

# **Annual Executive Summary**

**- 2015 -**

**COUNCIL ON VIRGINIA'S FUTURE**

 **COUNCIL ON VIRGINIA'S FUTURE****Annual Executive Summary for 2015****January 2016****Table of Contents**

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## Introduction and Recent Highlights

This report was prepared pursuant to §2.2-2686 of the *Code of Virginia*, which requires the Council on Virginia's Future to provide an executive summary of the activities and work of the Council annually to the Governor and the General Assembly. Included is a discussion of recent accomplishments related to the continued evolution of Virginia Performs and development of special issues. More information is available on the Council's website ([future.virginia.gov](http://future.virginia.gov)).

The Council on Virginia's Future, which is chaired by the Governor and includes government and citizen leaders, was established in 2004 and re-authorized twice through 2017. The Council advises Virginia's leaders on the development and implementation of a long-range approach for measuring and improving the quality of life and the effectiveness of state government in Virginia. Its signature initiative is Virginia Performs, the state's performance leadership and accountability system ([VaPerforms.virginia.gov](http://VaPerforms.virginia.gov)).

The Council made significant progress in 2015 in the continued evolution of Virginia Performs and development of special issues. Highlights include:

- We continue to make regular updates and enhancements to ensure that Virginia Performs stays fresh and relevant. Changes for 2015 include a major revision of the Scorecard's Workforce Quality indicator and enhancements and new content to the Infrastructure Condition, Health Insurance, and Internet Access indicators. In addition, we are working with our partners at the Weldon Cooper Center at U.Va. to integrate better assessment data related to the competitiveness of Virginia's economy and key health outcomes.
- Virginia Performs now includes a set of Enterprise Strategic Priorities developed by Governor McAuliffe and his team (page 5). These goals, priorities, and initiatives, which commonly transcend agency and other organizational boundaries, foster a more intense focus on those things leadership deems most critical and provided important input to agency plans completed in early 2015. Council staff are identifying key initiatives and other actions driving progress on the Enterprise Strategic Priorities.
- Significant enhancements were made to Virginia Performs' three priority-focused report cards – Workforce System, Government Operations, and Innovation and Entrepreneurship. These report cards assess high-priority, multi-agency Scorecard-level outcomes and represent a vitally important and powerful step forward in the evolution of Virginia Performs by strengthening planning and execution across the enterprise.
- The Council continued its focus on the drivers of state and regional economic growth, working with its workforce partners to establish meaningful workforce targets and better align regional and statewide workforce programs with evolving employer needs. The Council is sponsoring and helping to lead the development of the Commonwealth Center for Advanced Research and Statistics (CCARS). This collaborative effort will capitalize on existing data resources to improve programmatic and strategic workforce decision-making.

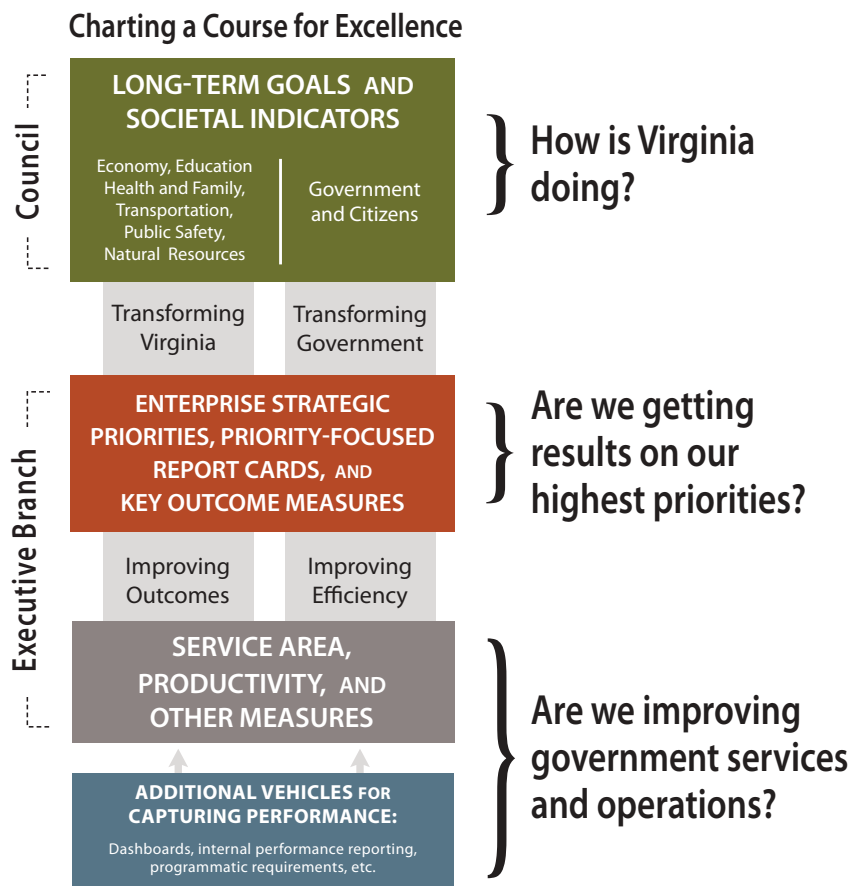
- The Council continued to publish special reports, analyses, and other products that enhance our understanding of issues important to Virginia’s long-term future.

