

Council on Virginia's Future

Interim Report

January 9, 2004

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My Fellow Virginians:

We are blessed to call Virginia home. Virginia truly is a special place – a Commonwealth with a rich quality of life, a growing economy, quality public schools, and uncommon natural beauty.

Yet despite these assets, Virginia still faces challenges. How do we make sure that Virginia's prosperity includes not just our suburban communities, but our cities and rural areas as well? How do we make sure that all Virginians have access to the quality education they will need to get ahead in a changing economy? How do we protect the safety of our people in an uncertain world? And how do we conserve our natural resources for our children and grandchildren?

After two decades in the business world, I have learned that preparing for the future requires hard work and smart planning. That is why the work of the Council on Virginia's Future is so important. This unique group of public and private leaders brings vast and diverse experience to the job of developing a long-term vision for Virginia.

This report grows out of the Council's first year of work. It outlines the Council's preliminary vision for Virginia. It identifies ways in which to measure progress toward shared goals. It compares state services in Virginia to those offered in other states.

The task of building for the future falls to the people of Virginia and their officials in state government. Virginia has a rich heritage of citizen leaders who have risen to the challenges of their time to build a stronger future for their children. Today, Virginia again calls on that resource as we look to the needs of the next decade.

I am proud to be a Virginian, and I know that together, we can make Virginia an even better place to live, work, and raise a family.

Sincerely,

Mark R. Warner

Introduction: A Preliminary Report from The Council on Virginia's Future

Moving the Needle: Tracking Virginia's Progress toward Priorities over Time

Ask any Virginian why they choose to live and work here and you are likely to hear phrases like “quality of life,” “strong economy,” “natural beauty” and “solid schools for my children.” And it is true; the Commonwealth reaps the rewards of centuries of strong leadership and a citizenry motivated to make Virginia better tomorrow than it is today.

True leaders, however, know that past success is not a measure of future success. Maintaining such a standard does not come without careful planning, study of the future trends, and projecting where we want to be in 10 years versus where we are now. The Council on Virginia's Future was created with this vision in mind. The Council is a unique collaboration of leaders from the Executive and Legislative branches of our state government combined with business leaders from the private sector.

The Council was established on July 1, 2003, through House Bill 2097, sponsored by Delegate Michele McQuigg. Through this bill, the Council works to create a visionary plan for the state while generating energy around key progress indicators that will propel Virginia forward over time.

The Council on Virginia's Future: Why Necessary and Why Now

The Council was created to help Virginia focus on long-term issues, improve the framework for decision-making, and allow public officials, business leaders, and citizens to become better informed on key challenges and opportunities facing Virginia. In the absence of a long-term vision for the Commonwealth, the energies of state government may be misspent. Without a long-term roadmap, state agencies, with their diverse array of public services, are left to operate in a vacuum.

This forum provides a chance to communicate the status of our state to our citizens and create a strong partnership with them in addressing the challenges ahead. It will also help increase our collective knowledge of our strengths and weaknesses. This can help propel Virginia to develop new and different approaches that may improve our quality of life. Additionally, it can provide the Commonwealth with a competitive advantage in attracting new and maintaining existing businesses.

Specifically, the Council is charged with developing a roadmap for Virginia's future. The roadmap will provide a collective vision for the Commonwealth that is clear, easy to understand, and representative of us as Virginians. The roadmap will help direct our decision making and guide agency operations in delivering services to Virginia's citizens. It will provide a forum to focus on priority issues for the long-term unencumbered by the pressure of day-to-day problems; create an environment for improved policy and budget decision making; and allow our citizens to become better informed on key challenges and

opportunities facing Virginia. It will also facilitate a better focus on efforts to increase government accountability, improve operations and performance, and prioritize activities. Further, it will help communicate state government results to citizens, enhance their confidence in government operations, and increase our opportunities for Virginia to improve its competitive advantage among states.

The work of the Council on Virginia's Future will be an ongoing process. A long-term vision for the state cannot be developed in a few short months. Nor will the work be easy. A vision is not static – it will continue to evolve. It will take continuous commitment on the part of all involved to make this process a success.

The Implications of House Bill 2097

House Bill 2097 sets forth specific expectations for the Council over time, and the members of the Council and its workgroups are systematically working to achieve them. The work of the Council to date includes the development of a preliminary vision as well as a preliminary identification of goals, benchmarks, and key indicators that will be refined as work progresses in the coming months. After careful review, the Council is not recommending specific legislation at this time for a number of important reasons.

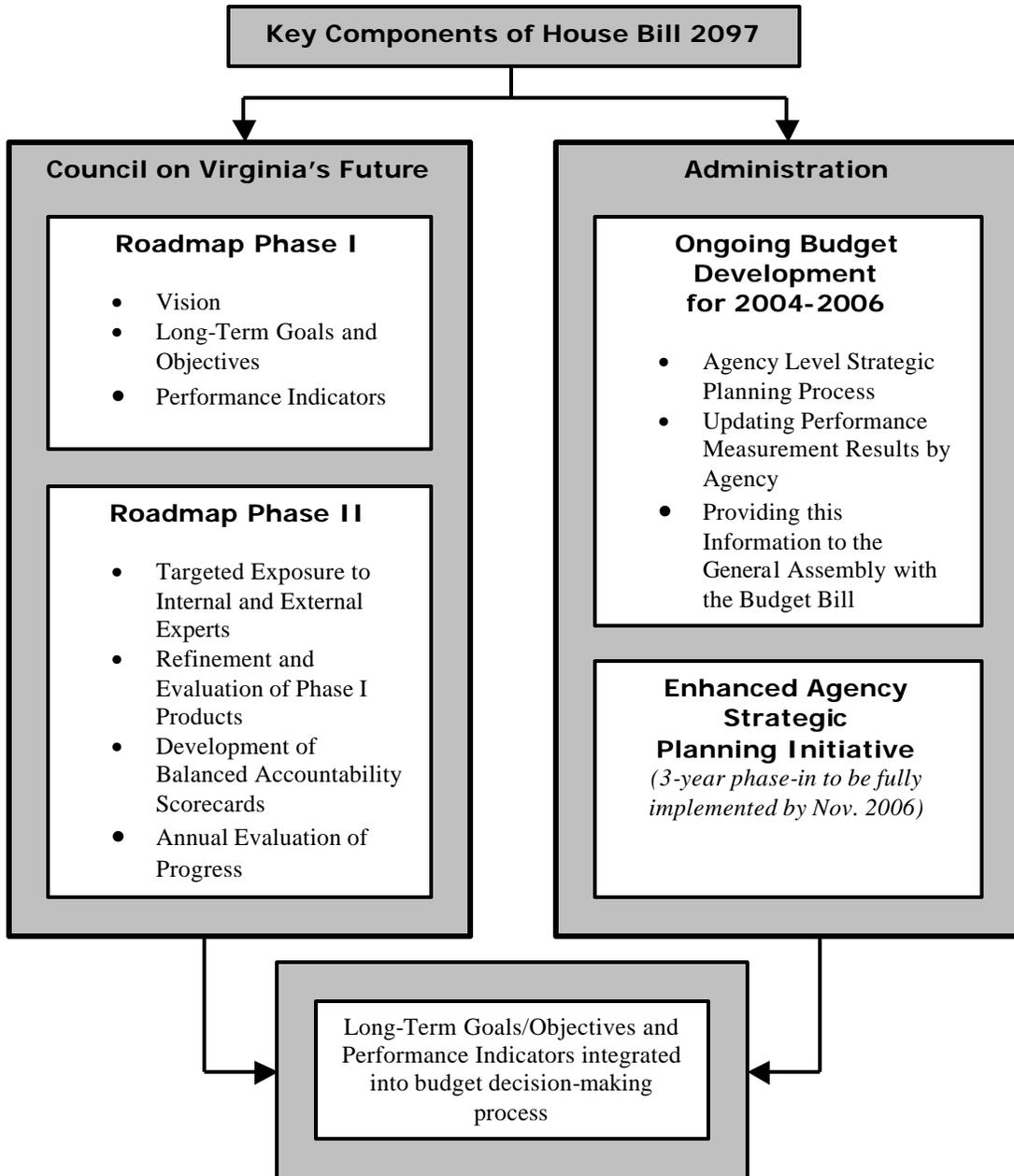
The Council realizes that the subject matter under discussion and review requires deep thinking and definitive recommendations that could not possibly be reached in the few short months of the Council's operation. We need more time to have a better understanding of the trends underlying our performance and to identify data we need to properly assess progress. Definitive recommendations in the form of legislation will emerge as the Council progresses in the months ahead.

This does not mean, however, that work is not marching forward. On the contrary, the group continues to progress in analysis and measurement, moving toward clear long-term objectives for the Commonwealth.

Part of this work, in accordance with House Bill 2097, is the establishment of guiding principles upon which the Council will operate. Once the preliminary vision is finalized, the Council will then turn to the task of completing these principles in 2004.

Also, House Bill 2097 calls for the establishment of "scorecards" to track key measures that affect the core service areas of our state: productivity, current performance, and long-term objectives. The Council is working toward the preliminary establishment of these scorecards by November 2004. This effort will be coordinated with the new strategic planning process for state agencies under the provisions of the State Government Performance and Results Act so that the efforts of the Council and the strategic planning and measurement efforts of state agencies are consistent and coordinated. This critical step will provide benchmarks for Virginia and serve as an annual look at progress.

The following graphic displays how we would expect the Council and agency activities to flow and interact:



The Roadmap Thus Far and Into 2004

This work requires rigorous thought and examination, which is the reason why many of the benchmarks and numeric goals have yet to be set. The Council is committed to providing clear benchmarks and goals to the citizens of Virginia that will have relevance and significance well into the next decade.

Executive Summary

“One accurate measurement is worth more than a thousand expert opinions.”

– Admiral Grace Hopper, Mother of the Computer

A Vision for Tomorrow: Virginia Looks Ahead

The Council officially met for the first time on July 1, 2003, the day the enabling legislation went into effect, to establish a preliminary work plan. Following this initial meeting, the members attended a two-day planning retreat in August where they established the preliminary aspects of the vision. These aspects detailed priorities for Virginia to be measured through the Council, while working toward a goal of becoming the best managed state in the country.

The Council then created workgroups to study each priority in-depth. These groups worked tirelessly to provide context and clarity to the larger Council. Efforts included an analysis of state services in each priority area, key trends that will influence the priority over the next 10 years, partnerships that support the delivery of state services, long-term objectives, and key indicators to be used to track progress toward the objectives over time.

From here, the Council worked to develop a preliminary vision. The Council is committed to providing clear benchmarks and goals to the citizens of Virginia that will have relevance and significance well into the next decade. To do so requires rigorous thought and examination, which is the reason why many of the specific metrics have yet to be finalized.

In the spring of 2004, the Council will take their preliminary vision to the public in a comprehensive “Dialogue with Virginians”. Citizens will be invited to comment on the priorities and measurements set forth by the Council and their feedback will be taken into account in the overall long-term plan.

About the Trends and Their Drivers: What the Council Will Uncover Next

Since the Council began its work in July of 2003, many facts and data points have been accumulated (see Appendix A for general public opinion, demographic, and economic information on Virginia). It is clear, for example, that Virginia ranks 47th among states in the percentage of children who are immunized. What we do not know are the reasons why we rank 47th. Why are other states doing better? What steps can we take to improve our performance?

This “pursuit of why” appears over-and-over again in the areas of critical importance to the future of the Commonwealth. It is not enough to understand the way things are – we must also understand why they are so.

And so, the Council continues to work to understand the reason behind the direction of various trends, both positive and negative. When we understand the underlying causes and effects influencing the trend lines, we will then be able, working in concert with the leadership of the public and private sectors, to develop an appropriate course of action.

Amidst this reality is the challenge of information overload. There are so many potentially critical data points available that it is difficult to separate essential information from the nonessential. The Council is working to methodically sort through data in order to determine the vital indicators, trends, and drivers that matter most to the future of Virginia.

Virginia’s Vision

After carefully considering the top priorities facing Virginia that directly impact our collective quality of life, the Council on Virginia’s Future developed the following vision statement to reflect the measurable pursuit of its goals:

Building on a centuries old heritage of leadership, achievement, and commitment to the success of all its citizens and with an abiding commitment to the rich historic and natural resources of this Commonwealth, we aspire to responsibly grow our economy to provide an enviable quality of life by ensuring an attractive business environment, challenging and rewarding jobs reflective of a changing marketplace, and strong growth in personal income, so that the Commonwealth of Virginia achieves a rate of growth in our economy which places us among the top ____ states in the country by _____. We believe that an educated, well-trained citizenry, committed to lifelong learning, is essential to this goal.

We believe that our greatest opportunity to responsibly grow our economy is to increase the levels of educational preparedness and attainment of our citizens so that Virginia will be among the top ____ states in the country by _____.

In pursuing these statewide goals for the economy and education, we want to ensure that all regions show improvement.

We have a responsibility to be the best managed state in the country. To do so we must have a focused vision, and a fiscally responsible system that provides clear, measurable objectives, outcomes, and accountability, and which attracts, motivates, rewards, and retains an outstanding state workforce.

We aspire to have an informed and engaged citizenry so that our citizens can provide knowledgeable input in shaping the vision of the Commonwealth, in identifying appropriate service levels, and in assessing progress.

The Four Pillars of Education, Economy, Best Managed State, and Informed and Engaged Citizenry

The vision statement explains a process for reaching the hopes and dreams for the future of our state. Simply put, the vision maintains that the answer to our future starts with educational attainment. A well-educated, well-trained population is the only way we will be equipped to compete for jobs in a rapidly changing global economy and provide appropriate opportunities and a good quality of life for our citizenry. We further believe that a well-educated population enhances civic responsibility thereby strengthening our democracy.

The vision explains that our economy and our workforce will reap the benefits once we have met our educational attainment goals. Educated populations enjoy enriched cultures and life experiences. They are naturally curious, engaged, and involved. By creating this vision as a reality for the citizens of Virginia, a chain reaction of a more prosperous Virginia will begin. As our economy progresses, it affords us more opportunities to invest in core services thereby making the Commonwealth of Virginia more attractive and competitive.

The pillars of the vision: education, economy, best managed state, and informed and engaged citizenry are discussed below.

Pillar 1: Education

Public education is arguably the true gift of our American democracy in that it extends to each child the fundamental dynamics for reaching the American dream and for thriving in an increasingly competitive world. With the clear connection between economic opportunity and educational attainment, Virginia must be a national leader.

It is clear that the future aspirations of our state will be tied to all Virginia's students having the skills to contribute to a vibrant economic base healthy enough to support the next generation as well as its most vulnerable citizens. It must be a priority that our young citizens are not caught in a vicious and unrelenting pattern of under-education and under-employment. Citizens and communities must embrace as a principle of belief that quality education, regardless of age, is the surest route to a better tomorrow for every individual, every family, and for the vitality and long-term prosperity of Virginia.

Pillar 2: Economy

Like much of the country, Virginia experienced a prolonged period of economic growth until early 2001. That growth provided opportunities and prosperity for many citizens. The nation and the Commonwealth enjoyed sustained employment and wage growth, as well as growth in broader measures of income and improvements in poverty reduction and educational attainment. The diversity of Virginia's economy and quality of life of the workforce sets the stage for a continued and strengthening growth in most sectors over the next 10 years.

The vision maintains that only through a strong and sustained economy will Virginia continue to advance and prosper. For these reasons, attention to the economy must be of paramount concern.

Pillar 3: Best Managed State

As part of our vision, Virginia will be recognized as the best managed state in the nation. A “best managed” organization is steered by strong leaders and run by effective managers. Plans and strategies must be in place in order for our state to be successful; however, the single most important factors in moving Virginia forward are leadership and a commitment to measured and continued improvement. As part of this endeavor, we must institutionalize efforts to continuously improve our efficiency and effectiveness.

We will achieve our goal of being the best-managed state by employing performance management. Performance management is the use of performance measurement information to affect positive change in an organization by helping it to set agreed-upon performance goals, allocating and prioritizing resources, informing managers to either confirm or change current practices to meet those goals, and sharing performance results with the public. (Adapted from the U.S. Department of Commerce, Website, Oct. 30, 2003)

Virginia’s reputation for sound financial management and governmental excellence is evidenced by our continued ability to maintain a triple A bond rating. This comes from our leadership’s willingness to embrace the challenges we have faced and to make thoughtful and, in many cases, tough decisions. Over the last biennium, Virginia demonstrated excellent resolve in addressing challenges and critical issues of historic proportions. Our ability to gain ground into the long-term will require the kind of forward thinking that will enable us to plan ahead to maximize opportunities while minimizing or eliminating challenges and obstacles where possible. Effective strategic planning and strong performance management will make this a reality as the work of the Council combines with the strategic efforts of the agencies to enhance performance.

Pillar 4: Informed and Engaged Citizenry

The fourth pillar of the vision of The Council on Virginia’s Future is cultivating an informed and engaged citizenry. As a trend, communities with actively engaged citizens at high participation levels enjoy a higher quality of life standard.

Believing that an informed and engaged citizenry is critical to the vision, the Council on Virginia’s Future is planning a comprehensive “Dialogue With Virginians” for 2004. This effort, a hallmark of the Council’s work for the year, involves interaction with Virginians from all backgrounds to gain their feedback, support, and enthusiasm for the vision set forth by the Council.

Communication will happen through a number of venues and targeted to multiple subsets of Virginians: from state and local thought leaders to the business community to the

public at large. By creating customized and targeted messages for each group, we will work to find the energy inside each citizen where they can embrace and participate in their own area of interest, be it education, the economy, or any of the core services of government.

