Governor’s Commissions: Summary of Relevant Recommendations

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EO1, EO2, & EO9 COMMISSIONS

Executive Order 1
Governor’s Commission on Economic Development and Job Creation

Executive Order 2
Governor’s Commission on Government Reform and Restructuring

Executive Order 9
Governor’s Commission on Higher Ed Reform, Innovation and Investment
Economic Development and Job Creation Commission

Co-Chairs

Bill Bolling, Lieutenant Governor and Chief Jobs Creation Officer
Bob Sledd, Governor’s Senior Economic Advisor

Members

64, including 8 cabinet secretaries, 7 legislators, 1 State Council member (Jim Dyke), 2 college presidents (Debbie DiCroce and Frank Longaker), and multiple BOV members
Subgroups

Business Recruitment and Development
Economically-distressed Areas
Energy
Manufacturing
Small Business
Technology
Tourism
Workforce Development
Three (of six) “common deficiencies”

- Innovation economy lacks appropriate coordination with higher education institutions and infrastructure needed to capitalize and commercialize on future emerging technologies and industries.

- Virginia must more effectively align higher education, workforce development and incentive programs with strategic regional and statewide goals, priorities and assets.

- Workforce development system lacks coordination and leadership to adequately provide the workforce needed to support new and existing businesses.
Themes

1. Growing Virginia’s Innovation Economy
2. Transforming Academic Institutions into Economic Engines
3. Business Growth and Development
4. Training Workers for Va Businesses
5. Coordinated, Efficient and Effective Economic Development Strategies
6. Promoting the Virginia Brand
7. Virginia’s Business Tax Policy
Growing Va’s Innovation Economy

Emerging Technology Fund

-- Research Commercialization Awards (grow new small and existing businesses; accelerate entrance of new products/services to the marketplace)

-- Research Award Matching (provide higher education institutions/companies engaged in research a source of matching funds for outside funding opportunities)

-- Research Superiority Acquisition Grants (provide source of funds for bringing the best and brightest researchers).
Growing Va’s Innovation Economy

Refundable R&D Tax Credit

-- Equal to 1-6% of the federal credit, scaled based on the R&D investment, with a special 6% credit for qualified advanced tech start-ups and early-stage firms.

-- A special incentive (an additional 6-10%) could be added if the research is performed by a Va university.

-- Qualified firms with 50 or fewer employees would receive cash refunds of 65% of the value of R&D credits that cannot be used for lack of tax liability, in lieu of a carry-forward option.

-- Intended to provide needed capital for technologies invented at Va universities that would otherwise never be commercialized, create jobs or add to the tax base.
Transforming Academic Institutions into Economic Engines

Centers of Excellence – Establish research-based collaborations between industry & research universities (e.g., Center for Advanced Manufacturing).

Energy-based Research Coordination – Increase coordination between higher ed, the state, and industry to maximize investment in clean energy research and development [connects to Emerging Technology Fund].

Energy Education and Energy Degrees – Expand university programs in areas such as nuclear power, energy engineering, and environmental management; expand job training in community colleges in high-growth areas such as energy auditing and efficiency, utility and related trade activities and renewable systems.
Transforming Academic Institutions into Economic Engines (cont’d)

Agriculture Research
-- Invest in agriculture and forestry research and outreach (i.e., Va Cooperative Extension).

Agriculture and Veterinary Medicine Programs
-- Foster increased enrollments at Virginia State University and Virginia Tech in programs in agriculture, forestry and veterinary medicine.
-- Actively support the recruitment and retention of large-animal veterinarians in Virginia.
Training Workers for Va Businesses

Align Workforce Development with Economic Development Strategies

-- Align curricula at community colleges and four-year institutions with statewide and regional economic development strategies.

-- Charge a single entity with working with existing and new businesses to direct them to workforce training programs.

Align Job Demand and Workforce Development Efforts

-- Purchase, create or expand an IT solution, similar to the VCCS online “Wizard” program, to help match job seekers with occupations/sectors in greatest demand.
Training Workers (cont’d)

Greater Use of Career Pathways Programs

-- Support, promote and more-widely implement programs that prepare students for academic success.
-- Encourage greater collaboration between K-20 education and employers, including the registered apprenticeship program and “Earn While You Learn.”
-- Promote dual-enrollment classes (college-level courses for credit while in high school).
-- Support efforts by colleges, universities and school divisions to train more STEM and CTE teachers.
Establish a Senior Administration Leadership Position

-- Designate a senior-level official to carry out the responsibilities of the Chief Workforce Development Officer in order to provide greater coordination among education, workforce development/skills training, business, and economic development.