## Virginia Performs

Virginia Performs is the Commonwealth’s performance leadership and accountability system (VaPerforms.virginia.gov). It has won national recognition, served as a model for other states and nations, and plays an important role in keeping Virginia a “best-managed state.” It aligns performance goals at every level of state government and serves as a catalyst for better strategic thinking and decision-making across the government enterprise.

The Council develops and maintains the top, or societal, level of the system and helps model the development of the two foundation levels of the system, which are the primary responsibility of state leaders. Continued progress was made during the year in enhancing our ability to more fully answer the vital questions outlined in the architecture graphic (Figure 1).

**Figure 1**  
**Virginia Performs Architecture**



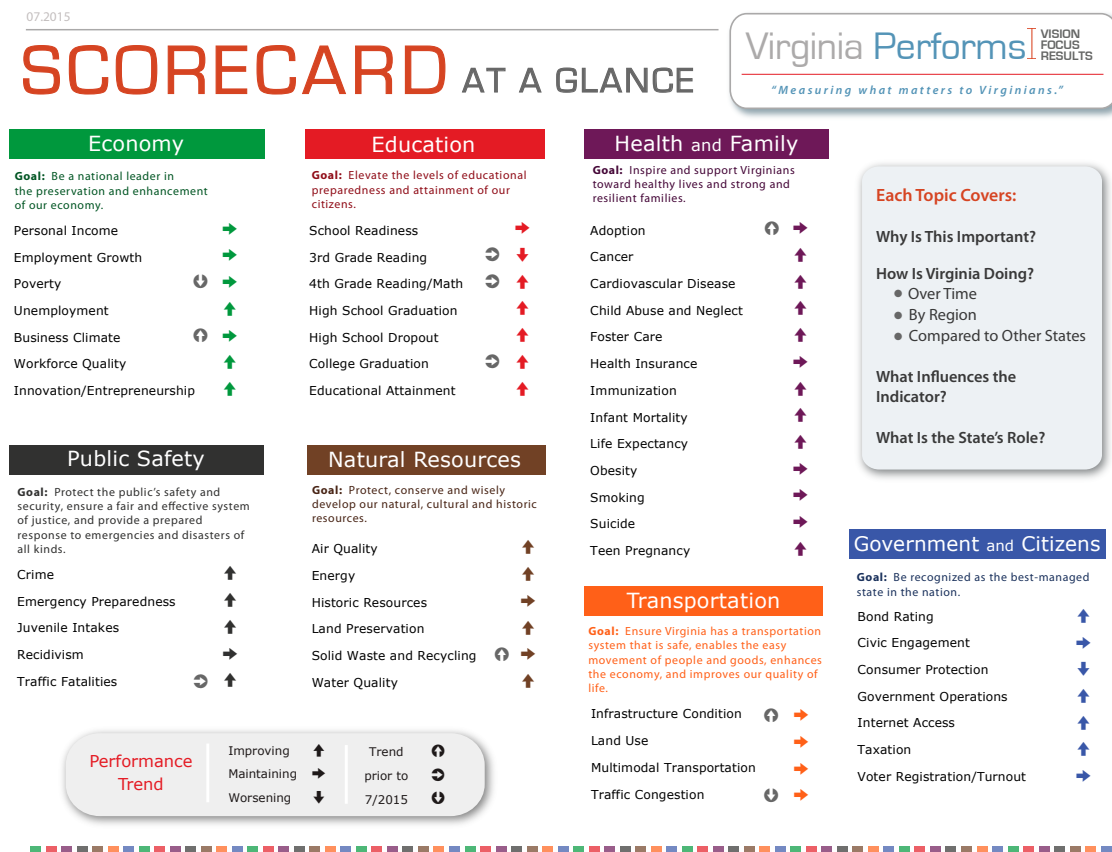
# Virginia's Scorecard

Continued progress was made during the year in the ongoing evolution of Virginia's Scorecard and its related assessment information, including a major revision of the Scorecard's Workforce Quality indicator. We have also made enhancements and added new content to the Infrastructure Condition, Health Insurance, and Internet Access indicators. In addition, we are working with our partners at the Weldon Cooper Center at U.Va. to integrate better assessment data for important Commonwealth priorities related to the competitiveness of Virginia's economy and key health outcomes.