The Council will publish annually data and analysis to measure progress and will seek public input on these findings.

How the Vision Works in Daily Life and Partnerships That Make it Happen

Realization of the vision will propel movement in other progress indicators for Virginia: core services that are essential to daily life. Each workgroup focused on an important area of emphasis for Virginia and compiled a report, which included a preliminary vision and goals to be achieved over time. They also explored the way the state's general fund works together with a number of local, federal and in some cases private partnerships to deliver the services we all enjoy.

Individual Workgroup Visions

The individual workgroups of the Council on Virginia's Future compiled preliminary reports that are contained in Appendix B, starting on page 32. As part of this effort, each workgroup developed the following preliminary vision statements:

- **Best Managed State**
(See workgroup report on page 33)

The Commonwealth of Virginia will be recognized as the best managed state in the nation.

- **Economic Development**
(See workgroup report on page 36)

Virginia will continue to be a national leader in the preservation and enhancement of its economy. Virginia's per capita personal income is currently in the top quartile of states, which rank 12th or better in the nation, and will grow to the top quintile in five years (preliminary goal). We will seek to ensure shared prosperity by addressing the challenges facing some inner city and rural areas, which are losing industries and jobs. Virginia will remain a national leader in attracting new business and high wage employers while our workforce development system will give Virginia a competitive edge in business recruitment and retention efforts.

- **K-12 Education**
(See workgroup report on page 41)

Virginia will provide an educational system of the highest quality that ensures equitable access to gaining both knowledge competencies and skills to prepare every graduate for a lifetime of work, civic responsibility, and a good quality of life.

- **Higher Education**
(See workgroup report on page 45)

Virginia will strive to attain and maintain the best higher education system in the nation. Opportunity will be afforded to any qualified citizen seeking a college education, believing that an educated population will be civic-minded and economically prosperous.

- **Health & Human Resources**
(See workgroup report on page 50)

Virginians will be inspired and supported toward healthy lives and strong and resilient families.

- **Natural Resources**
(See workgroup report on page 55)

Virginia is committed to protect, conserve, and wisely develop our natural, historical, and cultural resources for our children and grandchildren, as they are the basis of our quality of life and economic vitality. We will ensure clean air, pure water, diverse habitat, healthy wildlife, and quality outdoor recreation.

- **Public Safety and Preparedness**
(See workgroup report on page 60)

Virginians will be able to move about their daily lives without concern about crime or personal safety, wherever they go. Virginia will 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.

- **Transportation**
(See workgroup report on page 65)

Virginia will enjoy a transportation system that makes it easy to go where you want to go and bring products and goods wherever they are needed. Transportation will be safe, provide choices, fuel the economy, and improve our quality of life.

Next Steps: 2004 Work Plan and Beyond

The 2004 work plan for the Council on Virginia’s Future includes four components:

Future Scope of Work			
	2004	2005	2006
Conceptual Design	<ul style="list-style-type: none"> ■ Finalize Vision ■ Establish Guiding Principles ■ Develop Initial Scorecard ■ Coordinate Agency-level Strategic Planning Process 	<ul style="list-style-type: none"> ■ Refinement and Evaluation ■ Incorporate Long-term Goals/ Objectives and Performance Indicators into Budget Development Process 	<ul style="list-style-type: none"> ■ Refinement and Evaluation
Development/Refinement of Long-term Goals and Benchmarks	<ul style="list-style-type: none"> ■ Education ■ Economic Development ■ Best Managed State 	<ul style="list-style-type: none"> ■ Health & Human Resources ■ Transportation ■ Natural Resources ■ Public Safety & Preparedness 	<ul style="list-style-type: none"> ■ Continuous Review and Refinement
Informed and Engaged Citizenry	<ul style="list-style-type: none"> ■ Develop Dialogue with Citizens ■ Publication and Analysis of Results 	<ul style="list-style-type: none"> ■ Continue Dialogue with Citizens ■ Publication and Analysis of Results 	<ul style="list-style-type: none"> ■ Continue Dialogue with Citizens ■ Publication and Analysis of Results
Future Focus	<ul style="list-style-type: none"> ■ Future Forums ■ Research ■ Input from Experts 	<ul style="list-style-type: none"> ■ Future Forums ■ Research ■ Input from Experts 	<ul style="list-style-type: none"> ■ Future Forums ■ Research ■ Input from Experts

Components:

Conceptual Design. The development and evaluation of all components of the roadmap will continue and require strong leadership from the Council. The major areas of focus in 2004 will be to finalize the vision, establish guiding principles, develop the initial scorecard, and coordinate with the agency level strategic planning process.

Development/Refinement of Long-term Goals and Benchmarks. The refinement of long-term goals and benchmarks in Education, Economic Development, and Best-Managed State must be completed within the first phase as they are directly related to the vision. We will target these four areas for refinement before we initiate communication

with the public on the vision during 2004. Long-term goals and benchmarks for Health and Human Resources, Public Safety and Preparedness, Natural Resources, and Transportation will be completed by the end of 2005, but may be completed sooner.

Informed and Engaged Citizenry. Interaction with Virginians in every walk of life is an essential component of the Council's work. This component will be launched in the spring following vision refinements based upon feedback from targeted exposure of this document and the further refinement of vision related metrics. Our approach to this dialogue will be grounded in a strong partnership with regional and local community partners as well as national partners such as the Kettering Foundation, which specializes in citizen dialogue and engagement.

Future Focus. To better chart a "roadmap" for Virginia, the Council will continue to conduct research and seek input from various experts. It will also sponsor "Future Forums" to bring together expertise on a wide array of topics and trends that will affect the way Virginians live, work, and play in the future.

Initial topics will include the impact of the globalization of our economy on Virginia's economic development efforts, the economic development models for addressing the unique challenges facing many rural and inner city Virginia communities, exploring biotechnology and Virginia's competitive edge in its continued evolution.

In Summary

The work of the Council on Virginia's Future is an evolution. In the pages of this report are many data points, goals and ideas. As our work progresses, we will establish key benchmarks to be measured over time. This "deep thinking" will involve intense careful examination of the issues at hand and prioritizing them, as well as the trend related data to track where the issues are moving in the future. We will work tirelessly to examine the right measures that will propel Virginia forward over time.

As we look to 2004, we are energized by the potential to take what is already a great state and transform Virginia into one of the strongest in the nation. We are committed and prepared to work toward the ambitions of our vision and, working with all the people of Virginia, we are confident it will happen.

APPENDIX A:

Who We Are, What We Think, and the
Characteristics of Our Economy

Virginia's Demographics

A certain intangible pride comes with being a Virginian. Perhaps it's because we grew up studying the abundance of American history that transpired here, yielding more U.S. Presidents than any other state in the nation. Perhaps it's because we live in the birthplace of American democracy, religious freedom, and higher education, with the founding of some of our nation's first universities that continue to produce responsible and socially conscious citizens. Or maybe it's because Virginia is nestled in a region of our country filled with gems, from the mountains to the ocean to our nation's capital.

For all these reasons, the more than seven million people who call Virginia home have reason to be proud. Who are we, these people called Virginians? What do we care about, and how do we perceive our quality of life in this state?

For answers to these questions we turn to three of our fine universities: The Weldon Cooper Center for Public Service at the University of Virginia for demographics, the Center for Survey Research at Virginia Tech for their annual Quality of Life research data, and Virginia Commonwealth University for citizen opinion and perceptions.

Virginians as a People

Source: The Weldon Cooper Center for Public Service, University of Virginia

Virginia today boasts a total population of 7.07 million, with 49 percent male and 51 percent female. The median age in Virginia is 35.7, with the largest age population in the 25 to 44-age bracket. Although we are a majority Caucasian state with 72 percent of Virginians being white, we are moving toward increased diversity among races, particularly in the urban areas. After Caucasian, the second largest ethnic population is Black or African American at more than 19 percent.

There are nearly 2.7 million households established in the Commonwealth, with 68 percent of these categorized as "families". The average household size in Virginia is 2.54 persons, with the average family size at 3.04 persons. Virginians occupy approximately 2.9 million houses and physical structures between primary homes and recreational dwellings.

Fifty-five percent of all people age 15 and older are married, while 18 percent are either widowed or divorced. Eighty-one percent have attained a high school diploma or higher. And, 66 percent of all Virginians over the age of 16 are in the labor force.

Overall Ratings of Life in Virginia

Source: Center for Survey Research, Virginia Tech

Virginians express positive opinions overall on most aspects of life in the ir state. Almost nine in 10 respondents (88 percent) rate Virginia as either an ‘excellent’ or ‘good’ place to live. Additionally, three-fourths (76 percent) rate Virginia as an ‘excellent’ or ‘good’ place to take a vacation. Virginians also express high regard for higher education in the Commonwealth, with nine in 10 respondents rating Virginia as an ‘excellent’ or ‘good’ place to get a college or university education. Eight in 10 citizens rank elementary and secondary education similarly.

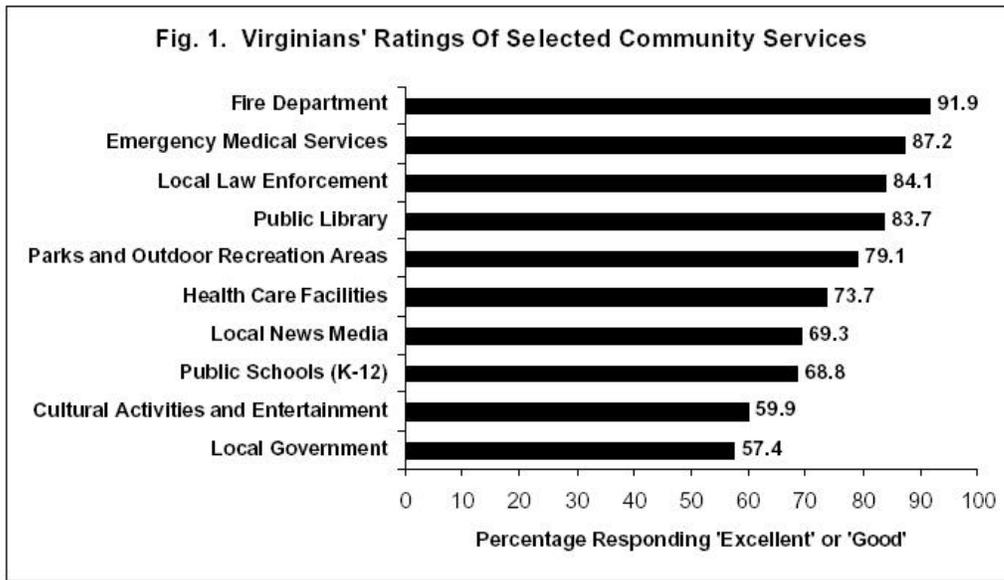
More than seven out of 10 respondents also rate Virginia as an ‘excellent’ or ‘good’ place to retire and to obtain quality medical care. Although rated lower than the other aspects of life in the Commonwealth, the majority of Virginians rate Virginia as ‘excellent’ or ‘good’ as a place for entertainment and cultural events (68 percent), as a place to find a job (63 percent), and as a place to find reasonably priced housing (55 percent).

Virginians remain highly satisfied with a variety of aspects affecting life quality. More than nine in 10 Virginians report that they are ‘very’ or ‘somewhat’ satisfied with their friendships (92 percent) and their family relationships (94 percent). More than three-fourths of Virginians are ‘very’ or ‘somewhat’ satisfied with their physical health (88 percent) and their income and financial situation (79 percent).

Ratings of Community Services

In rating services within their own communities, the majority of Virginians remain favorable on most of the services provided.

Respondent ratings for a variety of community services included in the survey are provided in **Figure 1**.



The Economy

A substantial change in the perceptions of Virginians regarding the economy in Virginia and in the nation is evident over the past two years. Specifically, perceptions among Virginians have shifted from highly positive opinions about the economy in previous years to substantially more negative attitudes in 2001 and 2002. In 2002, 73 percent of Virginians viewed the economy in the United States as improving (an increase over 2001).

However, there is less optimism about Virginia: only two-thirds (67 percent) rated the economy in Virginia as improving, compared to over 80 percent in 1997 through 2000, and 72 percent in 2001.

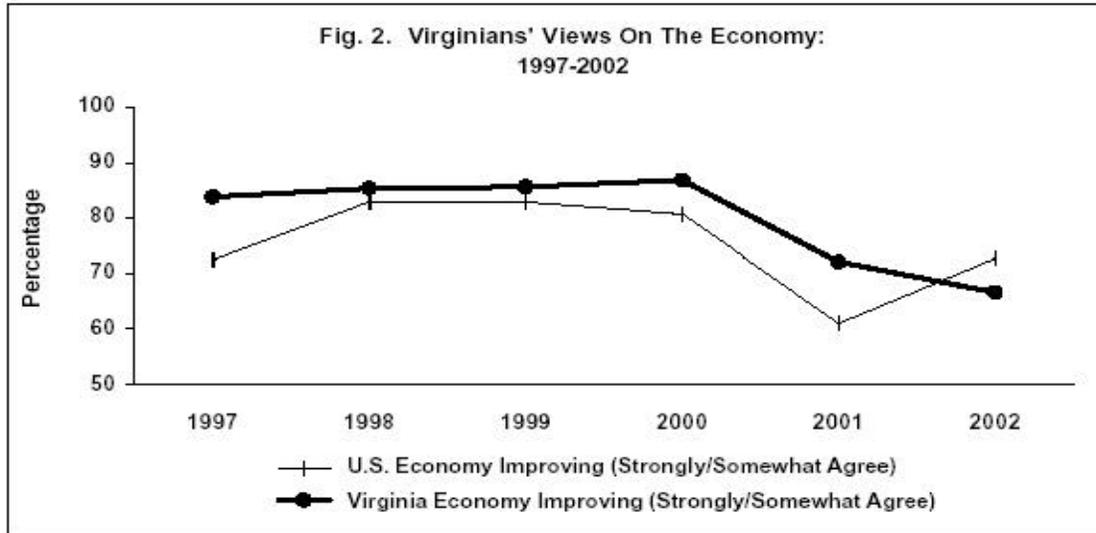


Figure 2 depicts these perceptual shifts on these economic items over the past six years.

Opinions about both the nation's and Virginia's economy vary by respondent characteristics. Specifically, regarding the nation's economy, respondents who reside in the urban area and those who are younger have more positive views than do residents outside of the urban crescent and those who are over age 40. Similarly, as regards Virginia's economy, respondents who reside outside the urban crescent and those who are older have more negative views.

Although the confidence of Virginians in the economy in general has recently decreased, opinions on individual economic indicators have remained relatively stable. The majority of Virginians have maintained confidence in their own personal economic well-being. Similar to the findings from previous years, almost eight in 10 (79 percent) are 'very satisfied' or 'somewhat satisfied' with their current income and financial situation. However, only 59 percent indicate that they rarely or never worry that someone in their family or household might lose their job.

Employment

In the area of employment, the proportion of citizens who believe that Virginia is an 'excellent' or 'good' place to find a job has declined, from 70 percent in 2001 to 63 percent in 2002. The number of employed respondents declined in 2002, with 72 percent of respondents reporting employment in contrast to 78 percent reporting employment for pay outside the home in 2001. Among employed respondents, men are more likely to be employed full-time for pay than are women. Women who are employed are twice as likely as men to hold part-time positions. Both employed men and women are about equally likely (33 percent of men, 30 percent of women) to telecommute or work from home one or more days per month for their job.

Most Virginians are satisfied with their employment situation. Among employed Virginians, 89 percent say that they are ‘very’ or ‘somewhat’ satisfied with their most recent job -- a proportion identical to that of last year.

Education

Virginians continually express positive views regarding education. Eight in 10 respondents (81 percent) rate Virginia as either a ‘good’ or ‘excellent’ place for young people to get an education through grade 12. Virginians have somewhat less positive ratings of the public secondary schools in their own communities, with slightly less than seven in 10 respondents (69 percent) rating the public schools (K-12) in their community as either ‘excellent’ or ‘good’. Virginians’ opinions regarding higher education in the Commonwealth are even more positive than those expressed about secondary education. Specifically, nine in 10 respondents rate Virginia as a ‘good’ or ‘excellent’ place to get a college or university education. This finding has remained relatively constant over the past five years.

The opinions of Virginians regarding state spending for public education differ for secondary education versus higher education. Specifically, when asked about the level of state spending in Virginia for public schools through grade 12, six in 10 (61 percent) Virginians say that ‘not enough’ is being spent. When asked about state spending for public colleges and universities, only two in five (39 percent) Virginians say that the spending level is ‘not enough’.

Quality of Life Concerns

Source: Virginia Commonwealth University

Virginians are actively concerned about the ongoing quality of life in our state. Ninety-two percent say that it is ‘very’ or ‘somewhat’ common for parents not to spend enough time with their kids, a key area of concern for the population. Likewise, 82 percent say that it is ‘very’ or ‘somewhat’ common for people in our state to have children without taking responsibility for them.

Sixty percent of Virginians say that they are ‘very’ or ‘somewhat’ worried that their children or grandchildren will not enjoy the same quality of life that they do. And, 47 percent say that they are ‘very’ or ‘somewhat’ concerned that a family member will have an illness that will not be covered fully by insurance.

Virginia's Economy

Like much of the country, Virginia experienced a prolonged period of economic growth up until early 2001. That growth provided opportunities and prosperity for many citizens. The nation and the Commonwealth enjoyed sustained employment and wage growth, as well as growth in broader measures of income and improvements in poverty reduction and educational attainment. The diversity of Virginia's economy and quality of life of the workforce sets the stage for a continued and strengthening growth in most sectors over the next 10 years.