Expand Teaching of Economics in High School

-- Support the statewide network of college- and university-based Centers for Economic Education.
Training Workers (cont’d)

**Expedite Veterans and Military into Healthcare and Technology Workforce**

-- Allow substitution of certain military training and service for formal education, certification or clinical experience requirements.

-- To address demands on the healthcare workforce: 
(a) improve opportunities for dual enrollment; 
(b) allow students to matriculate into health science programs at the start of each semester; 
(c) improve awareness of health career screening and re-training through high schools and higher education; 
(d) standardize college-based curricula and course numbers.
Training Workers (cont’d)

Fully Fund Commitment to Non-credit Courses at Community Colleges

-- Consideration should be given to phasing in state support for non-credit skills-development courses (at the 30% level as envisioned in the Appropriation Act) to move beyond the current 5% funding level.
Government Reform and Restructuring Commission

Chair
Fred Malek, Thayer Capital Partners

Vice Chairs
William Howell, Speaker of the House
Benjamin Lambert, former state senator

Membership
31 members, including 2 secretaries, 4 legislators, and 1 campus VP (Maurice McTigue, GMU)
Government Reform and Restructuring Commission

Committees

-- Government Simplification and Operations
-- Intergovernmental Relations
-- Customer Service, Performance, Accountability, and Transparency
-- Consolidation of Shared Services and Enterprise Architecture
2. Expand the four-day, 10-hour work week schedule beyond the Department of Forestry pilot program.

3. Encourage greater use of telework and flexible scheduling for government employees.

25. In preparation for future recommendations on consolidation and elimination of various boards and commissions, a criteria flow chart for review of boards and commissions should be used.
48. Extend mandatory Electronic Data Interchange (EDI) for travel reimbursements to board members and other nonemployees.

54. The Virginia Community College System (VCCS) office should consolidate payroll services supporting their 23 institutions.

55. The seven non-decentralized institutions of higher ed (RBC, CNU, LU, NSU, RU, UMW, and VSU) should consider entering into joint cooperative agreements to obtain or perform payroll services from, or for, one another.
Shared Services (cont’d)

57. Secretaries should designate an agency within their secretariat to provide all administrative support services to small agencies (i.e., agencies with fewer than 350 full time employees).

64. State agencies and institutions of higher ed with vehicles not currently serviced by the DGS public-private vehicle maintenance model will be required to compare their current vehicle maintenance model costs and operational needs to the DGS maintenance model by performing a cost and operational benefit analysis.

66. Agencies should provide an inventory of all real property assets.
74. The Governor’s office & DPB move forward with plans requiring state agencies to review current mandates. Mandates that are rendered obsolete or are not implementable should be eliminated or suspended.

75. Agencies should justify the continuation of mandates with an eye towards cost-benefit analysis and performance-based metrics to determine the value of the mandate relative to the output required.
Customer Service

83. Virginia should adopt a policy that states that unless there is a public safety, security, or an individual confidentiality reason that information remain confidential, then all information should be deemed public information and available to the public.
Customer Service (cont’d)

84. The Governor should propose to the General Assembly a Transparency Reform Act be passed so that all government spending is available online in a user friendly format and in a timely manner.

85. All agencies and political subdivisions receiving gov’t monies must publish the spending of those monies online in an accessible and timely manner and in accordance with the government’s website criteria.

86. All government financial statements and budgets must be accompanied by a full statement of debts, liabilities, and guarantees, including the differing maturities of that debt and its servicing costs.
Customer Service (cont’d)

88. All agencies or political subdivisions that are raising money on the bond market must publish information with the bond notice, identifying the existing debt levels of that organization. It must also identify the maturity of those debts and the annual total of the organization’s debt servicing cost as a numerical figure and as a proportion of their operating budget.

92. Change the budget cycle so that the incoming Governor adopts his/her first budget in the first year in office and second budget in the third year in office.
97. Set a statutory limit on government spending expressed as a percentage of Gross State Product (GSP) or a similar benchmark.

98. Reduce all budget baselines by 2% as a compulsory productivity dividend each financial year. The productivity dividend initiative applies to the administrative & delivery costs of programs/activities.

103. The Governor should propose legislation requiring the Commonwealth to focus on identifying outcomes that are state priorities and that the budget and appropriation process identify strategies to address those priorities by measurable amounts each year or fiscal period.
104. The current definition of “publish” should be amended in the appropriate Code section. The new definition of “publish” should be expanded to require that any requirement in any law to “publish” should now include a requirement to place that information online in a readily accessible place and in a user-friendly format.