Trend changes were made recently for ten indicators on the societal-level Scorecard at a Glance: Three went from Maintaining to Improving (College Graduation, Traffic Fatalities, and Fourth Grade Reading and Math); two changed from Worsening to Maintaining (Poverty and Traffic Congestion); four changed from Improving to Maintaining (Business Climate, Adoption, Solid Waste and Recycling, Infrastructure Condition); and Third Grade Reading went from Maintaining to Worsening.

Regional scorecards were recently updated and summarize current performance on more than 30 indicators.

Figure 2



## **Agency-level Planning and Assessment**

At the foundation or agency detail level, service area and productivity measures are used to provide budget transparency and monitor whether state government programs and services are producing desired results. This more comprehensive data set ensures a high level of accountability and alignment of resources with citizen priorities and allows agencies and executive leadership to ensure that programs and services are meaningful, effective, and efficient. Virginia Performs continues to see ongoing improvements to its planning and performance budgeting systems:

- **Performance Budgeting System:** DPB implemented a redesigned agency planning and performance reporting component of Virginia Performs in late 2014. This new component of Virginia Performs was used by agencies in early 2015 to update their strategic plans and performance measures.
- **Agency Performance Measures:** Performance measures were recently updated and, where appropriate, aligned with the Governor's Enterprise Strategic Priorities. This has allowed agencies to more clearly articulate how they will support the highest priorities of government while providing a stronger framework for assessing our progress toward those key priorities.

## **Priority Identification and Reporting**

We continue to make significant progress in our ability to answer the question: Are we making progress on our highest priorities? The development of Enterprise Strategic Priorities and their integration with agency planning and performance management, together with the development of priority-focused report cards, will strengthen assessment, planning, and execution across the enterprise.

## **Enterprise Strategic Priorities**

Virginia Performs now includes a set of Enterprise Strategic Priorities developed by Governor McAuliffe and his team (Figure 3, page 5). These goals, priorities, and initiatives, which commonly transcend agency and other organizational boundaries, foster a more intense focus on those things leadership deems most critical, provide important input into agency planning, and serve as a baseline for assessing progress. (For the complete content, see [governor.virginia.gov/policy-priorities](http://governor.virginia.gov/policy-priorities).)