A review of Virginia's current ranking from a nationwide perspective reveals:

Per Capita Income

- In 2002, Virginia's per capita personal income was \$32,676, for a 12th place ranking among states. The national level is \$30,832.
- In nominal terms, per capita personal income grew by one percent in Virginia from 2001 to 2002, and by 1.4 percent nationally during the same period. This placed Virginia 37th among all states in per capita personal income growth.
- Statewide decrease in growth from 11 percent in 1999 to less than five percent in 2001.
- Virginia has the highest gap in the nation between metropolitan and rural area incomes.

Additional Measures

- Virginia ranked 6th nationally in unemployment rate at 4.1 percent, but 23rd in the country in terms of long-term employment growth.
- Virginia ranked 13th in the nation for poverty rate, 9th in homeownership and 12th for per capita personal income.
- Virginia ranked 8th in the new economy index that is a comparison of 21 significant economic factors.

Key Trends

While Virginia ranks well nationally, assessment, modification, and actions must be taken to move forward in the rankings. Additionally, emerging long-term trends influencing economic development must be identified and addressed, particularly in the causes of trends and how the trends will impact Virginia and its citizens. There are a number of key trends that will impact Virginia's economy between now and 2014:

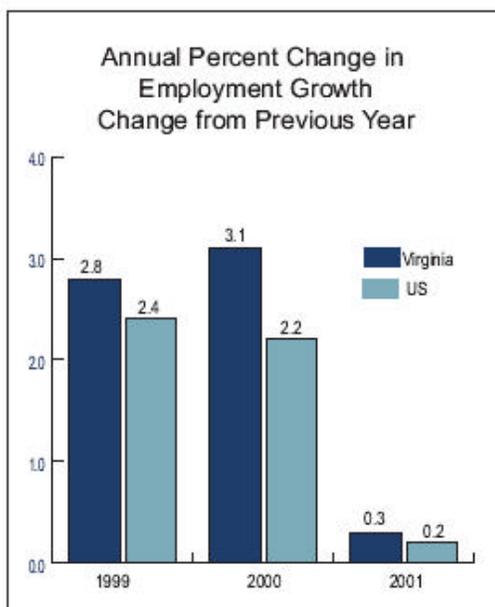
- Business' attention to the bottom line has resulted in the shifting of many jobs to India, the Pacific Rim, and South American countries.
- Production increases while employment decreases in agriculture, forestry, and fishing industries.

- The number of retirees will increase significantly after 2010, when the Baby Boomers begin to retire and place pressure on trained workforce availability and services such as the Virginia Retirement System (VRS).
- The economic base continues to diversify, through expanded services in port-related employment, stabilization in government and coal industry employment, and decline in apparel and textile employment.
- Educational levels are increasing, as are personal income levels.
- The composition of the workforce is changing, as more women enter the workforce and more foreign workers are hired for seasonal and part-time jobs.

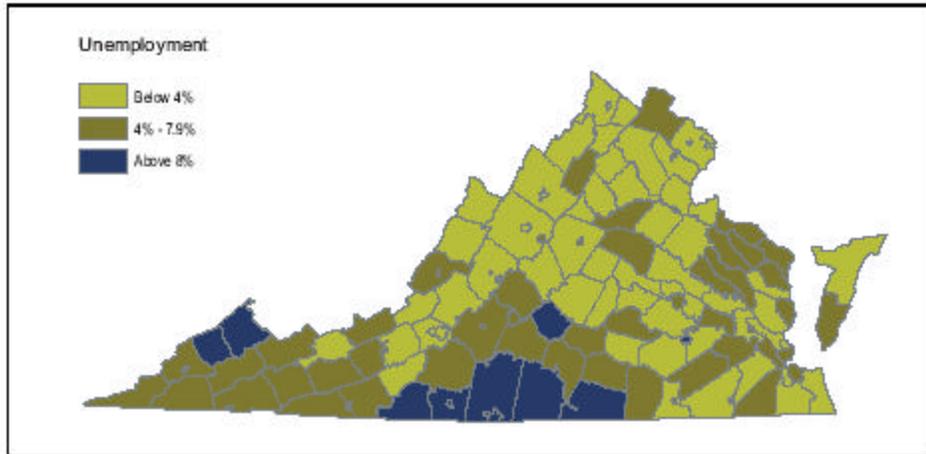
Employment Growth

The most accurate and timely measure of economic growth at the regional level is employment growth. In recent years, Virginia has outperformed the nation by significant margins. Employment growth in 2000 was 3.1 percent in Virginia on a year-over-year basis, whereas employment growth nationally during the same period was only 2.2 percent. Even in the economic downturn, the annual growth rate for employment in Virginia was positive, though just barely, at 0.3 percent in 2001, against the backdrop of slightly slower employment growth nationally of 0.2 percent.

The unemployment rate tends to be a coincident indicator in the business cycle, increasing or decreasing as the economy contracts or expands. Virginia's unemployment rate rose sharply from a low of 2.2 percent at the end of 2000 to 4.5 percent by the end of 2001, reflecting the slowing economy. However, throughout the expansion that began in 1991, and even in the recent downturn, the unemployment rate in Virginia has been well below the national unemployment rate.



Around the state, unemployment rates vary widely by locality, with some counties and cities experiencing double-digit unemployment rates while others report low unemployment rates and shortages of certain types of labor. The highest unemployment rates occur in Southside Virginia, where textile, apparel, and furniture plants have closed. Many localities in Southwest Virginia also suffer from unemployment rates chronically well above the statewide average.

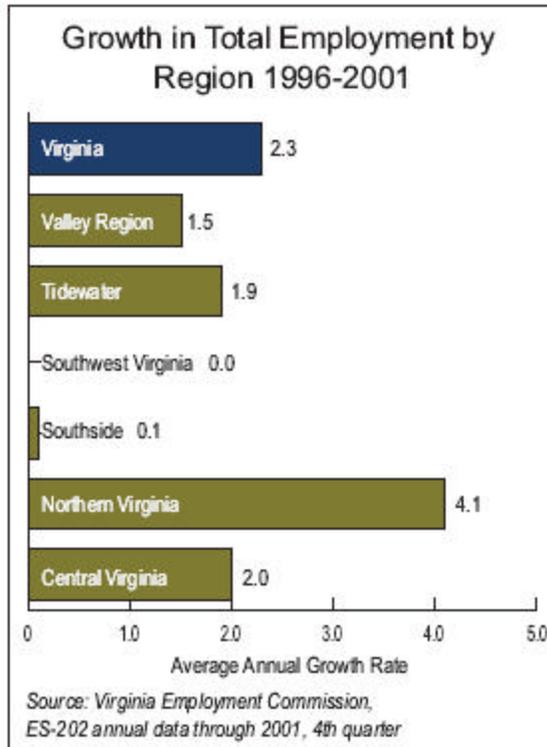


Emerging and Traditional Sectors

Over the past 30 years, the services sector's share of Virginia's economy has grown while the manufacturing sector's share of the economy has diminished. Today, the largest share of Virginia's employment takes place in the services sector, with one-third of the state's employment in industries ranging from laundry services to computer and data processing. In 30 years, the services sector has doubled its share of employment in the state and the composition of industries is quite different today than it was a few decades ago.

By contrast, the manufacturing sector has seen its share of Virginia's employment decline from 23 percent in 1971 to just 11 percent in 2001. Improvements in productivity have reduced the labor requirements in many manufacturing industries, but international competition has also played a major role in the decline of the manufacturing sector.

Some of Virginia's traditional industries, such as furniture, textiles, and apparel, have experienced declines that are enduring in nature. To the extent that these industries will not rebound with the overall economy, the labor force released from those industries needs the training and education to work in other emerging sectors of the economy.

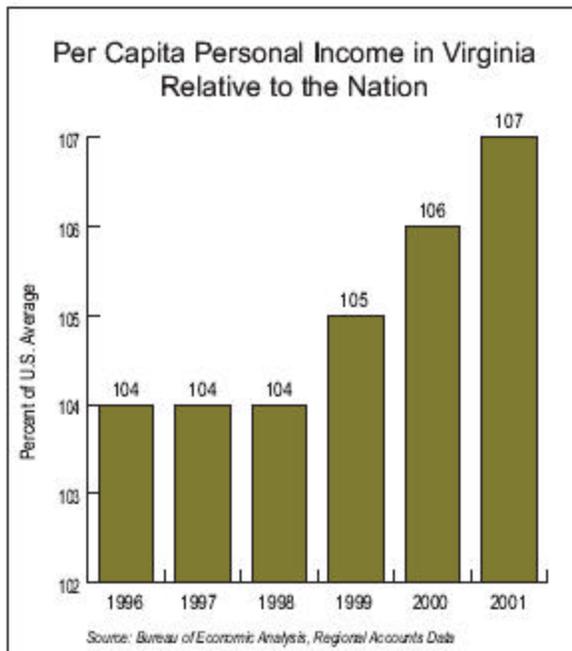


Income

Per capita personal income measures wages and salaries, but also includes self-employment income, interest income, and social security payments. In Virginia, per capita personal income has grown by an average annual rate of 5.1 percent from 1996 to 2001, while nationally the growth rate was only 4.5 percent. Virginia's per capita personal income reached 107 percent of the U.S. average in 2001 and its position relative to other states has increased in recent years as well. In 1998, Virginia ranked 15th in per capita personal income and by 2001, Virginia's ranking had risen to 12th place.

Despite the gains in per capita personal income in the Commonwealth, disparities remain between metropolitan and non-metropolitan areas of the state. In 2000, non-metropolitan area per capita personal income was 30 percent below the statewide per capita personal income average.

Unfortunately, this income gap has widened somewhat since 1998, even though income grew by an average annual rate of 3.5 percent during this period. Income growth reflects an improved standard of living for Virginians, but poverty reduction ensures that the lowest income levels are sharing in the prosperity. In 2001, Virginia had the 9th lowest poverty rate in the nation, with just eight percent of Virginians living on income levels at or below the poverty level. In the past decade, the poverty rate in Virginia has fallen from 9.9 percent to eight percent, as economic opportunities have reached more of the poorest citizens of the Commonwealth.



State	2001	Rank
Connecticut	\$41,930	1
District of Columbia	\$40,498	2
Massachusetts	\$38,845	3
New Jersey	\$38,153	4
New York	\$35,884	5
Maryland	\$34,950	6
New Hampshire	\$33,928	7
Colorado	\$32,957	8
Minnesota	\$32,791	9
Illinois	\$32,755	10
California	\$32,678	11
Virginia	\$32,295	12

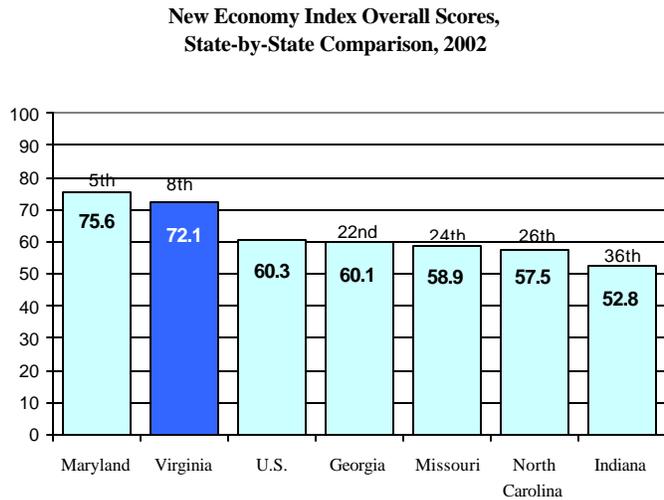
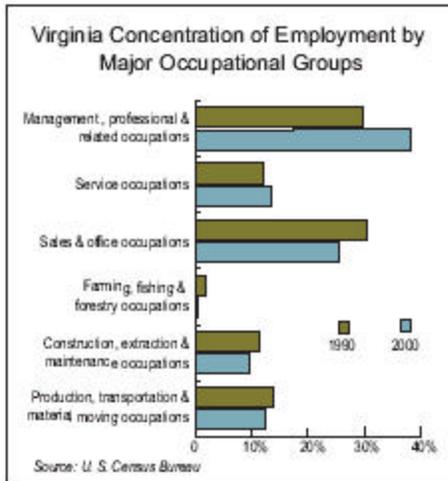
Source: Bureau of Economic Analysis, Regional Accounts Data

Quality Labor Force

Virginia boasts one of the most educated labor forces in the nation, ranking 6th in the percentage of the population age 25 and over with at least a college degree. In 2000, nearly 30 percent of this age group held a college degree or higher, compared to just fewer than 25 percent a decade ago. The Commonwealth has achieved much success in broadening the attainment of higher education through a strong college and university system. However, across the state there are many counties and cities where the rate of college degree attainment falls well below the state average, primarily concentrated in Southwest and Southside Virginia.

The composition of Virginia's labor force by occupation has changed over the past decade, with the largest shift being toward management, professional and related occupations. This shift reflects the changing composition of industries in the Commonwealth, with the services sector growing in importance, but it is also nurtured by the stream of well-educated workers either coming out of Virginia's education system or choosing to move to Virginia from other parts of the country.

Virginia's success in the growth of the high-technology sector can be attributed to many factors that make Virginia a good place for business. Most significantly, however, access to technology workers specializing in computer applications, science, and engineering gives Virginia a valuable competitive edge over other states. As an example, Virginia ranks second in the nation in its concentration of computer and information systems specialists (per 1000 employees), ahead of Massachusetts and Washington. This abundance of technical skills supports industries in the sectors of technology, defense, and bioscience.



Source: The 2002 State New Economy Index

About the New Economy Index

This indicator is a comparison of 21 indicators divided into five categories: knowledge jobs, globalization, economic dynamism and competition, transformation to a digital economy, and technological innovation capacity.

In 2002, Virginia ranked 8th in the nation with a 72.1 index score. This ranking tends to represent a state that has a high concentration of managers, professionals, and college-educated residents working in “knowledge jobs.” The ranking also reflect manufacturers in the state that tend to be more geared toward global markets, in terms of export orientation and the amount of foreign direct investment. In terms of IT and Internet factors, a large share of the state’s institutions and residents embrace the digital economy and there exists a solid “innovation infrastructure” that supports development of new technology.

Finally, high-ranking states like Virginia tend to attract new citizens that are highly mobile, highly skilled knowledge workers seeking good employment opportunities coupled with a good quality of life. Of the selected states, only Maryland had a higher ranking (fifth with a 75.6 index score), with Georgia, Missouri, North Carolina, and Indiana with rankings from 22nd to 36th in the nation.

APPENDIX B:

Council Workgroup Reports:
Preliminary Work to Date

Preliminary Findings

Best Managed State

Vision:

The Commonwealth of Virginia will be recognized as the best managed state in the nation.

Discussion:

“You cannot create a new culture by providing directions. There must be investments and engagement from the top.”

National Academy of Public Administration Fellows, November 20, 2003

As part of our vision, Virginia will be recognized as the best managed state in the nation. A “best managed” organization is steered by strong leaders and run by effective managers. Plans and strategies must be in place in order for our state to be successful; however, the single most important factor in moving Virginia forward is leadership. Leadership will bring all of the plans and strategies to life producing tangible results.

We will achieve our goal of becoming the best managed state by employing performance management. Performance management is the use of performance measurement information to affect positive change in an organization by helping to set agreed-upon performance goals, allocating and prioritizing resources, informing managers to either confirm or change current practices to meet those goals and sharing performance results with the public. (Adapted from the U.S. Department of Commerce, Website, Oct. 30, 2003)

Virginia’s reputation for sound financial management and governmental excellence comes from our leadership’s willingness to embrace the challenges we have faced and to make thoughtful and, in many cases, tough decisions. Over the last biennium, Virginia demonstrated excellent resolve in addressing challenges and critical issues of historic proportions. Our ability to gain ground into the long-term will require the kind of forward thinking that will enable us to plan ahead to maximize opportunities while minimizing or eliminating challenges and obstacles where possible. Effective strategic planning and strong performance management will make this a reality.

Virginia’s performance management efforts date to the early 1980’s when goals and measures were required to be provided by state agencies as part of their budget submissions. In 1982, the Department of Planning and Budget’s (DPB) program evaluation function was established, and since then has completed well over seventy-five program evaluation studies. In 1994, DPB established the planning and performance section to coordinate the state’s strategic planning and performance measurement work.

All executive branch agencies have baseline strategic plans and performance measures in place and this information can now be accessed centrally through [Virginia Results](#), the Commonwealth’s automated performance management information system. Virginia has

been recognized both nationally and internationally for its efforts in performance management.

Since 1996, under the auspices of the Pew Charitable Trusts, the Maxwell School of Citizenship and Public Affairs of Syracuse University has rated the management capacity of local and state governments and selected federal agencies in the United States. The project, called the Government Performance Project (GPP), evaluates the effectiveness of management systems and examines the role of leadership in government entities. In doing so, the project studies and evaluates public sector management in five management system areas, and determines how well they are integrated. The GPP does not focus primarily on performance; it analyzes management capacity, which is the foundation for good results. In 2001, Virginia was tied with Missouri for fourth with a cumulative average of 3.45. Washington was first with an average of 3.70. In 1999, Virginia ranked first with a score of 3.70.