107. Amend sunshine laws to allow public organizations to participate in electronic meetings.
Higher Education Reform, Innovation and Investment

Co-Chairs
Tom Farrell, Dominion Resources
Kirk Cox, Virginia House of Delegates

Members
44 (3 ex officio), including 3 secretaries, 10 legislators and 1 staffer, 9 presidents (5 public, 4 private), 2 administrators, 1 higher-ed center director, 1 student
Committees

-- Degree Attainment, Financial Aid and Workforce Training

-- Innovation and Cost Containment

-- Regional Strategies/Partnerships for Research & Economic Development
“The Commission will recommend passage of major higher education legislation in 2011”

The Virginia Higher Education Opportunity Act of 2011

Preparing for the Top Jobs of the 21st Century (TJ21)
Major Thrusts

**Economic Opportunity** – Fueling economic growth and preparing Virginians for the top job opportunities in the knowledge-based economy

**Reform-based Investment** – Maintaining excellence and achieving global leadership through sustained, reform-based investment and innovation

**Affordable Access** – Providing all capable Virginians with access to a college degree at an affordable cost
EO9 Recommendations (October 12 Meeting)

Economic Opportunity

100,000 More Degrees in 15 years

-- Increase enrollment of Virginia students by public and private colleges.

-- Increase degree completion by the 900,000 Virginians who currently have some college credits.

-- Increase the graduation rate of Virginia students at public and private colleges.
EO9 Recommendations (October 12 Meeting)

Economic Opportunity (cont’d)

Invest in High-demand, High-earning Degrees

-- Form public-private partnership to engage business and professional community as statewide and regional partners in STEM instruction and promotion, and in strategic direction of STEM initiatives.

-- Use grant-supported initiatives and specialized STEM schools/ programs to refine best practices in STEM instruction, then leverage throughout K-12.

-- Enhance teacher ed and professional development in STEM areas, with emphasis on increasing the number of teachers with STEM degrees.
Invest in High-demand, High-earning Degrees

-- Provide financial incentives for students to pursue STEM majors and for institutions to increase capacity of STEM degree programs.

-- Strengthen college/career math readiness through earlier diagnosis & remediation of student deficiencies.

-- Provide STEM incentives in early college pathway programs and in the transfer grant program.

-- Assess degree programs based on marketplace demand, earning potential, employer satisfaction, and other indicators of economic impact.
Public-Private Research Initiative

-- Restore/expand Higher Ed Research Initiative funding, including additional support for acquisition of high-tech equipment, high-performance computing capability, and start-up packages for star faculty.

-- Enact a state tax credit to promote public-private collaboration & leverage private investment in research.

-- Establish emerging technology commercialization fund, with awards based on out-of-state peer review, incentives for collaboration among Virginia universities, and an initial focus on energy research.

-- Establish a reinvigorated program of matching funding to recruit star faculty (eminent scholars) in STEM.
Reform-based Investment

Optimizing Utilization of Physical & Instructional Resources

-- Year-round instruction initiative

Using Technology-enhanced Instruction to Deliver Greater Value

-- Virtual departments (resource-sharing initiative)
-- Course redesign initiative
-- Online opportunities for degree completion
-- Electronic textbooks
Reform-based Investment (cont’d)

Creating Innovative & Economical Degree Paths

-- Community college transfer program
-- Early college credit and commitment initiatives
-- Expedited degree options
  -- tuition incentives for timely completion
  -- remediation enhanced before college

Next Steps in Systemwide “Restructuring”

-- Enhanced institutional autonomy & outcome-based accountability
  -- new performance measures (including economic metrics)
  -- more-focused and effective incentives
  -- institutional plans and agreements
Affordable Access

Codified Policy Commitment & Funding Model
(to support sustained, reform-based investment and relieve tuition pressure)

Increased Access for Virginia Students

-- Per-student funding to incentivize and support enrollment growth (*funding to follow the student to a public or private institution*).

-- Each public institution would make a degree-conferral commitment.
Increased Need-based Financial Aid (Grants/Loans)

-- Target to supplement federal aid by addressing middle-income cost squeeze.

Rainy Day Fund to Guard Against Spikes in Future Downturns
Funding Model: Conceptual Framework

Incentives for Economic Impact and Innovation

Need-based Financial Aid

Per-student Enrollment Growth Funding

Basic Operations and Instruction
Next Steps

-- Interim report is due to Gov. McDonnell by November 30.

-- Next meeting of the full Commission will be December 3 in Richmond.