**Figure 3  
Enterprise Strategic Priorities**

<p align="center"><b>Economy</b></p> <ul style="list-style-type: none"> <li>• Promote Virginia’s competitive business climate and remain the best state for business.</li> <li>• Develop a clear and consistent anti-poverty policy.</li> <li>• Attract diverse new businesses that operate in new and growing fields in the 21st century economy.</li> <li>• Enhance Virginia’s trading relationship with international partners.</li> <li>• Promote a diverse and reliable energy supply.</li> </ul>	<p align="center"><b>Education</b></p> <ul style="list-style-type: none"> <li>• Improve educational success in struggling schools and expand access to quality early education.</li> <li>• Promote great teaching and learning.</li> <li>• Strengthen pathways throughout education, increasing completion of high-demand degrees and credentials.</li> <li>• Strengthen Virginia’s higher education system and promote greater access and affordability.</li> </ul>	<p align="center"><b>Workforce</b></p> <ul style="list-style-type: none"> <li>• Align Virginia’s workforce to meet current and anticipated employer demands.</li> <li>• Establish annual goals and identify ways to increase statewide credentials that align with employer current and future needs.</li> <li>• Facilitate in-demand skills sets for Virginia’s new economy, while fostering private sector innovation and entrepreneurship.</li> </ul>
<p align="center"><b>Health and Family</b></p> <ul style="list-style-type: none"> <li>• Advance access to high-quality healthcare for more Virginians.</li> <li>• Strengthen Virginia’s behavioral health system in partnership with providers, consumers, family members and advocates.</li> <li>• Promote strategies to improve nutritious options for Virginians in at-risk circumstances.</li> </ul>		<p align="center"><b>Natural Resources</b></p> <ul style="list-style-type: none"> <li>• Make every effort to meet the goals for nutrient reduction outlined in the federal government’s cleanup plan for the Chesapeake Bay.</li> <li>• Implement a targeted, strategic land conservation plan that protects biodiversity and public access.</li> <li>• Prepare Virginia for the effects of climate change and reduce the state’s contribution to its causes.</li> </ul>
<p align="center"><b>Public Safety and Homeland Security</b></p> <ul style="list-style-type: none"> <li>• Protect our citizens and ensure everyone lives in a safe community.</li> <li>• Ensure Virginia is prepared to address threats to the safety and security of the Commonwealth.</li> <li>• Ensure all gun owners undergo a background check when purchasing a firearm.</li> <li>• Aggressively target sexual and domestic violence for prevention and enforcement.</li> <li>• Promote smart sentencing and reduce recidivism.</li> </ul>	<p align="center"><b>Transportation</b></p> <ul style="list-style-type: none"> <li>• Develop a transparent, data-driven prioritization model to help determine allocations of transportation funding and ensure ongoing accountability.</li> <li>• Expand the role of non-highway modes of transportation in the Commonwealth’s transportation network.</li> <li>• Guarantee that local governments and citizens play a meaningful role in transportation decision-making.</li> </ul>	<p align="center"><b>Veterans and Military Families</b></p> <ul style="list-style-type: none"> <li>• Create seamless transitions for Virginia’s veterans with high quality education and workforce services that accelerate career opportunities.</li> <li>• Increase affordable housing opportunities and veterans support programs.</li> <li>• Retain and reinforce Virginia’s military installations and defense activities.</li> <li>• Ensure that Virginia remains the preeminent state for military personnel, their families and veterans.</li> </ul>
<p align="center"><b>Government and Citizens</b></p>		
<ul style="list-style-type: none"> <li>• Improve citizens’ access to government data and decision-making processes.</li> <li>• Pursue innovative strategies to increase efficiency or to reduce government costs for needed services.</li> <li>• Maximize restoration of voting rights for individuals who qualify.</li> </ul>	<ul style="list-style-type: none"> <li>• Manage public resources efficiently and effectively.</li> <li>• Enhance current technology platforms and infrastructure while protecting all data.</li> <li>• Ensure diversity in government procurement.</li> <li>• Promote a culture within state government that values strong ethics.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve recruitment, retention, and succession planning for the state workforce.</li> <li>• Deliver high quality products and services to customers in a timely manner.</li> <li>• Encourage user-friendly online services.</li> </ul>

Council staff also captured key initiatives and other actions impacting progress on the Enterprise Strategic Priorities. This is necessary because agency performance information alone cannot provide a clear picture of progress; a host of other factors, including key initiatives at the leadership level, affect priority outcomes. Figure 4 presents a high-level example of the kind of information that will help leaders track progress toward key priorities.

**Figure 4**  
**Draft / Example**

<b>GOAL AREA: WORKFORCE</b>	
<b>Priority: Credentialing</b>	
<b>Description:</b> Establish annual goals and identify ways to increase statewide credentials that align with current and future employer needs.	
<b>Key Initiatives</b>	
<b>Executive Orders</b>	EO 23, Establishing the New Virginia Economy Workforce initiative
<b>Grants</b>	\$170K NGA grant to participate in a Talent Pipeline Policy Academy
<b>Legislation / Regulation</b>	HB 1986 emphasizes credentialing; requires local Workforce Investment Boards to allocate a minimum 40% of certain funds to credential production.
<b>Recent Budget-related Actions</b>	<ul style="list-style-type: none"> <li>Budget language requires the community college system to develop a plan to increase production of high-value workforce credentials and track progress.</li> <li>Provides \$1M in financial aid for non-credit workforce training</li> </ul>
<b>Other</b>	Georgetown’s Center on Education and the Workforce is providing Virginia with technical assistance to help identify workforce credentials of value and track their progress.
<b>Challenges to Making Progress</b>	
<b>Budget</b>	Funding does not emphasize high-value certifications and workforce credentials.
<b>Assessment</b>	Current assessment largely reflects credential production only in the public workforce system and does not address proprietary institutions or 3rd-party industry certifications.