In order to formulate a process that would be most effective, the Best Managed State workgroup deployed a focused approach to formulating its plan:

- The objective is to measure how well state government as a whole is managed; efforts focus on statewide management systems & outcomes.
- The measures identified are limited to a manageable number.
- The process acknowledges systemic issues relevant to management excellence and seeks to develop strategic means to address them.
- The approach uses accepted standards to help facilitate state-to-state comparisons while allowing for the development of new measures as Virginia enters new frontiers in management excellence.

Goals: *(All of the metrics listed here are preliminary.)*

1. Outstanding Financial Management

As the best managed state, Virginia will enhance a “results-oriented” approach to government that better connects tax dollars with benefits for Virginians and will demonstrate to taxpayers the value received for the tax dollars invested.

Virginia will maintain a fiscally strong and stable financial management system as demonstrated through a number of indicators, including 100 percent of bond agencies rating Virginia “Triple A” each year and ranking in the top 10 states in the efficiency and effectiveness index starting in 2005.

2. Open & Accountable Government

Taxpayers deserve to have government institutions that are open and accountable. Virginia will actively seek public input regarding services provided and will foster public trust and citizen participation in the process of governing.

Beginning in 2005, we are striving for 75 percent of customers who rate state government as open and accessible and who say they are satisfied with the services they receive from

their state. Also by 2005, we are striving to have 55 percent of registered voters participating in statewide and national elections.

3. Long-Range Planning & Performance Management

“One of the hallmarks of leading-edge organizations -- be they public or private -- is the successful application of performance measurement to gain insight into, and make judgments about, the organization and its effectiveness and efficiency.”

-U.S. Department of Commerce, 1999

Virginia will formulate an enhanced long-range, strategic planning process that contains performance measures and forecasts. The plans and measures will be evaluated annually using a number of indicators, including 100 percent of state agencies with published strategic plans and performance results (pursuant to Chapter 900 of the 2003 Acts of the Assembly), by December 2004; 85 percent of state employees who understand their agency’s vision, goals and objectives by Spring 2005; and 85 percent of state agencies that meet annual performance targets by October 2006.

4. High Quality Workforce

The essential ingredient to the successful implementation of all management initiatives is a dedicated and motivated workforce. Virginia’s 111,000-employee workforce represents state government’s greatest asset. Forging a partnership in pursuit of excellence will foster management efficiency and effectiveness. As the crucial component of a “Best Managed State,” each employee will be a stakeholder in attaining and maintaining the highest levels of productivity and achieving the desired results.

We will track progress toward this goal by attaining comparable average state employee total compensation by December 31, 2010, within the top 10 states with the lowest number of state employees per capita by December 31, 2005, within the top 10 states with low state employee turnover rate by December 31, 2005, a representative workforce diversity that achieves parity with the labor market availability data by December 31, 2005, and at least 75 percent of state employees satisfied with state government operations by spring 2004.

5. Effective Information Systems Management

Virginia will use information systems to increase the efficiency and effectiveness of state government in a fiscally sound way that meets the needs of customers and employees. We will track progress to this goal by attaining 90 percent of state services available to citizens on-line, over the phone or via other electronic means (excluding those that must be done in person), 75 percent of citizens responding that technology delivers services effectively, achieving a top 10 ranking on the Center for Digital Government Assessment, and 100 percent of agencies with plans in place to replace aging, inefficient state legacy systems such as those used for planning, budgeting, accounting, payroll, and leave administration.

Preliminary Findings

Economic Development

Vision:

Virginia will continue to be a national leader in the preservation and enhancement of its economy. Virginia's per capita personal income is currently in the top quartile of states, which rank 12th or better in the nation, and will grow to the top quintile in five years. We will seek to ensure shared prosperity by addressing the challenges facing some inner city and rural areas, which are losing industries and jobs. Virginia will remain a national leader in attracting new business and high wage employers while our workforce development system will give Virginia a competitive edge in business recruitment and retention efforts.

Discussion:

The development of a strong and resilient economy is a cornerstone of Virginia's future. It is the fuel that drives us forward, for without a solid economy there are no resources to manage the rest of the critical services that define our state. It is for this reason that the economy works as one of the four pillars for the Council on Virginia's Future: economy, education, best-managed state, and informed and engaged citizenry.

A strong economic climate in Virginia indicates opportunities and prosperity for people and business. Virginia's per capita personal income is currently in the top quartile and will grow to the top quintile in five years (preliminary goal). We believe this to be a critical component of achieving our mission.

We will seek to ensure that all Virginians share in this prosperity by addressing the challenges facing some inner city and rural areas, which are losing industries and jobs. Virginia will remain a national leader in attracting new business and high wage employers. Our workforce development system will give Virginia a competitive edge in business recruitment and retention efforts.

The economic development focus area of the Council on Virginia's Future includes measures on unemployment, employment growth, per capita personal income, rates of homeownership and poverty. In addition, the "new economy index" (a comparison of 21 key indicators of the economy divided into five categories) addresses both businesses and individuals by measuring knowledge jobs, globalization, economic dynamism and competition, transformation to a digital economy, and technological innovation capacity in various personal and business sectors.

The economic climate in Virginia varies widely by region. Moving forward, top priorities of the economic development focus area of the Council are regionalization and workforce development, in-depth study of what the future holds for our state economy, an analysis of global best practices in economic planning, and discovery of how to promote Virginia as a place where business is done.

Partners and Funding:

The state's major partners are Virginia businesses and entrepreneurs. However, equally important is the workforce that supports the business community. Developing a diverse business structure and a quality workforce in Virginia sets the stage for economic growth that provides opportunities with additional local, regional, national, and international business partners and governments

Goals: *(All of the metrics listed here are preliminary.)*

1. Growth of the Economy. We believe a strong economy is one in which people prosper as individuals, which in turn leads to cumulative societal prosperity. In Virginia, per capita personal income has grown by an average annual rate of 5.1 percent from 1996 to 2001, when the national average was 4.5 percent. Despite these gains, regional disparities make it imperative to focus on personal incomes long-term. We strive to grow personal income levels at a rate exceeding the rolling national 10-year average.

2. Shared Prosperity. Virginia's economy today is plagued by vast disparity between its geographic regions, with few high-paying jobs in some places in Southwest and Southside Virginia. With the most promising jobs centralized in Virginia's urban areas, shared prosperity clearly is a focus for our collective future strength. We will work to ensure that all regions of the Commonwealth experience economic growth by measuring and tracking personal income rankings, unemployment, educational attainment, and poverty rates by region of the state.

3. Outstanding Business Climate. Developing a reputation as a great place to do business is something Virginia has been working toward for a number of years. Virginia will achieve national recognition as a great place to do business by climbing the national rankings on business climate.

4. Identify and Nurture Strong Components of Economic Base. Virginia businesses that provide strong support to the growth in our economy will be nurtured and supported to ensure the continuation of such efforts. It is important to understand which sectors of the economy are contributing the most today and well into the future in order to determine where to invest state resources. To meet this goal, we will measure key growth areas of our economy such as information technology jobs, defense jobs, traffic through ports, etc., and evaluate the strongest places for investment. Using a PPI type index, we will nurture the strongest components of our economic base.

5. Strengthened Workforce Development Efforts. Virginia's workforce development efforts will provide a competitive edge in recruitment of new business. We will measure success by climbing the national rankings on workforce efforts. We also believe that education and training attainment metrics are critical for driving the economy forward. Specific goals and measurements regarding educational attainment are found in the education chapters of this report.

What Virginians Think:

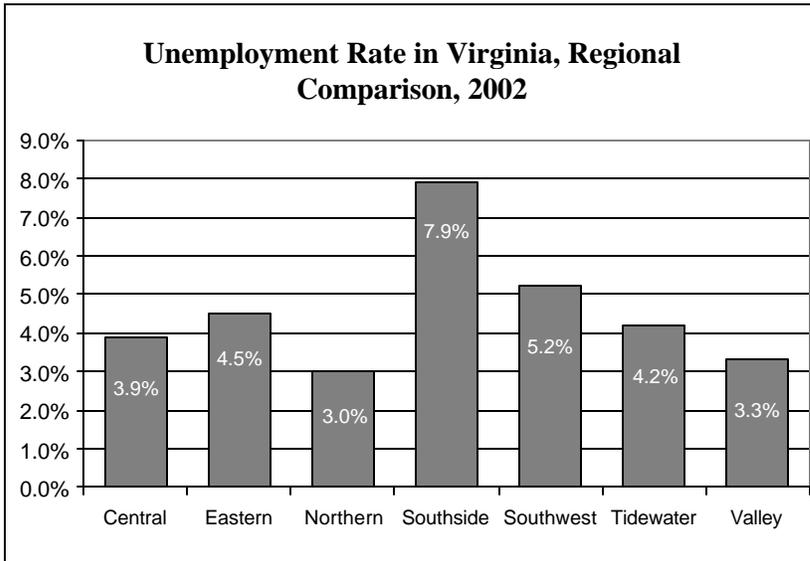
In 2002, 73 percent of Virginians viewed the U.S. economy as improving, but were less optimistic about Virginia. Sixty-seven percent rated the state economy as improving in 2002, versus 80 percent in 1997 to 2000.

- 79 percent of Virginians were very/somewhat satisfied with their personal financial situation
- 59 percent say they rarely/never worried that someone in their house will lose a job

Source: Virginia Tech Quality of Life Survey

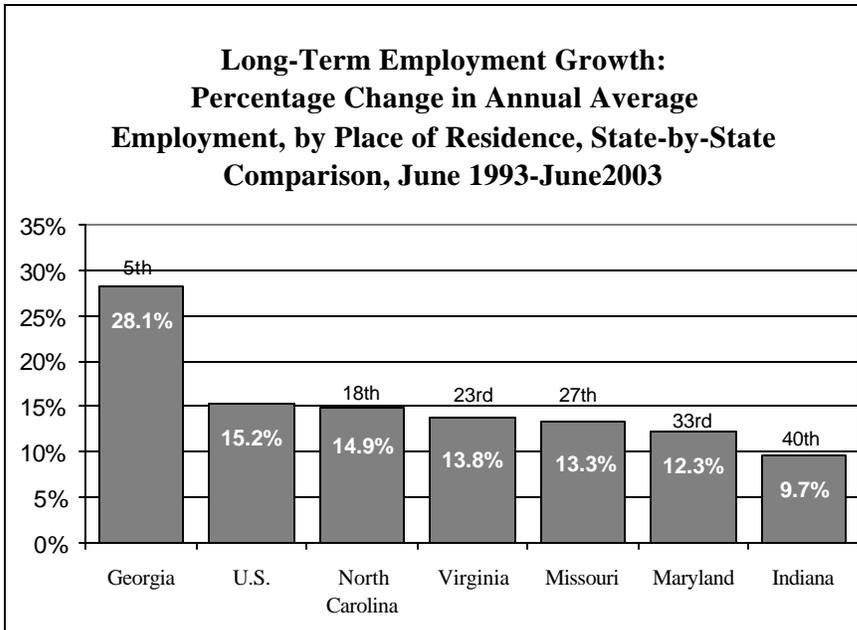
Data/Charts:

1. Unemployment rate



Source: County and City annual Stats, 2002

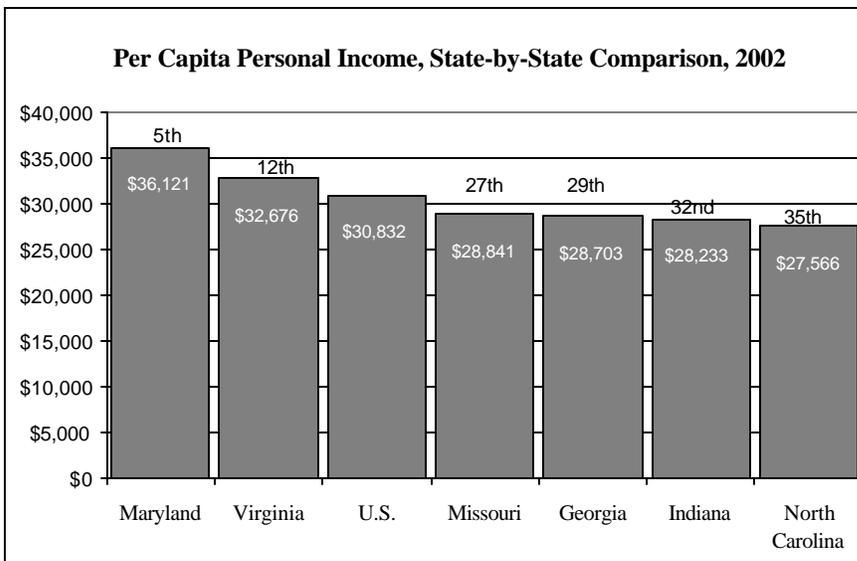
2. Long-term employment growth



Source: Bureau of Labor Statistics, data as of June 2003

Virginia ranked 23rd in the nation, with a 13.8 percent change in employment over the 10-year period.

3. Per Capita personal income



Source: Bureau of Economic Analysis, June 2003

4. Regional per capita personal income

Region	Income
Northern Virginia*	\$44,933
Virginia Statewide	\$32,338
Richmond-Petersburg, VA (MSA)	\$32,268
Charlottesville, VA (MSA)	\$31,657
Roanoke, VA (MSA)	\$30,249
Norfolk-Virginia Beach- Newport News, VA (MSA)	\$27,452
Lynchburg, VA (MSA)	\$24,665
Johnson City-Kingsport- Bristol, TN-VA (MSA)	\$23,473
Danville, VA (MSA)	\$21,280

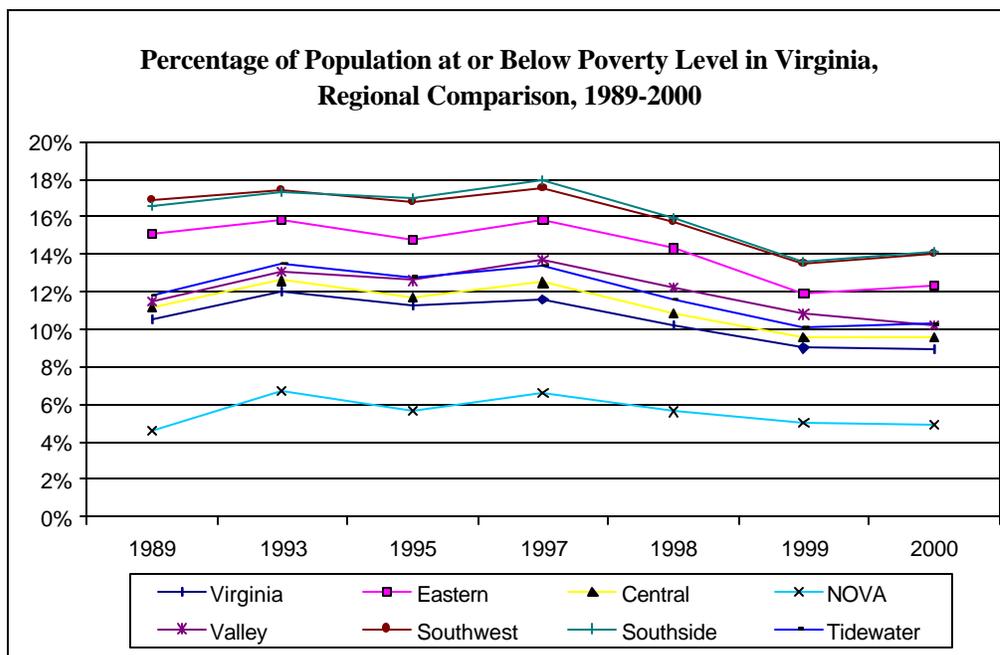
*Calculated value from aggregation of northern Virginia cities and counties.

Note: Virginia per capita personal income if Northern Virginia is excluded = **\$26,618**

Source: Bureau of Economic Analysis

Virginia's statewide average per capita personal income is \$32,338 with differences in MSAs ranging from \$21,280 (Danville) to \$44,933 (Northern Virginia).

5. Poverty Rate



Source: Virginia Economic Development Partnership

Preliminary Findings

K-12 Education

Vision:

Virginia will provide an educational system of the highest quality that ensures equitable access to gaining both knowledge competencies and skills to prepare every graduate for a lifetime of work, civic responsibility, and a good quality of life.

Discussion:

If constructing a life were to be compared to constructing a home, then the magic that happens in the K-12 years would most certainly be the foundation. It is during these critical years that children learn the fundamentals of life, work, democracy, and responsibility that begin to chart their path in life.

Virginia performs well in K-12 education, yet there is room for improvement. That is why, for the past several years, thousands of teachers and administrators across Virginia have engaged in the process of implementing accountability deadlines for the 1.2 million students enrolled in our public schools. Working together with the Governor and the General Assembly, Virginia's education leaders have shown that hard work, high expectations, and the right standards pay off in higher student achievement.

Virginia's public education system is made up of 132 school divisions operating 1,842 schools. In addition, there are 88 education centers and 2 state-operated schools for the education of the deaf and blind. Public education is a major investment of government, with local operating expenditures for 2002 totaling nearly \$9.0 billion. These expenditures are \$4.6 billion from local sources (51 percent); \$3.8 billion from state sources, including sales tax (43 percent); and \$591.6 million from federal sources (6.6 percent).

As we look to the future, Virginia is committed to providing an educational system of the highest caliber in the nation that provides equal access to every Virginian. This is a cornerstone of the Virginia we dream of building.

Partners and Funding:

- Total budget \$9.0 Billion
- Local – 51 percent (\$4.6 Billion)
- State – 43 percent (\$3.8 Billion)
- Federal – 6 percent (591.6 Million)

Goals: *(All of the metrics listed here are preliminary.)*

1. Outstanding Student Achievement. Creating the highest quality educational system requires students who are achieving high scores on nationally standardized performance measures. Three key metrics for student achievement are the Standards of Learning (SOL), National Assessment of Educational Progress (NAEP), and the Scholastic Aptitude Test (SAT).

