guests.
- The Governor noted that the state is facing significant economic headwinds, and in this environment data-based assessment and setting quantifiable objectives are more important than ever.
- Mr. Wynne, the Council Vice-Chair thanked the Governor for his leadership and noted that the work of the Council has helped make Virginia a model for performance management and laid the foundation for improvements in higher education, and is now playing an important role in the development of new thinking around regional economic competitiveness. The Council's role has been to elevate "game-changing" issues that provide a foundation for and support other groups that develop strategy.

### Overview and Recent Highlights, Ms. Jane Kusiak, Executive Director

- ▶ Overview and Recent Highlights: Ms. Kusiak presented an overview of the Council, a summary of selected Council products and services, a brief introduction to Virginia Performs, and a summary of important steps in the evolution of Virginia Performs.
- ▶ 2015 Workplan and Discussion: Ms. Kusiak summarized a high-level workplan and areas of focus for 2015, including support for Governor McAuliffe's New Virginia Economy Plan and the continued evolution of priority-focused report cards.
- **Key elements of the 2015 workplan include:**
  - ▶ Special Issues on the New Virginia Economy and workforce. In particular, the Council will continue to highlight 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.
  - ▶ Priority assessment via existing and new high-priority report cards in Virginia Performs Enhancement and Outreach Areas of Focus:
    - ✓ Virginia's Workforce System Report Card
      - In winter 2015, updates will feature new indicators to track Virginia's health care and life sciences workforce, revised metrics for Virginia's emerging workforce in manufacturing, and updated data for 30 indicators.

- In the spring/summer of 2015, additional changes include a new indicator to capture regional demand-focused workforce solutions, development of an approach to measure supply and demand, and the release of online platform for report card data. In addition, the potential for new indicators for the technology workforce will be examined.
- Demand-focused Workforce Solutions: 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. This will be released in 2015.
- In 2015, the Council will partner on key initiatives to strengthen the alignment of workforce training and employer needs:
  - ✦ Identifying the skills and credentials needed by Virginia's employers;
  - ✦ Surveying Virginia's business community; and
  - ✦ Strengthening access to data on labor supply and demand.
- ✓ 2015 updates for the Innovation and Entrepreneurship Report Card will include:
  - Benchmarking current indicators, where possible, to other states and nations;
  - Enhancing the current indicators related to commercialization; and
  - Identifying a method to track entrepreneurship training.
- ✓ Areas of focus for the Government Operations Report Card in 2015 include:
  - Improving the indicators for customer service, facilities maintenance and construction, and leadership development / succession planning; and
  - Exploring emerging new models focused on process and outcome improvement.

## Discussion

### Virginia Performs' Regional System

- Council members discussed an emerging approach for creating economic regions allows for a more fluid combination of localities based on perceived need, opportunity, and willingness to collaborate.
- Mr. Leighty suggested a review of Michigan's approach to regions.

### Workforce System Report Card / Workforce Issues

- Governor McAulliffe announced that Virginia was one of eight states chosen by the National Governors Association for a workforce credentials project.
- Identifying high-demand skills and credentials remains a challenge, especially since they vary from community to community. Mr. Chopra believes that new technology and new

approaches to using data from sources such as “Monster.com” can help answer this question.

- Council members discussed that closing the gap between workforce training and employer needs will require meaningful engagement from the business community. Without a real commitment from business leaders, real change is unlikely.
- Mr. Leighty suggested adding an indicator on veterans to the Workforce System Report Card.
- Council members emphasized that the skills behind workforce credentials matter to employers.
- Mr. Cassidy suggested that the BLUEPRINT VIRGINIA employer survey working committee should consider surveying workers themselves about what new skills and credentials they have acquired. Since the recession, many workers and laid-off people have gone back to school to acquire new skills, but those outcomes have not been captured.
- Mr. Chopra also brought up a newly developed “nano-degree” by AT&T and Udacity to teach students basic programming skills for an entry-level positions, such as a data analyst or iOS applications designer. This innovative program is not eligible for public workforce funding, due to federal regulations.
- Mr. Chopra pointed out that the workforce development system, to some extent, is limited in its responsiveness to worker and employer needs because it is overly focused on traditional academic requirements for acquiring credentials and skills. For instance, veterans with medical training still have to go through a two-year community college program because the schools don’t adequately recognize existing skill sets. In addition, regulations for veterans tuition reimbursement are not flexible enough to adequately address the need for more focused skills enhancements.
- Governor McAuliffe noted that his team was preparing workforce-related legislation to be introduced for the upcoming General Assembly session. In some cases, however, Virginia just needs to do a better job of anticipating and reacting to changing market conditions. For instance, cyber security is a rapidly growing industry and the Governor’s New Virginia Initiative includes it as one of its key industries. However, not one of Virginia’s community colleges is certified to be a federal Cyber Campus; all of Maryland’s colleges are already certified.
- Mr. Cassidy commented that community colleges have little authority to be change their programs or to develop new services or service approaches based on evolving local and regional conditions.

### **Innovation and Entrepreneurship Report Card**

- Ms. Kusiak commented that Virginia has a strong track record in supporting and growing the innovation economy, and other states are not assessing Innovation and Entrepreneurship as we are now doing with CIT in Virginia.
- Mr. Wynne suggested exploring data on revenue generated from University Intellectual Property to strengthen the current metrics used for Commercialization. It would also be useful to develop a better way to assess Entrepreneurial Activity.

### **Government Operations Report Card**

- Mr. Chopra suggested the development of a metric on a “win-rate” for grants. Mr. Reagan commented that a “seek rate” would also be useful.
- Council members discussed Virginia has won important grants but does not compete as much as it could.
- Mr. Chopra recommended that Virginia launch an online database that would capture the following: competitive grants available, eligible grants for Virginia, how many we sought, and how many we won.

### **New Report Cards**

- Mr. King suggested capturing the business perspective in a new report card.

### **Meeting Attendees**

- Governor Terence R. McAuliffe, Chair; Mr. John O. “Dubby” Wynne, Vice Chair; Governor McAuliffe’s Chief of Staff, the Honorable Paul Reagan; Secretary of Finance Richard D. Brown; Delegate M. Kirkland (Kirk) Cox; Delegate S. Chris Jones; Delegate David J. Toscano; Mr. Michael J. Cassidy; Mr. Aneesh P. Chopra; Mr. C. Burke King; Mr. William H. Leighty; and Ms. Jane N. Kusiak, Executive Director.