### Priority-focused Report Cards

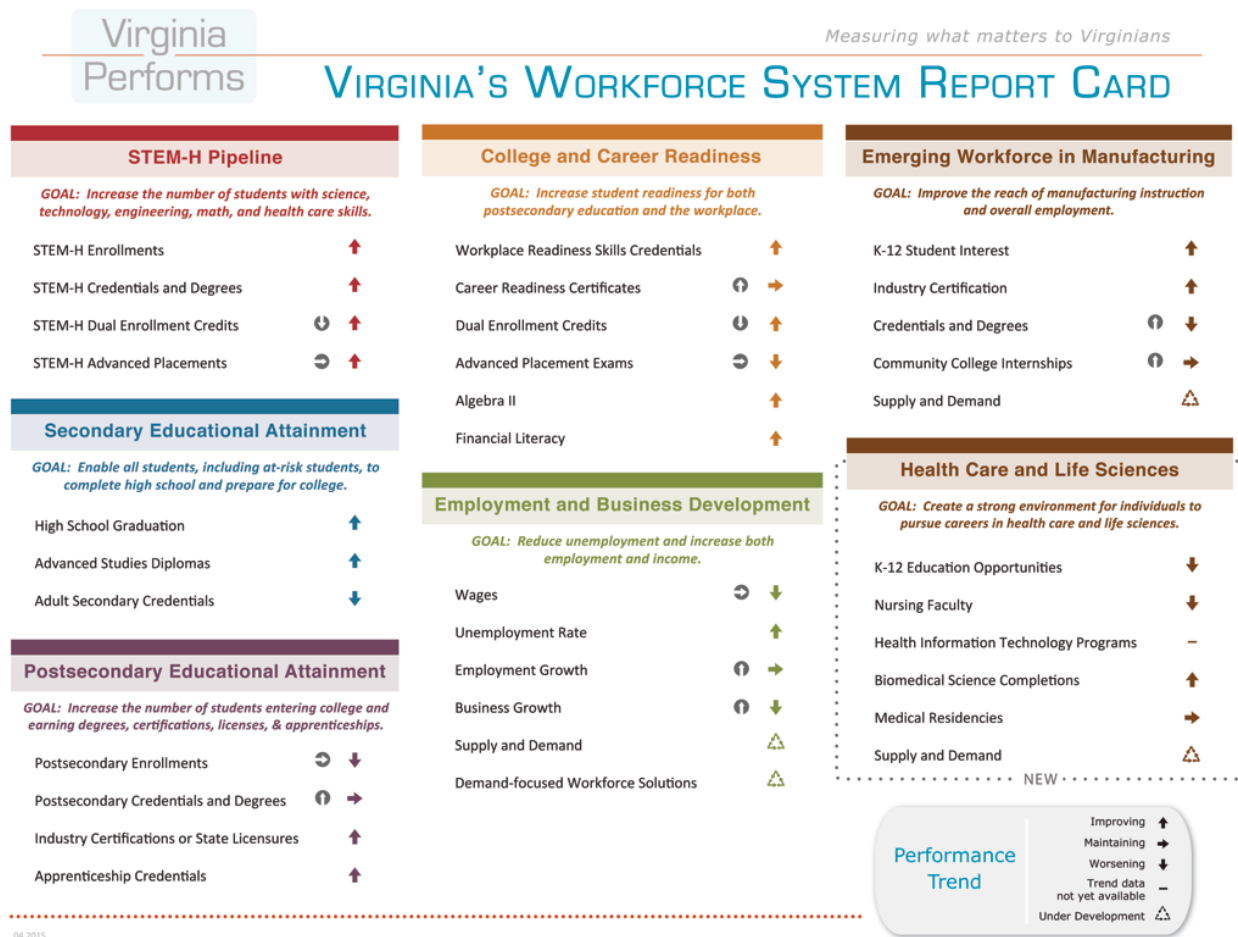
Priority-focused report cards are based on the Virginia Performs model and highlight progress on multi-agency, Scorecard-level outcomes that are important to Virginia’s long-term prosperity. They represent a vitally important and powerful step forward in the evolution of Virginia Performs by strengthening planning and execution across the enterprise



**Workforce System Report Card** (Figure 5): The Commonwealth's workforce development system is multi-layered and engages different levels of government, as well as many partners, both public and private. We continue to work closely with our partners to improve the Workforce System Report Card; major enhancements for 2015 included development of a new set of performance measures for the Health Care and Life Sciences industry sector, refinement of measures for the Emerging Workforce in Manufacturing, and updating performance information. In addition, work continues to:

- Launch a new indicator to capture regional Demand-focused Workforce Solutions,
- Develop an approach to measuring Supply and Demand, and
- Finalize an online platform for access to report card data.