On the SOLs, the goal will be set at 80 percent of Virginia's third graders to achieve at or above the proficiency score in English by 2008; 90 percent by 2013. In math, the goal for third graders is 85 percent by 2008, 90 percent by 2013.

For eighth graders, the goal is 80 percent meeting or exceeding the SOL proficiency score in both English and math, 90 percent by 2013.

On the SATs, we will meet or exceed the national average score by 2013, while improving the number of high school seniors who choose to take the test by 10 percent in 2008, 20 percent in 2013.

2. Highly Qualified Teachers. Meeting our goals will require a highly qualified teacher in every classroom, as teachers are the bedrock of our educational system.

The overall goal is to improve the percentage of classes taught by highly qualified teachers. In our schools most impacted by poverty, we may have farther to go to reach a level of equality for all Virginia schools.

Making this happen requires attention to metrics. To meet our overall goals, we will improve the number of teachers achieving National Board Certification by 10 percent in 2008, 20 percent by 2013. Additionally, in order to retain the knowledge capital and experience of highly qualified teachers, Virginia will seek to track years of experience and reduce the teacher turnover rate.

3. School Safety. All students in every school in the Commonwealth will be educated in a learning environment that is safe and drug-free. In striving to meet this goal, every Virginia public elementary and secondary school will strive to maintain a record of less than one Category I (Homicide, Sexual Assault Offenses, Use of Bomb or Explosive) criminal offense incident per school year.

Virginia also will decrease the percentage of Category II (Assault/Firearm or other weapon, actual/attempted robbery, Kidnapping/Abduction, Malicious Wounding without a weapon, aggravated sexual battery) offenses in each school (division). As it relates to Category III offenses (Illegal possession of: handgun, rifle, shotgun, other projectile/weapon, bomb, other firearms; illegal possession of controlled drugs and substances with intent to distribute or sell), Virginia will decrease the percentage of occurrences in each school (division).

What Virginians Think:

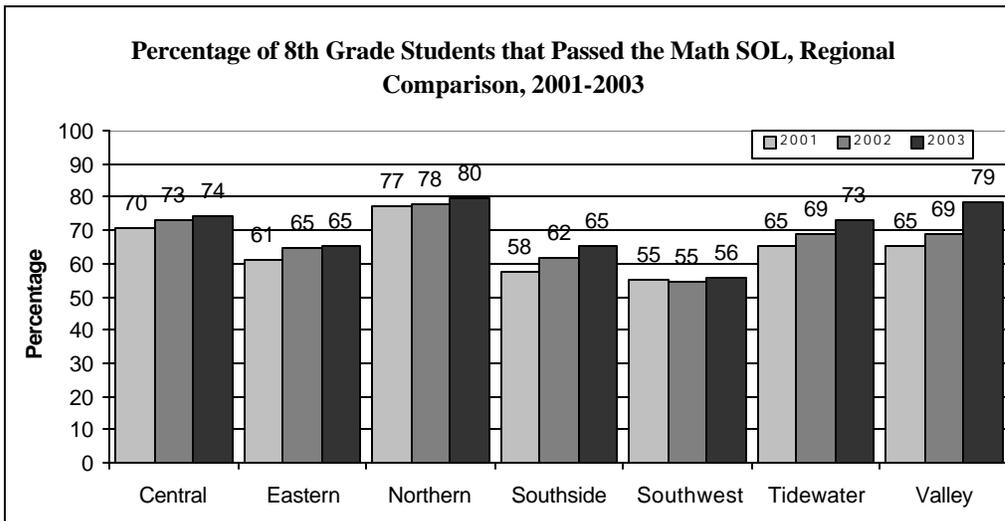
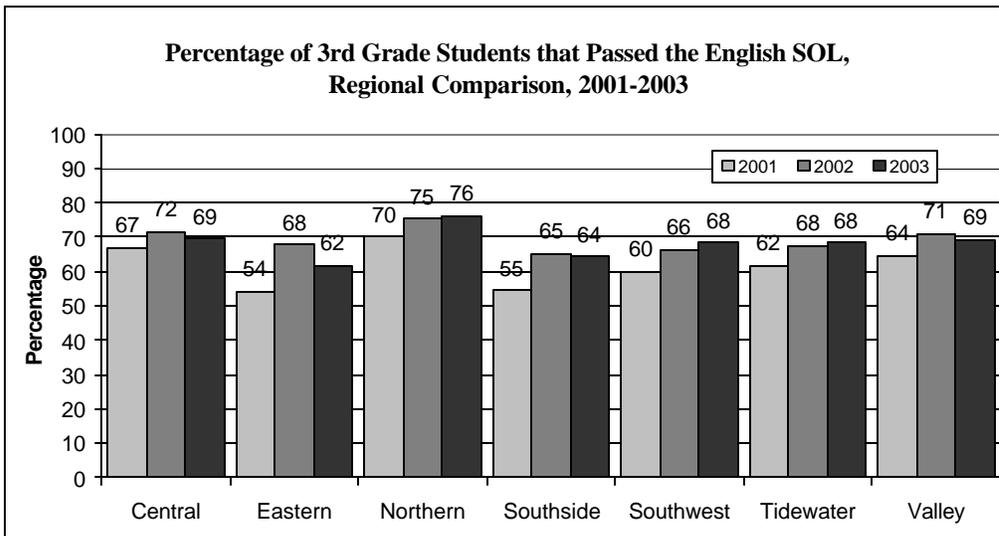
Over a 10-year period, K-12 education has been the most consistently critical issue for the public. When asked in 1995 to prioritize spending choices, nothing came close to public schools.

- K-12 (79 percent) vs. Roads (17 percent)
- K-12 (85 percent) vs. Colleges (10 percent)
- K-12 (85 percent) vs. Prisons (10 percent)

Source: Virginia Commonwealth University

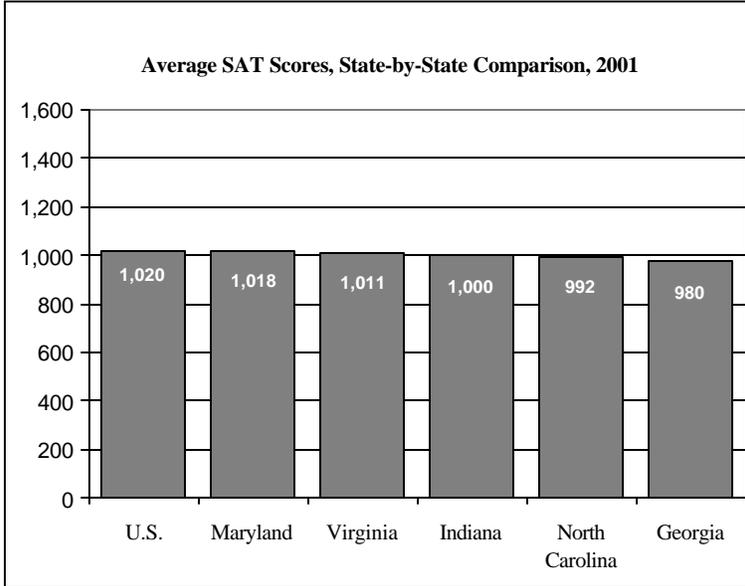
Data/Charts:

1. SOLs



Note: The percentages were calculated using a weighted average based on average daily membership for each county.
Source: Virginia Department of Education

2. SATs



Note: Because 26 states predominantly use the American College Test (ACT) rather than the SAT, national rankings are not available.

Source: Congressional Quarterly State Fact Finder 2002

Virginia's average SAT score was 1,011 in 2001. This compared favorably with Indiana (1,000), North Carolina (992), and Georgia (980). However, it was lower than Maryland (1,018) and the national average (1,020).

3. Highly Qualified Teachers: Today's Indicators

(Data is currently being collected)

4. School Safety

(Data is currently being collected)

Higher Education

Vision:

Virginia will strive to attain and maintain the best higher education system in the nation. Opportunity will be afforded to any qualified citizen seeking a college education, believing that an educated population will be civic-minded and economically prosperous.

Discussion:

Virginia's heritage is steeped in its outstanding system of higher education. From the founding of the College of William and Mary in the 1690s to the establishment of the Virginia Community College System in the 1960s, our higher education system helps to produce a well-educated citizenry that benefits our state in two critical ways: by producing graduates who possess real earning (and spending) power; and by stimulating research, development, and innovation. Higher education helps individuals earn more and contribute to their communities, while research and development stimulates the economy, creates jobs, and addresses critical problems.

Higher education includes undergraduate, graduate, and professional education and training. Virginia's state-supported institutions of higher education include 15 four-year colleges, one two-year junior college, a system of 23 community colleges, and three higher education centers. These institutions currently enroll approximately 337,000 students. Another 100 institutions including private non-profits, private for-profits, and public colleges from other states that have operations in Virginia enroll about 58,000 students.

Higher Education represents a major investment for the state, with general fund support in 2003 totaling \$1.3 billion. The majority of the general fund money goes to support the instructional program at each college or university. However, the state also provides funding for financial aid. In addition to the state money provided to higher education, tuition and fees revenues contribute significantly to the cost of providing education. In 2003, tuition and fee expenditures at Virginia's public colleges and universities totaled about \$1.8 billion.

Higher education is inextricably linked to the future prosperity of our Commonwealth. Therefore, it is our obligation to measure its progress toward aggressive goals spanning the next 10 years.

Partners and Funding:

Total budget \$3.1 Billion
State – 42 percent (\$1.3 Billion)
Nongeneral Fund: Tuition and Fees – 58 percent (\$1.8 Billion)

Goals: *(All of the metrics listed here are preliminary.)*

- 1. Participation.** By 2013, we will seek to increase the college participation rates among all races, genders, regions, and socioeconomic groups and provide a place in higher education programs for all qualified Virginians wanting to further their education. Progress toward this goal will be measured by the number of high school graduates enrolling in college within a year of graduation from its current 60 percent to 75 percent by 2013. And, we will increase the number of students enrolled in graduate school by 2008 to 34,000 students.
- 2. Access and Affordability.** Qualified Virginia citizens will have the opportunity to begin and continue their education at Virginia institutions as measured by capacity, affordability, and access. In capacity, we will be able to accommodate student demand. Our system will be as affordable as possible with ample financial aid available, addressing disparities caused by socioeconomic conditions. And, we will have accessible quality education across our geography through institutions and distance learning.
- 3. Success.** By 2008, Virginia will strive to increase by 10 percent the number of degrees and other certified student successes. Key measures of this will involve increasing the attainment level of four-year degrees or higher to at least 35 percent; retaining a higher percentage of first-time freshmen system-wide; graduating a higher percentage of entering students system-wide within six years; and demonstrating that graduating students achieve their post-graduation goals within five years.
- 4. Quality.** Virginia institutions will strive to improve the level of quality as measured by a wide range of indicators such as improved student-faculty ratios, quality of students (measured by admissions criteria and standardized tests), student retention rates, faculty productivity indicators, and graduation rates.
- 5. Knowledge.** Virginia will strive to increase its annual research expenditures by 70 percent, to \$1 billion, over the next five years. The majority of the colleges and universities within the Commonwealth are not at the research level. Success will be measured by increasing the number of invention disclosures, patent applications filed, patents issued and licenses issued to business start-ups.
- 6. Benefits.** The higher education system in Virginia will provide benefits to its citizens, surrounding communities, and the economy. Success will be measured by increases in income as a result of obtaining a degree/certification, involvement in community organizations, numbers of voting residents, and contributions to political candidates or causes.

What Virginians Think:

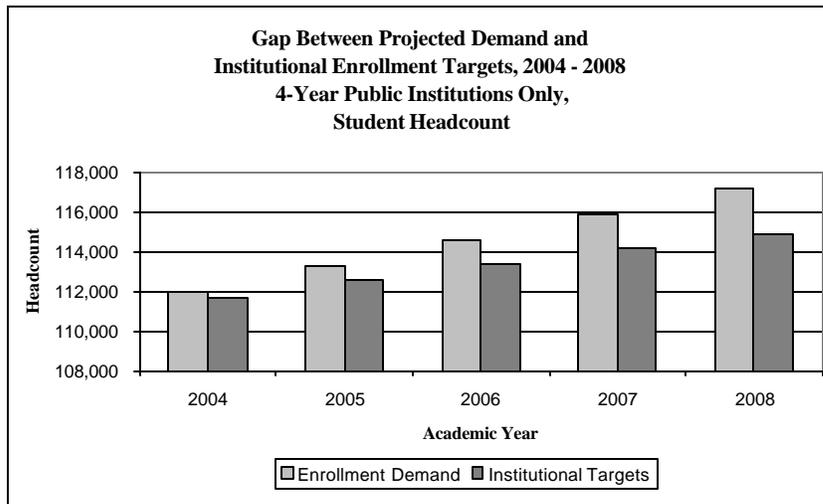
Virginians believe that higher education has become increasingly important to life chances, with citizens supporting higher education bond packages in large majority. In spending priorities, higher education usually ranks with roads and highways and is a clear step below K-12. Virginians say higher education is:

- More important (82 percent) vs. less important (three percent) than 10 years ago
- Excellent/good value (63 percent) vs. fair/poor (24 percent)

Source: Virginia Commonwealth University

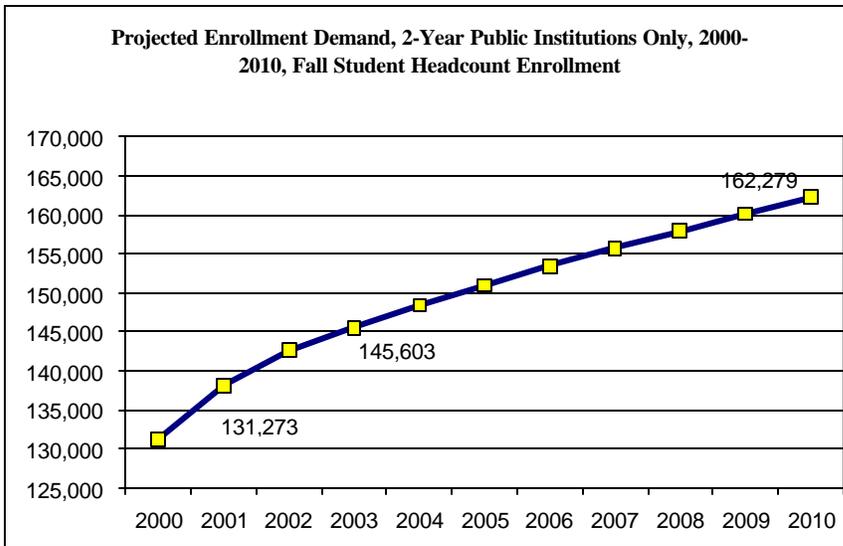
Data/Charts:

1. Enrollment and Demand



Source: SCHEV, Revised Enrollment Demand Projections through 2010 and Potential Gaps in Higher Education Services, July 16, 2003.

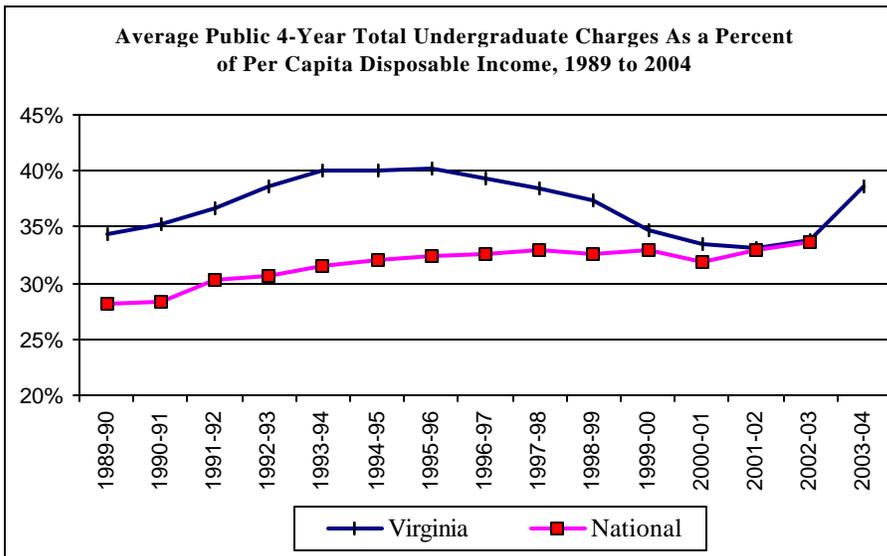
Preliminary Findings



Source: SCHEV, Revised Enrollment Demand Projections through 2010 and Potential Gaps in Higher Education Services, July 16, 2003.

Recent studies conducted by the State Council on Higher Education in Virginia indicate that between 2000 and 2010, the number of in-state students seeking places in Virginia’s public institutions of higher education will grow by 51,000. SCHEV estimates the shortage of seats for in-state undergraduate students at the public four-year institutions may be 2,265 full time equivalent (FTE) students in Fall 2007, and possibly as high as 6,300 FTE students by 2010.