**Figure 5**

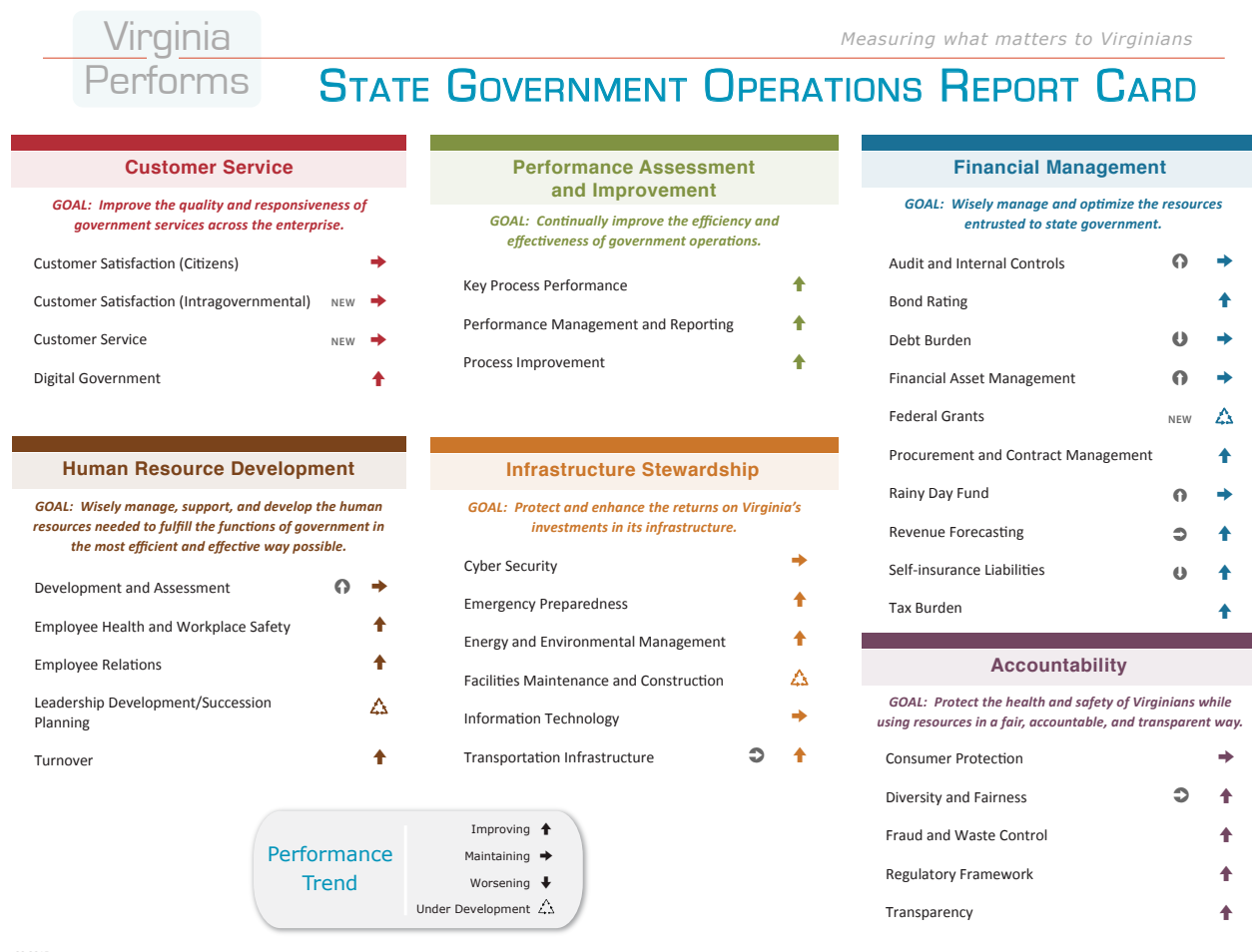


**State Government Operations Report Card** (Figure 6): This report card provides a high-level assessment of the overall efficiency and effectiveness of state government. In addition to performance data and trend updates, we worked closely with state leaders to gain consensus around important improvements:

- **Customer Satisfaction:** This indicator now reflects two key service constituencies, external citizens and internal, intra-governmental service recipients.
- **Customer Service:** This now combines performance information from two, often overlapping indicators, Customer Service Management and Service Quality.
- **Performance Management and Reporting:** This indicator now includes information from the closely related Strategy and Internal Communications indicator.
- **Federal Grants:** This indicator was added at the request of the Council to track the state’s progress in identifying and winning these grants.

An updated version of the report card was released in September 2015.

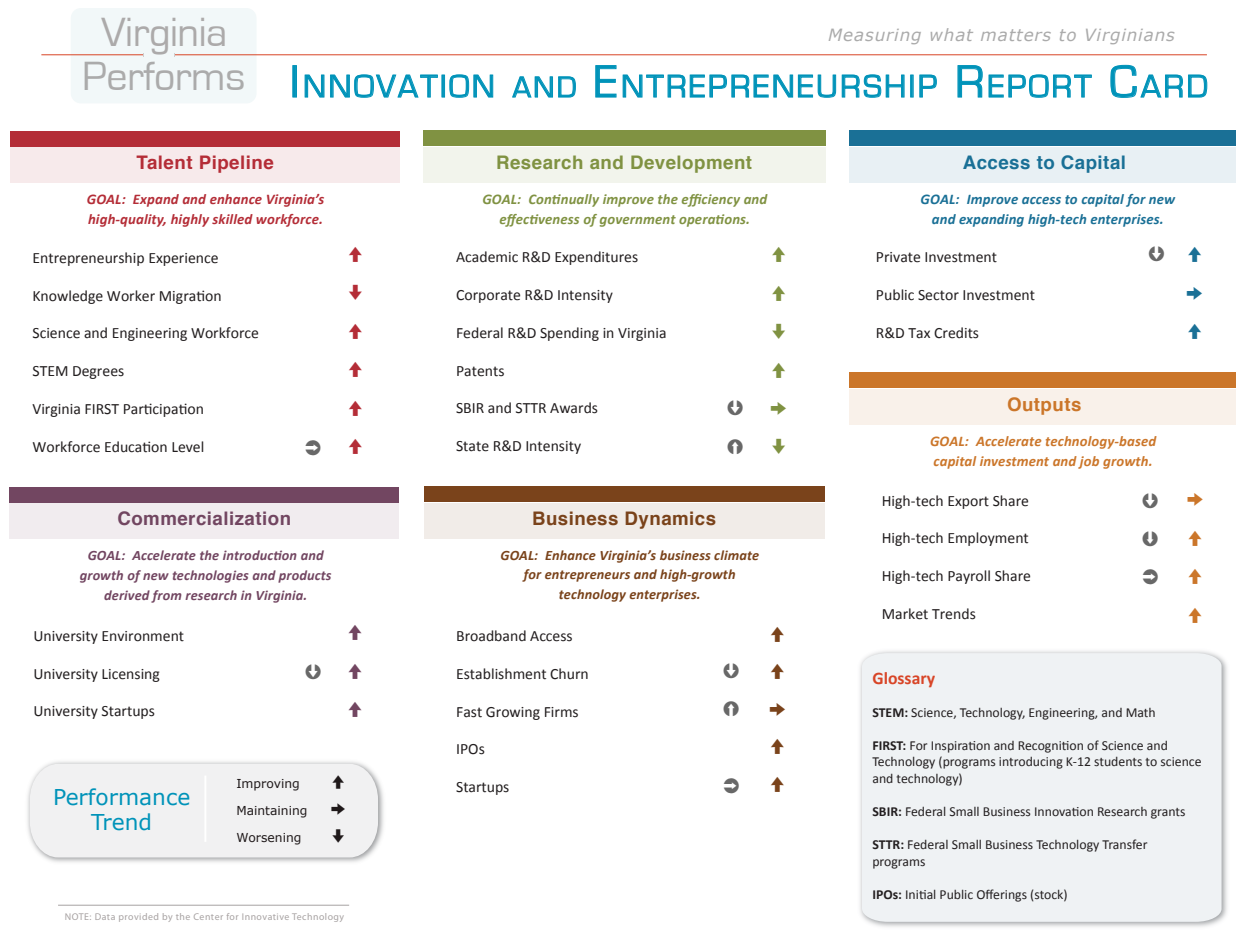
**Figure 6**



**Innovation and Entrepreneurship Report Card** (Figure 7): Innovation and entrepreneurship drive economic competitiveness and figure prominently in economic development strategic planning. We continue to work with the Center for Innovative Technology (CIT) to enhance our understanding of Virginia’s progress on these two related and fundamental cornerstones of future economic vitality. Improvements made to this report card in 2015 include consolidating some overlapping indicators and adding benchmarking data for six peer states, as well as new indicators focused on:

- Entrepreneurship Experience: Captures the array of activities that Virginia’s universities are sponsoring to promote entrepreneurship.
- Science and Engineering Workforce: Measures the employment of Virginians in science and engineering related occupations - an important indicator for talent development.
- University Environment: Tracks activities underway at Virginia’s universities to promote commercialization unrelated to licensed technology.
- Academic R&D Expenditures: Assesses the share of the state’s GDP Virginia’s universities spend on basic and applied research activities.