2. Affordability

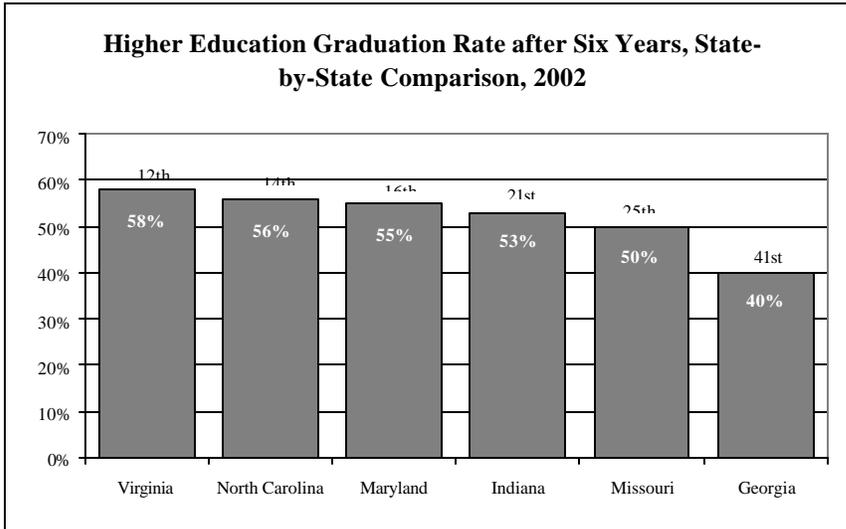


Sources: U.S. Bureau of Economic Analysis and The College Board, as reported by SCHEV, 2003-2004 Tuition and Fees at Virginia’s State-Supported Colleges and Universities.

Preliminary Findings

In 2004, median undergraduate charges will be 36.6 percent of per capita disposable income in Virginia. This is slightly below the percentage required 10 years ago. For the last decade, the share of income required in Virginia has been higher than the national average, but the gap began to narrow in the mid-1990s and actually closed in 2002-03.

3. Completion Rates



Note: This source does not provide national average data.

Source: National Center for Education Statistics, IPEDS Graduation Rate Survey, as reported in Measuring Up 2002, The State-by-State Report Card on Higher Education, National

In no state do more than 70 percent of students complete a degree within five or six years of enrollment. Virginia ranks 12th nationally, better than all of the selected states, with 58 percent of students completing degrees within six years.

Preliminary Findings

Health and Human Resources

Vision:

Virginians will be inspired and supported toward healthy lives and strong and resilient families.

Discussion:

Good health is arguably the most fundamental indicator of an individual's quality of life. Besides poor health, all of the other abundances of living seem small and insignificant. It has been shown time and time again that those without adequate health care receive less preventive care, are diagnosed at more advanced stages of a disease, and have higher mortality rates. Good health improves annual earnings for Virginia's families, improves the ability of our children to improve their educational attainment, and therefore, improves the overall economy of the Commonwealth.

Likewise, the family is the primary social structure in which support is granted, making families a vital component of our overall societal infrastructure. Realizing that accessible and affordable healthcare is fundamental to the American dream, Virginia will work to ensure that all citizens are supported toward healthy lives and strong families.

Health and human resources encompasses the service delivery and management of the responses to some of the most critical human resource issues affecting Virginians. Various activities promote self-sufficiency and independence through efforts to strengthen families, improve care and treatment for Virginians who are mentally or physically impaired, increase awareness and accessibility of long-term care for Virginians, and assure affordable and accessible health care for Virginians.

Virginia has several partners that provide important and vital human services to the citizens of the Commonwealth. Federal, state, and local entities, private providers, and individuals and their families all play a role in the delivery of services. The wide array of services in health and human resources can be grouped into several categories including health care services and insurance; services for individuals with disabilities family support services and financial assistance, and services for senior citizens.

Partners and Funding:

Medicaid

Total budget \$3.4 Billion

Federal– 52 percent (\$1.8 Billion)

State – 48 percent (\$1.6 Billion)

Mental Health

Total budget \$754.4 million
Federal– 10 percent (72.4 million)
State – 54 percent (\$406.4 million)
Special Funds – 36 percent (\$275.4 million)

Social Services

Total budget \$1.3 Billion
Federal– 45 percent (\$582.4 Billion)
State – 19 percent (\$252.2 million)
Special Funds – 36 percent (\$462.8 million)

Goals: *(All of the metrics listed here are preliminary.)*

1. Health Insurance. We believe that Virginians should have access to affordable health insurance, which in turn improves access to health care services and encourages healthy lifestyles. In Virginia, more than one million people do not have health insurance. We will measure progress toward this goal by tracking a decrease in the percentage of uninsured children and the overall number of uninsured. At the same time, due to the increase in the numbers of Virginians that need costly long-term care services now and in the future, we will work to increase the percentage of the population covered by long-term care insurance.

2. Provision of Health Care Services. Good health outcomes for Virginians influence educational achievement and, in turn, shape earning potential. This need begins with healthy birth outcomes and continues throughout the life span. Therefore, Virginians will have access to preventive, routine, and appropriate health care services across their life span. We will improve our infant mortality rate and improve the birth weight of babies born throughout Virginia. We will ensure a healthy childhood through improved immunization rates.

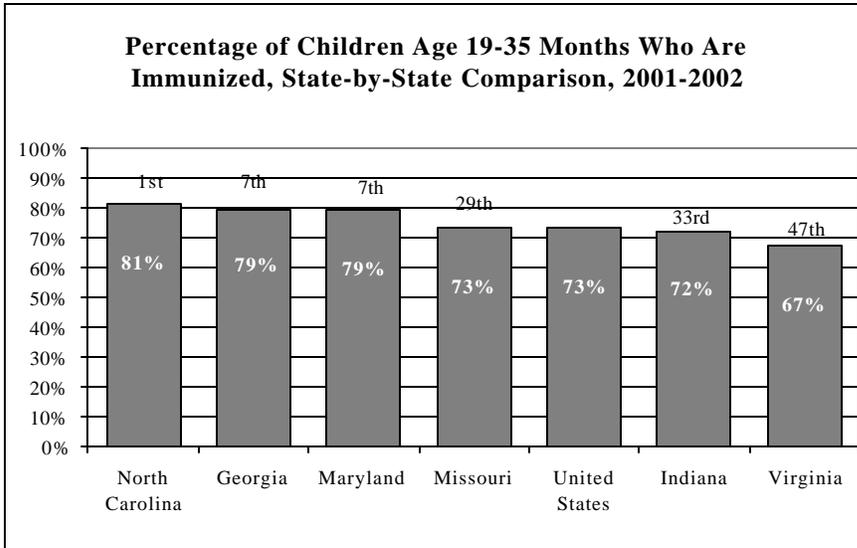
3. Community-Based Services. We will support Virginians with disabilities to live in the setting that is most appropriate for their needs. The indicators for this goal are not yet identified. The recent Olmstead report, released by the Department of Mental Health, Mental Retardation, and Substance Abuse, will be utilized to come up with the indicators. One potential indicator will be an increase in the number of persons with disabilities served in the community rather than in institutions.

4. Healthy Lifestyles. We believe that healthy Virginians are the key to a successful life for individuals and for the economy of Virginia. Currently, 56 percent of our population is overweight and more are becoming so earlier in life. This trend lends itself to health complications, such as heart disease and diabetes, loss of productive years, and account for a significant portion of health care costs in Virginia today. Therefore, we want Virginians to adopt healthy lifestyles, as measured by an increase in life expectancy and an overall reduction of obesity. We will work to increase the number of citizens that exercise regularly over the next 10 years.

5. Strong Families. Virginians will have strong and resilient families, as measured by an overall reduction of families that rely on public assistance and supportive programs. The key to strengthening families is assisting families to take care of themselves by reducing the number of Virginia families in poverty over the next 10 years.

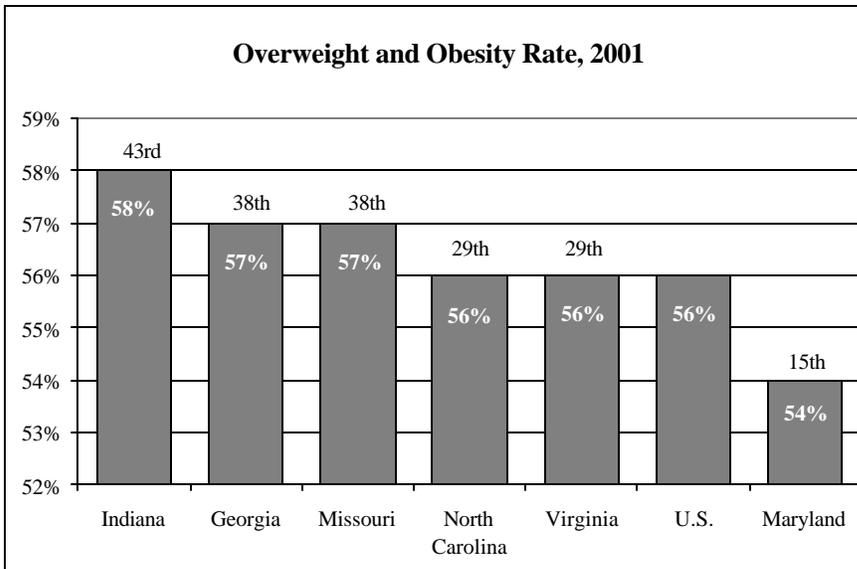
Data/Charts:

1. Immunization Rates



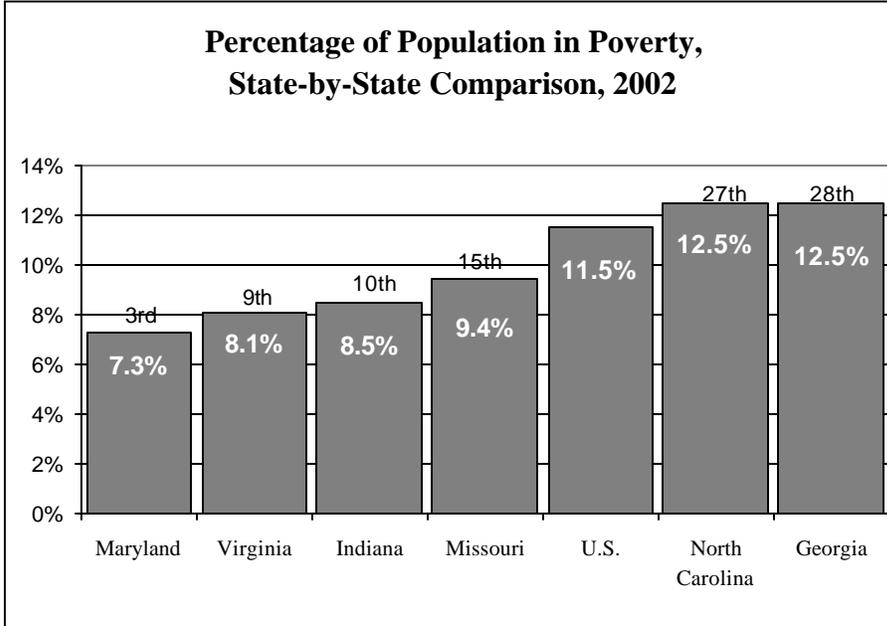
Source: The Henry J. Kaiser Family Foundation, State Health Facts Online: 50 State Comparisons.

2. Obesity Rate



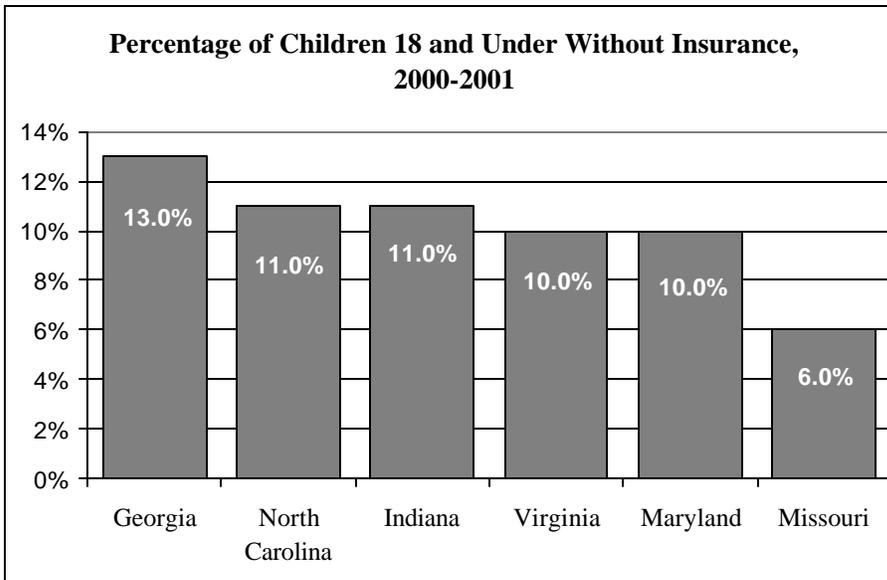
Source: The Henry J. Kaiser Family Foundation, State Health Facts Online: 50 State Comparisons: Overweight and Obesity Rate, 2001

3. Poverty Rate



Source: U.S. Census Bureau, Current Population Survey, 2002

4. Percentage of Uninsured Children

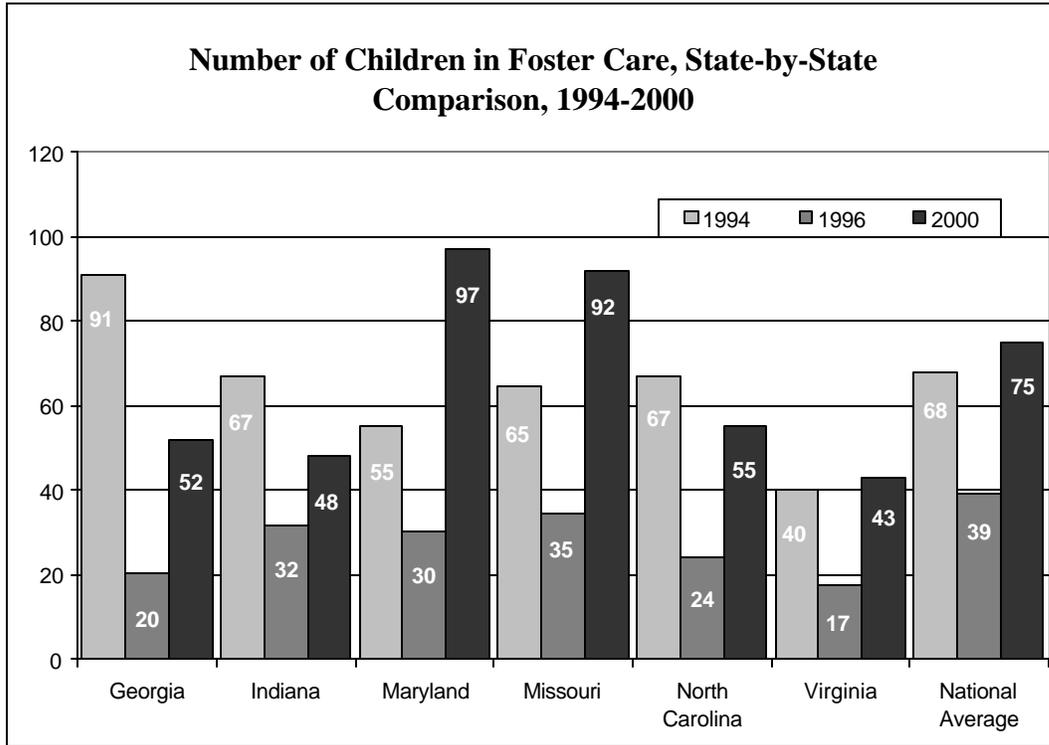


Note: Source did not provide national data.

Source: Distribution of Children 18 and under by Insurance Status, state data 2000-2001, The Henry J. Kaiser Family Foundation, 50 State Comparison, on-line publication.

Virginia ranked 2nd among the selected states with Maryland having fewer children without health insurance. This percentage is slightly better than the national average of 12 percent.

5. Children in Foster Care



Source: Congressional Quarterly State Fact Finder 1994, 1996, 2000

Preliminary Findings

Natural Resources

Vision:

Virginia is committed to protect, conserve, and wisely develop our natural, historical, and cultural resources for our children and grandchildren, as they are the basis of our quality of life and economic vitality. We will ensure clean air, pure water, diverse habitat, healthy wildlife, and quality outdoor recreation.

Discussion:

Virginia is a treasure chest of natural and historic jewels that reach from the Chesapeake Bay to the Shenandoah Valley to the Cumberland Gap. While our state is famous today for the beauty and richness of its cultural, historical and recreational sites, we must seek to maintain, protect and conserve those resources that greatly contribute to what is special about Virginia, if we hope to enjoy them for generations to come. Clean water and air and land preservation are essential to maintaining the quality of life and economy that we all enjoy. By studying today's benchmarks and tomorrow's trends, we will meet the goals our citizens deserve.

Protection of the environment in Virginia – one of only two mandates in our state constitution – includes water and air pollution control, wetlands management, solid and hazardous waste management, management of stormwater runoff, agricultural conservation practices, cleanup of contaminated sites, as well as drinking water programs. To control water pollutants, wetland impacts, air emissions, and solid and hazardous waste disposal, the state administers permit programs and offers a variety of incentives for voluntary actions. The state monitors both water and air quality and provides guidance and coordination for the cleanup and remediation of contaminated sites.

The state also is responsible for protecting and improving the quality of Virginia's coastal resources, fisheries and wildlife, park and outdoors recreation resources, wetlands, and the Chesapeake Bay, as well as surface and ground water resources management and other environmental quality improvement activities. The conservation of open space, natural areas, and historic properties, the maintenance of healthy game populations and fisheries, and public access to state parks and other outdoor recreation opportunities help define the quality of life for all Virginians.