**Figure 7**



## Partnerships and Special Issues

The Council values its role as an objective and independent voice for sound assessment for Virginia. At the same time, since its inception, the Council has brought its expertise in assessment and analysis to bear in working closely with a wide variety of partners to develop Virginia Performs and explore high-priority issues. Recent partnership developments and related special issues include:

### **Economy:**

- *GO Virginia*: Aligning with the Virginia Chamber of Commerce's Blueprint Virginia plan, this business-led initiative seeks to mobilize private and public, state and regional resources to catalyze innovative and regionally-driven strategies for improving Virginia's economic opportunities.

### **Workforce:**

- *Credentials to Compete*: This initiative arose out of Governor McAuliffe's New Virginia Economy Initiative, and is designed to dramatically increase the state's production of high-value workforce credentials.
- *National Governors Association's (NGA) Talent Pipeline Policy Academy*: This grant from the NGA will help Virginia align the state's workforce system with economic development efforts.
- *High-value Workforce Credentials project at the Center on Education and the Workforce at Georgetown University*: Virginia will collaborate with the Center to help 1) determine the value of and demand for workforce certificates and related non-degree credentials, such as industry certifications, and 2) estimate the number of these credentials currently in Virginia's labor force.
- *Commonwealth Center for Advanced Research and Statistics (CCARS)*: The Council will sponsor this collaborative effort to capitalize on existing data resources to improve programmatic and strategic workforce decision-making. The goal is to significantly improve the state's ability to identify and articulate current and emerging workforce needs.

### **Other**

- The Department of Planning and Budget and the Weldon Cooper Center at the University of Virginia continue to be critical partners in maintaining and improving Virginia Performs.
- We will continue to work closely with state government leaders and subject matter experts on the ongoing development of priority-focused report cards.

## Virginia Performs:

### Council Portfolio

The Council employs a variety of methods and develops an array of products to keep Virginia's citizens and leaders informed about how the state is doing and to shed light on the key challenges facing the Commonwealth:

- Research and analysis activities have focused on the drivers of economic competitiveness; creating a data framework for regional workforce development assessment and planning; strengthening the foundations for improved high-level, issue-focused assessment; and improving agency performance.
- Issue Insights and Brief Insights provide high-level analyses of key issues for Virginia. For instance, Issue Insight #8, *Regional Analysis and Refinement: Government Service Delivery Regions*, presented an overview of Virginia's varied approach to the regional alignment of programs and resources, a key issue for economic development strategy.
- Presentations and contacts with key public- and private-sector audiences about the Council on Virginia's Future, performance leadership and accountability, and Virginia Performs are ongoing. In addition, Virginia Performs continues to serve as a model for other states and nations.
- The Council's website ([future.virginia.gov](http://future.virginia.gov)) provides a user-friendly, one-stop resource for accessing the work of the Council.
- Council staff periodically issues a digital newsletter, Virginia Performs, that showcases the Council's work, as well as other performance-related projects and events in Virginia government. (See more at: <http://future.virginia.gov/publications/VaPnewsletter.php>)
- Customized snapshots of locality data from Virginia Performs were developed for legislators and for various regional Planning District, workforce, and economic development officials.

### Areas of Emphasis for 2016

One of the Council's important roles is to maintain a long-term focus on issues vital to Virginia's future, particularly those related to the foundations of Virginia's sustained prosperity: a vibrant economy, a well-educated citizenry and skilled workforce, and excellence in state governance. These remain the driving forces behind our workplan for 2016 and priority areas of emphasis reflect our support for major initiatives currently underway:

- *Workforce*: The Council will continue its intensive support for the state's efforts to improve the workforce system's ability to meet current and emerging labor market needs. Key initiatives include support for CCARS, efforts to better understand labor market supply and demand for skills, and the continued evolution of the Workforce System Report Card.
- *Priorities Assessment*: The development and evolution of Enterprise Strategic Priorities and priority-focused report cards represent significant developments within Virginia

Performs and help strengthen planning and execution across the enterprise. In addition to the Workforce System Report Card, the Council will continue its work with state leaders and other partners to enhance current report cards and to identify and develop new ones, as appropriate.

- *Virginia Performs*: This performance leadership and accountability system will continue to evolve. At the societal level, we will continue to work with the Weldon Cooper Center at U.Va. to improve current indicators and develop new ones as needed. We are currently working with the Cooper Center on identifying potential indicators to improve assessment of our economic competitiveness and to strengthen and perhaps streamline assessment in the Health and Family section.
- *Analysis and Outreach*: We will continue to respond to specific data requests; make presentations to various state, regional, and national groups; and produce a range of both regular and ad hoc reports and analyses, including for instance, The Virginia Report and Issue Insights.

Questions or comments about this report may be directed to:

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