We are, in many cases, seeing positive trends in key areas related to our natural resources. For example, we know that our air quality is improving, streamside forest buffers are increasing, and state park visits have nearly doubled since 1983. Water quality, however, is not showing substantial improvement; shoreline erosion is increasing while the availability of wildlife habitats decreases. Clearly, there is work to be done. Measurement over time will help us achieve our goals.

Partners and Funding:

Total Budget: \$1.3 billion

Local – 29 percent (\$364.8 million)

State – 14 percent (\$183.9 million)

Federal – 57 percent (\$723.8 million)

Goals: *(All of the metrics listed here are preliminary.)*

1. Water Quality. Virginia’s waterways will be clean and healthy. To ensure clean water, 60 percent of currently impaired state waters will meet all water quality standards by 2014. Furthermore, use of water supplies for drinking water and other needs will have plans aimed at sustaining and protecting public demand and natural resource conservation by 2010. And in the Chesapeake Bay, nutrient discharges and run-off (the Bay’s most serious problem) will be reduced as part of the multi-state efforts aimed at making improvements over the next seven years.

2. Clean Air. Virginians have clean air to breathe throughout the state. We will know we have achieved this goal when the air quality throughout the Commonwealth meets federal healthy air standards by 2014.

3. Land Preservation. Virginia will preserve its heritage and quality of life for future generations through responsible conservation and use of our natural and historic lands and sites. By the 400th anniversary of the founding of Jamestown in 2007, we will conserve at least 500 historic properties. We will permanently preserve 20 percent of the land area in Virginia’s portion of the Chesapeake Bay watershed by 2010 and 15 percent of the land area statewide by 2014.

4. Outdoor Recreation and Commercial Opportunities. Future generations of Virginians and visitors to the state will have a wealth of natural resource based outdoor recreational and commercial opportunities. Virginia will enhance outdoor recreational opportunities for its residents and visitors by increasing the amount of land for state parks, maintaining healthy game species populations that can support sustained harvest, and increasing public access points to state waters. In addition, we will seek to restore the Chesapeake Bay Blue Crab stock to a healthy and sustainable status by doubling the number of reproducing female crabs.

What Virginians Think:

Virginians express general support for environmental issues and the need for protection of our natural resources.

- In 2001, 87 percent of voters in Virginia said environmental issues were important when making a voting decision, with 37 percent saying they were “very important” and 50 percent saying they were “somewhat important”.
- That same poll also found that 88 percent of voters agree that protecting the environment helps the state’s economy by increasing tourism and recreational opportunities.
- A second 2001 poll found that 97 percent of Virginia’s voters rank “protecting air and water quality” as important, placing this issue along with public education, also with 97 percent support, atop the list of legislative priorities.

Source: The Kitchens Group and Tarrance Group, 2001

Data/Charts:

The following information has been collected by the Natural Resources work group and is provided here in lieu of graphical representations showing trends and regional breakdowns. This section provides narrative baseline information, trends and cost data that should give readers a better understanding of the area and the challenges the work group will face as it moves forward.

1. Water Quality

- Measure A
As of April 2002, approximately 1,430 waters were considered “impaired”, i.e., failing to meet water quality standards. Impaired waters constitute about 45 percent of our river and stream miles, 90 percent of the lake area, and 75 percent of the estuary area. In December 2002, Governor Warner issued Executive Order number 39 which committed Virginia to ensuring that an additional 450 currently impaired waters meet water quality standards by 2010. The 450 waters constitute almost one-third of the 1,430 number of waters listed as impaired in 2002. As of November 2003, 270 waters, or 20 percent, are considered to have attained water quality standards and are no longer impaired. Sixty percent represents 850 waters on the 2002 impaired waters list. However, these waters constitute most of the “low hanging fruit” due to the borderline nature of the impairments. Further improvement will require the installation of a significant amount of pollution reduction facilities and practices to reduce pollutant inputs from point sources [municipal and industrial wastewater treatment plants] and nonpoint sources [runoff from agricultural, forested, urban, abandoned mine lands and air deposition].

- Measure B

Controlling nutrient pollution, especially nitrogen and to a lesser degree phosphorus, is the biggest problem facing the Chesapeake Bay clean-up. Nutrient levels in 1985 are used as the baseline. Since 1985, Virginia has reduced the flow of nitrogen into its Bay tributaries by 14 million pounds annually. To reach its new 2010 goal, the state must reduce nitrogen by nearly 27 million pounds annually. In other words, in the next seven years, we must nearly double the reductions that have been achieved in the last 15 years. In addition, phosphorus must be reduced by 3.6 million pounds annually and sediment by half-a-million tons annually. Monitoring data shows that there is less phosphorus in our tidal waters than in 1985 and that the level of nitrogen has leveled off. Stakeholders are currently working with state agency staff to develop tributary strategies, or action plans, to meet these reductions. These plans, to be completed by April 2004, are expected to address increased reductions from wastewater treatment facilities primarily through the increased use of Biological Nutrient Reduction technology; increased use of conservation Best Management Practices by farmers and the agricultural community throughout the watershed; enhanced stormwater management and erosion and sediment controls, etc. In addition, Governor Warner announced in December 2003 the beginning of a regulatory process to establish technology-based nutrient limits in discharge permits and has proposed legislation to improve and streamline Virginia's stormwater management programs. Both of these actions will contribute to meeting this goal.

2. Clean Air

As of 2003, 19 of 25 ozone monitors in the Commonwealth are registering unhealthy (non-attainment) levels of ozone air pollution. Two out of 19 particulate monitors are close to exceeding the annual standard for this pollutant. All other monitors in the state are registering healthy air quality for the pollutant(s) that they monitor.

3. Land and Historic Preservation

- Measure A

As of June 30, 2003, the Commonwealth has protected slightly less than 13 percent of its lands statewide and just under 17 percent of the lands within our Chesapeake Bay Watershed. The vast majority of these holdings (about 74 percent) are held by the federal government and state government (20 percent). An additional 528,000 acres statewide and 433,000 acres in the Chesapeake Bay Watershed would need to be protected in order to achieve this indicator. This would require the preservation of nearly 62,000 acres per year in the Chesapeake Bay Watershed and 48,000 acres per year statewide. Currently we are averaging about 38,000 acres per year in the Bay Watershed and about 52,000 acres per year statewide.

- Measure B
The Commonwealth currently holds 347 historic preservation easements. Historic easements protect specific characteristics of a historic building or site. Most historic easements are donated by the property owner. Easement donation rose dramatically from 1998 through 2001 averaging 25 new easements annually. Since then, the number has dropped to 16 new easement donations annually due to fewer state grants, economic slowdown, and too few staff to manage existing easements or work with willing landowners on new easements.

4. Outdoor Recreation and Commercial Opportunities

- Measure A
The state parkland acreage standard is 10 acres of state parkland per 1000 population. The current supply of state park acres is 62,739. Based on the planning standard, the state is currently showing a deficit, as of December 2003, of 8,071 acres. By 2014, the estimated increase in state population will result in a deficit of 8,261 acres despite the acquisitions provided for by the 2002 General Obligation Bond.
- Measure B
The Chesapeake Bay Public Access Guide completed in 2000 identifies over 220 public access sites in Virginia's portion of the Bay. Department of Game and Inland Fisheries is responsible for over 176,000 acres in lakes and ponds, over 25,000 miles of fishable warm water streams and rivers, and 2,300 miles of wild trout streams. In order to provide access to these waters, the Department currently operates and maintains 216 launching ramps. Between 2000 and 2002, Virginia added 10 new sites in the Chesapeake Bay Drainage. During 2003, nine projects were completed to acquire, develop, or enhance access opportunities in Virginia.

Preliminary Findings

Public Safety and Preparedness

Vision:

Virginians will be able to move about their daily lives without concern about crime or personal safety, wherever they go. Virginia will 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.

Discussion:

A solid sense of community transforms where we live from merely a place to a home to cherish. A strong and vibrant community is created by formal and informal networks of support along with the hallmark of American life – freedom.

Freedom is inextricably linked to personal safety and our ability to respond to threats to personal safety. Arguably the most basic way to gauge the strength of a community is to determine how safe individuals believe they are. Virginia is determined to maintain a society that is safe and prepared for threats to citizen safety.

The public safety focus area encompasses law enforcement, corrections, and emergency preparedness. Many public agencies provide law enforcement services. The Department of State Police provides the Commonwealth with a police department that is independent, yet supportive of other law enforcement agencies, and is responsible for enforcing criminal, traffic, and regulatory laws. All of the state's 39 cities have police forces, as do most of the towns and several urban counties. In addition, the sheriffs of rural counties provide law enforcement for the residents of those jurisdictions.

Both the state and localities are involved in operating correctional facilities to house convicted offenders. The Virginia Department of Corrections operates 27 major prisons, in addition to other centers and houses approximately 32,000 offenders. In addition, the department supervises approximately 40,000 offenders on probation and parole. Finally, there are 75 local and regional jails, which house approximately 24,500 offenders.

Protecting public safety is a major expense of government. In 2002, the total government expenditure for public safety in Virginia was \$2.9 billion. Of this amount, \$1.1 billion (37 percent) was by local governments and \$1.8 billion (63 percent) by state government.

Partners and Funding:

Total budget \$5.0 Billion
Local – 48 percent (\$2.4 Billion)
State – 52 percent (\$2.6 Billion)

Goals: *(All of the metrics listed here are preliminary.)*

1. Virginia will remain among the lowest crime rate states. We will measure progress toward this goal in a number of ways, including a decrease in rates of crime and reported victimizations. We will know we are achieving success when Virginians say they feel safer and more secure over time in public opinion surveys and crimes are cleared faster by arrests or resolution. When additional law enforcement resources are provided, they will be directed toward areas with higher levels of criminal activity. Along the way, law enforcement will monitor and train for the detection and prosecution of fraud, identity theft, and other new kinds of criminal acts made possible by technology.

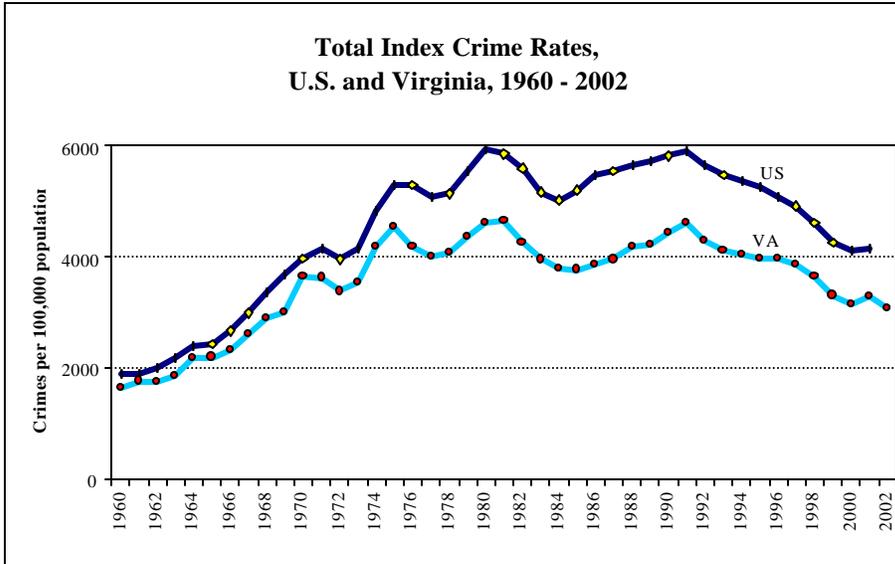
2. Law Enforcement and First Responders. Virginians will be protected by effective first-responders and law enforcement. We will have a comprehensive, efficient, and effective response and recovery capability for emergencies and disasters of all kinds, including terrorist attacks. Our first responders will be among the best prepared in the nation as demonstrated in exercises, and provisions will be made to ensure the people's continued access to government in time of emergencies and disasters. We will be well organized to meet the demands of emergency response.

3. Justice System. Virginia will maintain a fair, equitable, non-biased, and effective system of justice. In order to meet this goal, better data collection and analysis efforts will be needed to ensure the effectiveness of law enforcement and related public safety efforts. In the future, the problems of drug and alcohol abuse in our society will continue to require tailored efforts. And, special efforts should be undertaken to address the disproportionate representation of minorities among the inmate and juvenile populations

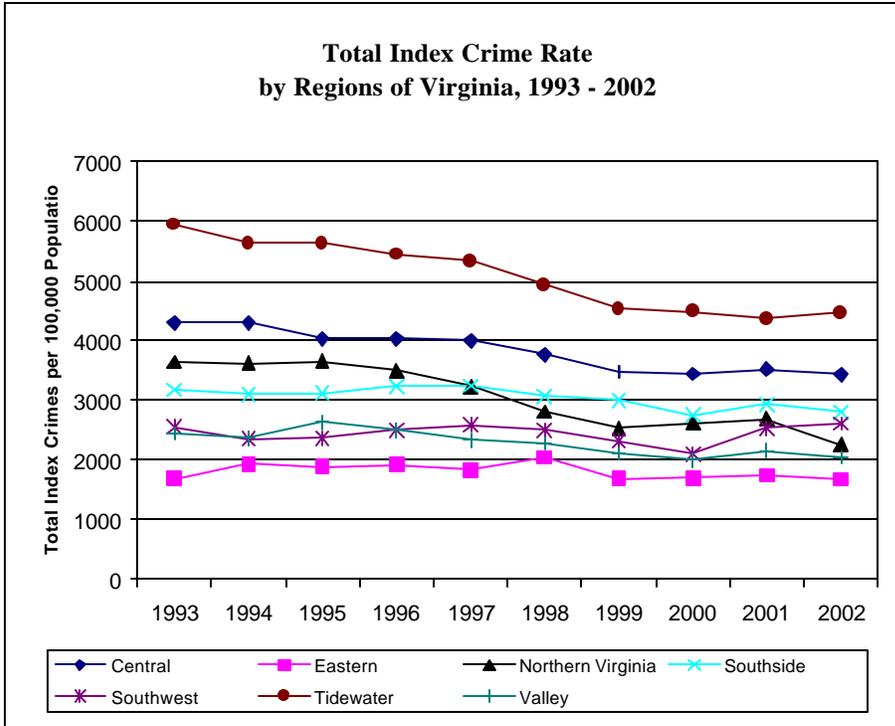
4. Prison and Jail System. Virginia will maintain a safe and effective prison and jail system with low rates of escapes and violence and with adequate capacity to minimize the backlog of state inmates in local or regional jails. Both adult and juvenile inmates being released back into society must be prepared to be productive, law-abiding citizens, and should be monitored and provided assistance to do so. In keeping with this goal, Virginia will continue to have recidivism rates better than the national average.

Data/Charts:

1. Crime Rate

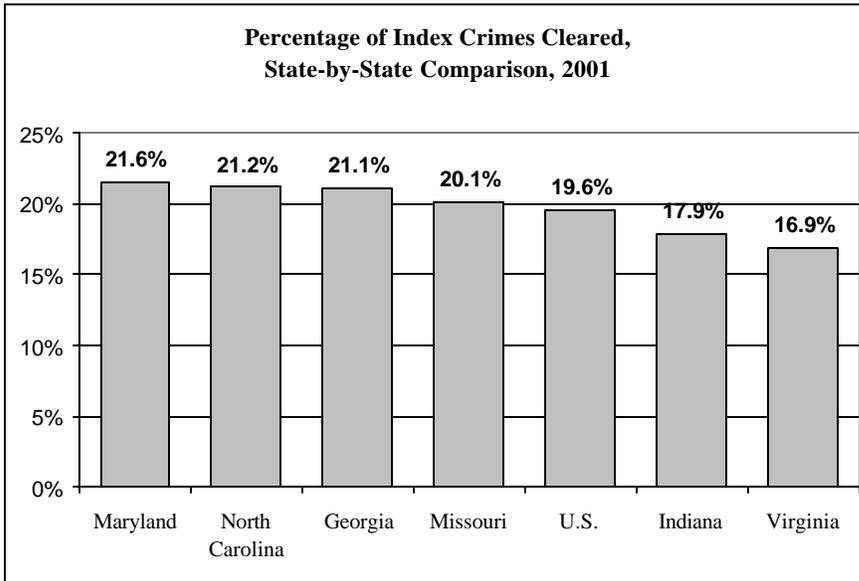


Source: Virginia Department of Criminal Justice Services. *Crime in Virginia: The 40-Year Picture of Where We Are Now*, January 2001. (Updated with most recent data.) The crime rate in Virginia has consistently been below that of the nation as a whole. As shown by the graph, the incidence of crime in Virginia and the nation increased significantly and at about the same rate, from 1960 to the mid-70s.



Source: Virginia Department of Criminal Justice Services

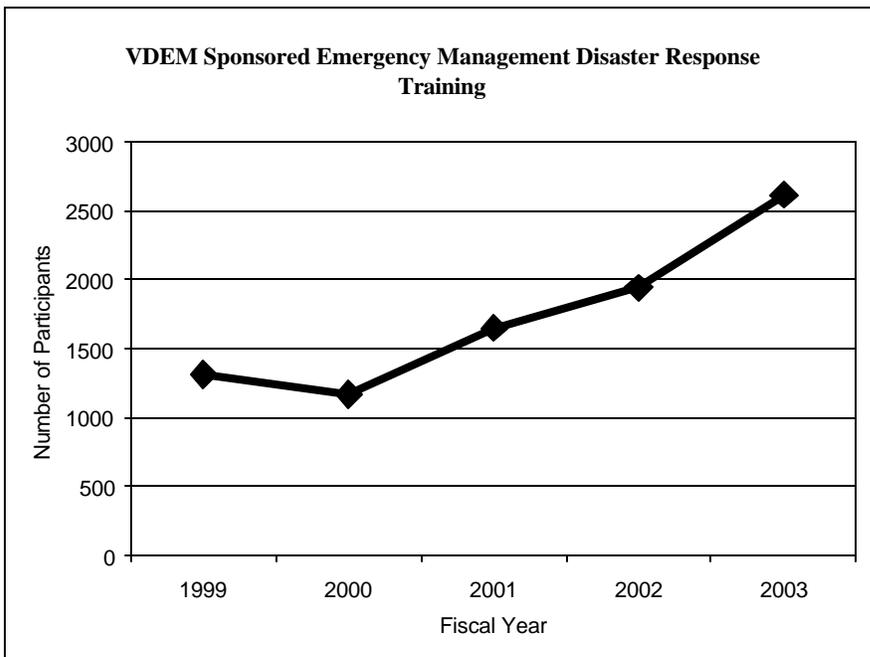
2. Clearance Rate of crimes by arrest or other resolution



Source: Federal Bureau of Investigation, Uniform Crime Reporting Program 2001. (Data contained on unpublished detail tables supplied by FBI.)

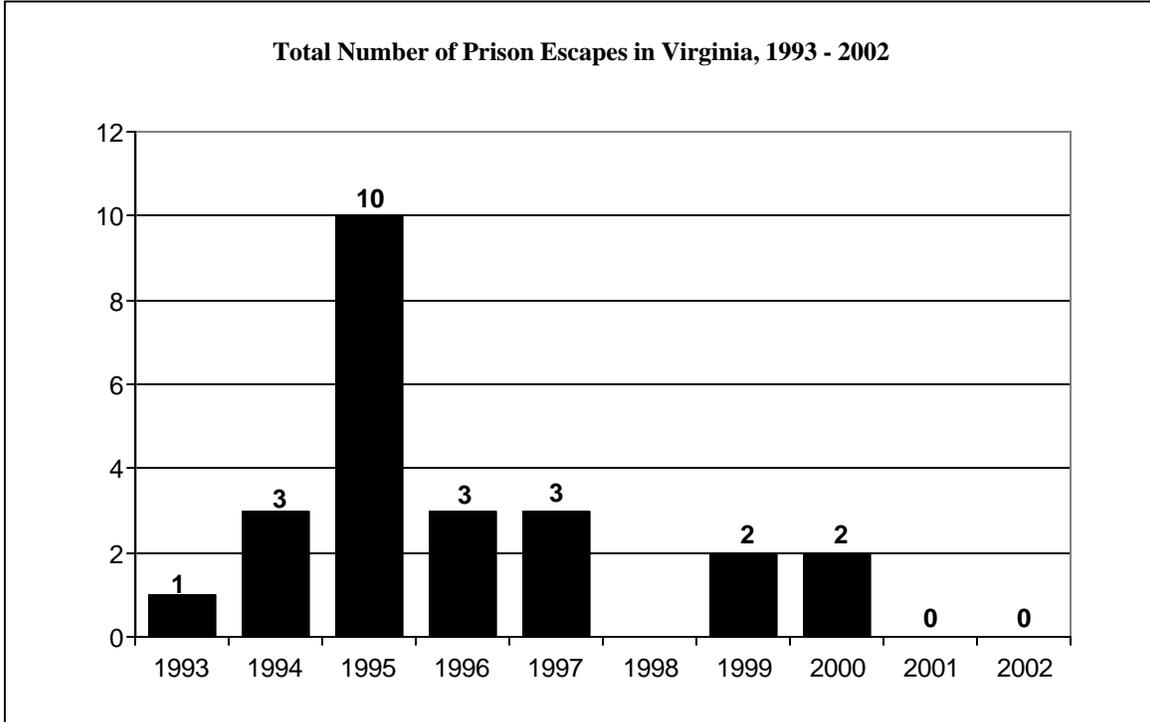
Among the states selected for comparison, Virginia had the lowest percentage of index crimes cleared in 2001. Its clearance rate was also lower than the national rate.

3. Emergency Response Training



Source: Virginia Department of Emergency Management

4. Number of Prison Escapes



Source: Virginia Department of Corrections

Preliminary Findings

Transportation

Vision:

Virginia will enjoy a transportation system that makes it easy to go where you want to go and brings products and goods wherever they are needed. Transportation will be safe, provide responsible choices, enhance the economy, and improve our quality of life.

Discussion:

The ability to move about Virginia freely is similar to other critical services we take for granted until they are disrupted. Virginia's transportation system has been a high priority for state government for decades, due to our proximity to the nation's capital, seaports, and other critical economic drivers. Virginia has embarked on VTrans2025, a new journey in transportation planning. VTrans2025 is a long-range planning effort to create a more integrated, convenient, and efficient transportation system for travelers. Applying focus to our system of transportation helps to ensure we will be able to meet our economic goals by literally delivering the channels that take us there.

Virginia builds and maintains roads, bridges, tunnels, seaports, and pedestrian and bicycle facilities and in addition, facilitates for freight and passenger rail, public transportation, and aviation. The Virginia Department of Transportation (VDOT) maintains 57,082 road-miles of roads. In addition, a separate system includes 13,869 miles of urban streets, maintained by cities and towns with the help of state funds. The transportation network also includes toll roads and bridges, ferry services, rest areas, welcome centers, and commuter parking lots. There are 68 airports in the state, as well as a state port system operated by the Virginia Port Authority and a locally operated port in Richmond. Public Transportation is provided through 40 public transit systems, one commuter rail system, and one interstate rail operator. Pedestrian and bicycle facilities are increasingly integrated with the other transportation modes, and several regional and national bicycle recreational routes pass through the Commonwealth.

Transportation is a major investment of government, with \$3.0 billion in expenditures by the state for highways, public transportation, aviation, and ports in 2003. In addition, local governments make a significant investment in transportation. In 2002, they spent \$162.6 million for highways, streets, bridges, and sidewalks. Approximately 90 percent of the state funding goes towards highway construction and highway maintenance.

Like other critical services, transportation is something we must not take for granted if we expect it to support Virginians and the Commonwealth's economic competitiveness for the long-term.

Partners and Funding:

Total budget \$3.0 Billion
Local – 6 percent (\$162.6 million)
State – 70 percent (\$2.1 Billion)
Other – 24 percent (\$720 million)

[\$3.0 billion crosses all modes, \$160 million is only the highways; these statistics are missing private investment and local public investment in other modes]

Goals: *(All of the metrics listed here are preliminary.)*

1. Safe Transportation System. Virginia will provide a safe transportation system that reduces the rate of fatalities and injuries due to travel of people and transport of goods as measured by the crash rate.

2. Maintain/Preserve the Transportation System. Virginia will preserve and manage the existing transportation system. We will maintain or improve the conditions of existing transportation services and facilities through technology and more efficient operations

3. Facilitate the Efficient Movement of People and Goods. Virginia will facilitate the efficient movement of people and goods. We will measure success as decreasing congestion, minimizing travel time and delay, and increasing the number of citizens using alternative transportation options.

4. Contributions to Economic Growth. The transportation system will improve the economy of the Commonwealth and the various regions. We will improve Virginia's economic vitality and provide access to economic opportunities for all Virginians.

5. Improve Quality of Life. Virginia will improve the quality of life of its citizens. There will be a better coordination of land use and transportation, air quality will be improved, and access to communities and cultural resources will be maintained or improved.

What Virginians Think:

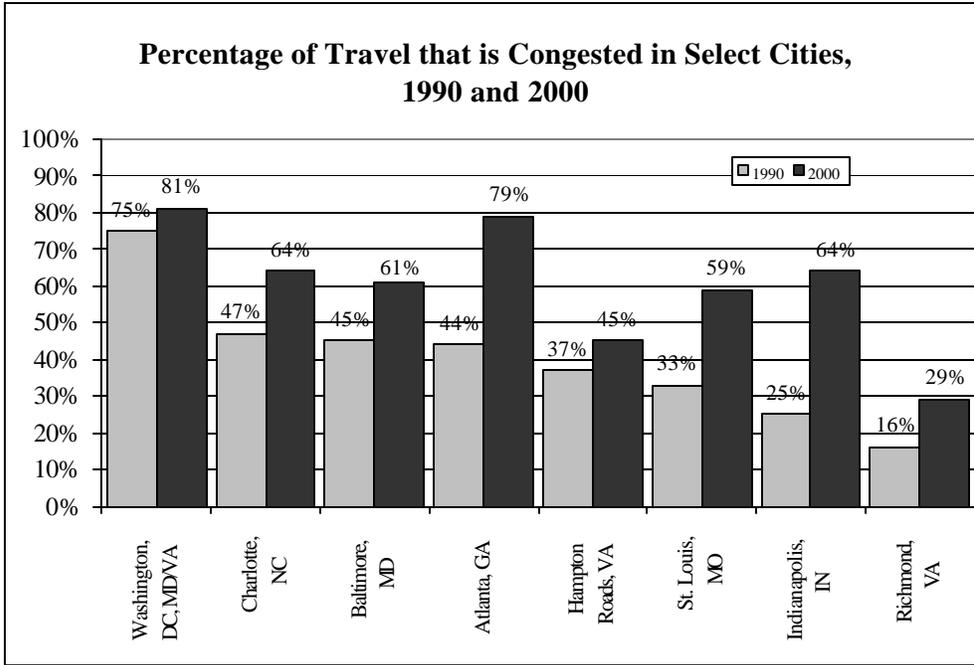
Virginians consider our roads generally safe, but are becoming more concerned about car-truck interactions. Transportation is an important overall priority in the public mind, but not as consistently high as education or the recent spike in public safety.

- 63 percent say traffic congestion is serious or very serious
- 78 percent say that the highways they mostly drive on are very/somewhat safe
- 62 percent say enforcement of speed limits is “about right”

Source: Virginia Commonwealth University

Data/Charts:

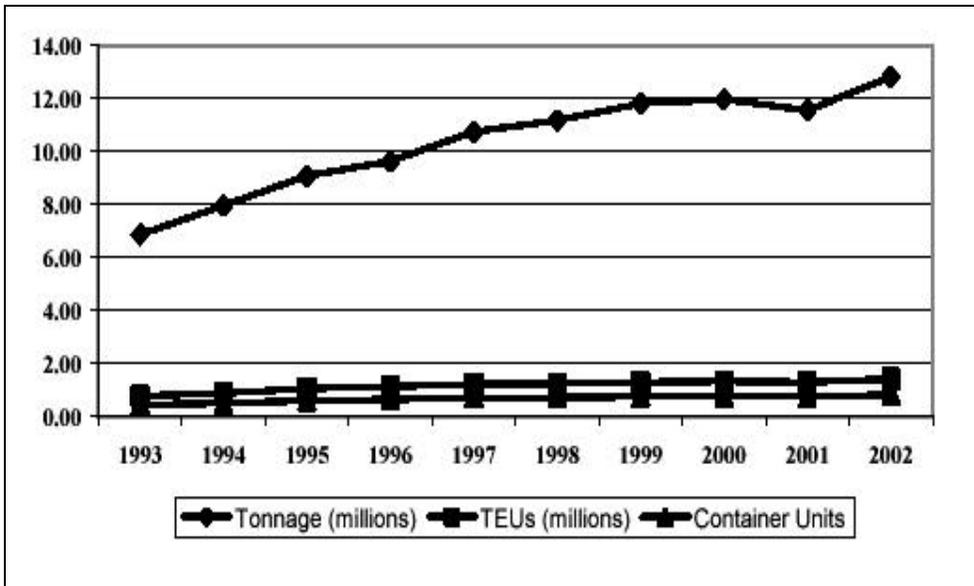
1. Congestion



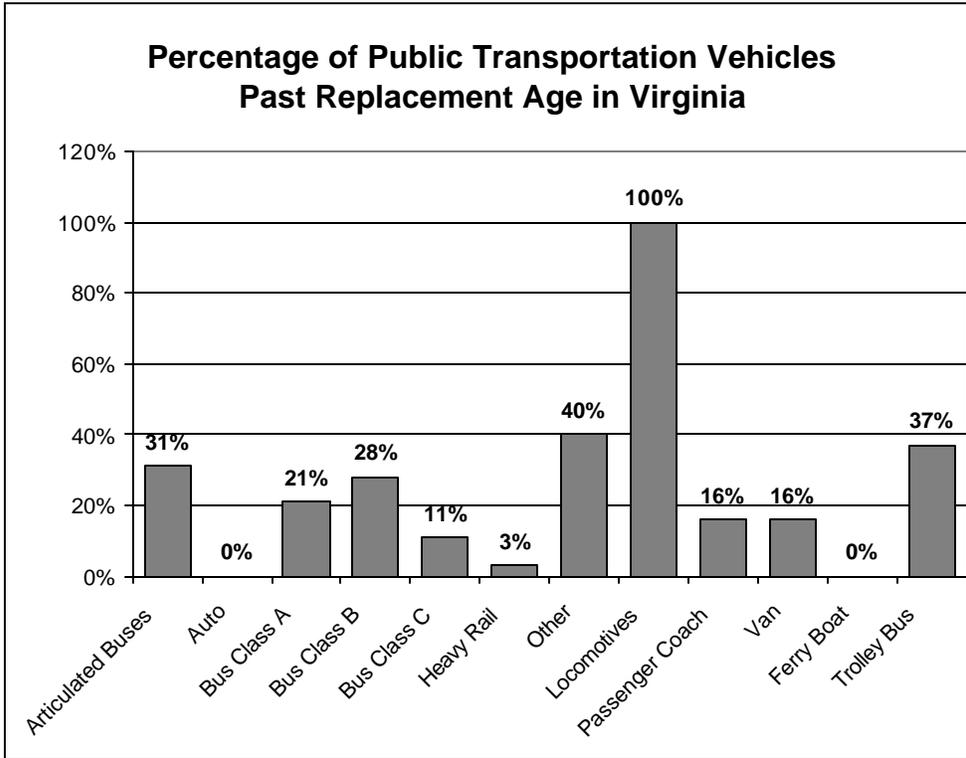
Source: 2002 Urban Mobility Study, Texas Department of Transportation and the Texas Railroad Commission.

Except for Northern Virginia (Washington, D.C.), the state’s urban areas do not have the “rush hour” traffic problems of other states’ urban areas. However, the City of Richmond and the Hampton Roads area both experienced an increase in congestion.

2. Port Tonnage

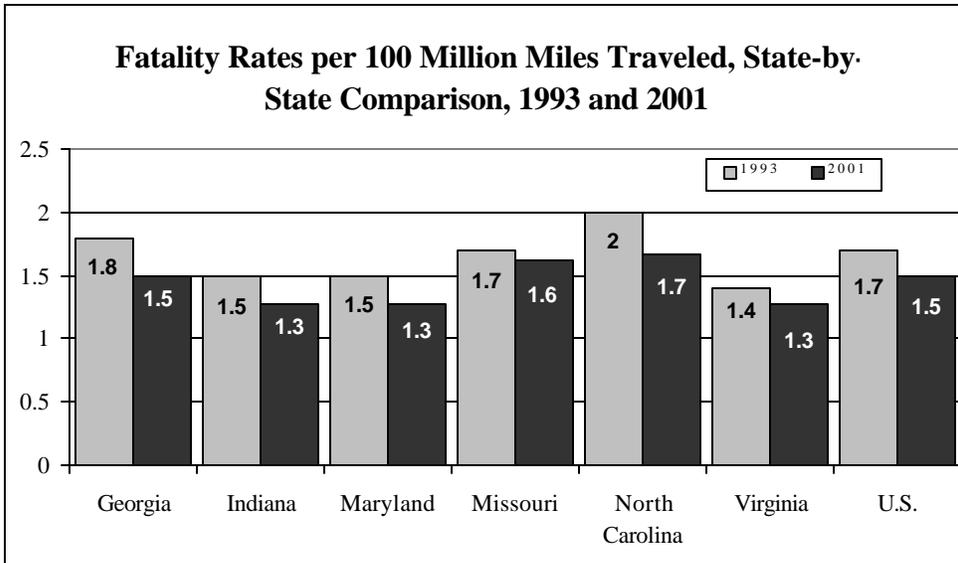


3. Vehicle Replacement



Source: Appeared in VTrans2025, Statewide Long-Range Multimodal Transportation Plan of the Commonwealth of Virginia Secretary of Transportation (2003)

4. Traffic Fatalities/Crashes



Source: National Center for Statistics and Analysis, National Highway Traffic Safety Administration, "Traffic Safety Facts," 1993 and 2001 reports.

5. Air Quality

Air Pollution Trends in Selected Metropolitan Statistical Areas (Number of days with AQI values greater than 100 at trend sites and all monitoring sites)

Metropolitan Area	All Sites		Trend Sites						
	Total Number of sites	AQI days > 100 (2001)	Number of trend sites	1995	1996	1997	1998	1999	2000
Baltimore, MD	8	26	7	36	28	30	51	40	16
Charlotte-Gastonia-Rock Hill, NC-SC	7	26	6	19	23	30	49	40	22
Gary, IN	4	10	2	17	11	11	9	10	5
Greensboro-Winston-Salem-High Pt., NC	7	20	4	13	7	14	25	24	12
Norfolk-VA Beach- Newport News, VA	3	6	3	6	4	17	15	16	5
Raleigh-Durham- Chapel Hill, NC	6	9	6	12	13	21	37	29	12
Richmond- Petersburg, VA	4	14	4	19	5	21	28	25	5
Washington, DC- MD-VA	20	23	16	32	18	30	47	39	11