

**MARKET ST**



**LIVE WORK GROW**

730 PEACHTREE STREET SUITE 540 ATLANTA GEORGIA 30308 404 880-7242 FAX 404 880-7246

(This page intentionally blank)

## LIVE WORK GROW

*Market Street* brings original insights and clarity to the evaluation and revitalization of the places where people live, work and grow. Through honest and informed assessments, *Market Street* can equip you with the tools to create meaningful change. Our solutions successfully merge our experience and expertise with the economic and social realities of our clients. *Market Street's* clients are successful at creating stronger programs, increasing operational budgets, and creating new quality jobs that improve the quality of life in their state and in their communities.

(This page intentionally blank)

# Table of Contents

Background.....	5
Executive Summary: Priorities.....	7
Work Plan for West Virginia.....	9
Build a business environment for the New Economy: reform the court system.....	9
Improve community health and wellbeing.....	13
Create a 21 <sup>st</sup> century workforce.....	20
Leverage and support entrepreneurs and researchers.....	28
Enhance West Virginia's image.....	36
Conclusion.....	42

## BACKGROUND

In 2000 and 2001, *Market Street Services* partnered with the stakeholders of West Virginia to coordinate a comprehensive, inclusive planning process that resulted in the development of a seminal strategy for competitive enhancement and statewide growth, *West Virginia: A Vision Shared*.

The four principal goal areas of *A Vision Shared* focused on:

- Intellectual Infrastructure in the 21st Century;
- New Economy: New Challenges and New Solutions;
- Results-Based Government: Planning for the Future; and
- Building Bridges and Empowering Citizens.

In the years that followed, tremendous strides have been made towards the implementation of the key tenets of *A Vision Shared*. Momentum continues to this day to bring the plan's goals and objectives to fruition. Because of the positive changes that have occurred in the State, lingering challenges, and – importantly – the constantly evolving competitive dynamics of the national and global economies, many stakeholders feel that 2008 serves as an important milestone to reassess West Virginia's progress and continuing priorities.

Now operating as a statewide nonprofit organization, *Vision Shared Inc.* has engaged *Market Street* to assess the State's strategic opportunities and challenges. The goal of this process is to provide specific steps required for West Virginia to reach the next level of success.

This assessment update includes three components:

- ***Competitive Assessment:*** This research deliverable examines West Virginia's competitive position and progress since the year 2000 along three broad areas: people, prosperity, and place. Throughout the report, West Virginia is benchmarked against three states of similar size (New Mexico, Nebraska, and Maine) and three states with similar economic structures (Louisiana, Oklahoma, and North Dakota). The mixture of these two contrasting measures on indicators related to demographics, socioeconomics, workforce, economy, and quality of life produce an objective factual result in comparing the State's competitive position and its rate of progress.

- ***Rankings and Ratings Report:*** This report presents a catalogue of the numerous rankings and ratings that are done by various foundations, magazines, corporations, and economic development groups. Because such rankings, regardless of their methodologies, affect public perception it is important to have a clear understanding of how West Virginia stacks up against other states. This report is careful to qualify any report that is “one-sided,” too narrowly focused, or weighted too heavily on one measure. It also emphasizes year-to-year improvements - or setbacks - that have been made.
- ***Work Plan for West Virginia:*** Based on the findings from the first two reports, this document presents a prioritized “work list” for the State’s next strategic steps. This list of key action items will be the precursor to determining the priority strategies needed to take West Virginia to the “next level.”



## EXECUTIVE SUMMARY: PRIORITIES

*West Virginia: A Vision Shared* has created a platform for initiating dialogue, forming partnerships, and crafting realistic solutions for some of West Virginia's most pervasive challenges, including the State's antiquated workers' compensation system and business tax structure. *Vision Shared* has registered many successes related to community, workforce, and economic development since the rollout of the 2000 strategy. Informed by research presented in the *Competitive Assessment* and the *Ratings and Rankings* reports, interviews with key stakeholders, and the achievements of *Vision Shared*, this *Work Plan for West Virginia* challenges public and private leaders to unite around a new agenda to enhance the State's business climate and economic competitiveness.

This report outlines five priority "work areas" where change is necessary to advance West Virginia to the "next level" of economic competitiveness. Each work area includes:

1. An explanation of the issue and its associated challenges;
2. Best practice examples of what other communities and states have done to effectively address similar challenges; and
3. Priority actions West Virginia's public and private sector leaders should pursue in order to initiate (or continue to make) progress in each work area.

These work areas, along with their respective priority actions, are as follows. Detailed information relating to each can be found in the body of this report.

- ✓ **Build a business environment for the New Economy: reform the court system**
  - Immediately engage an independent third-party team to perform a comprehensive review of West Virginia's Court System.
- ✓ **Improve community health and wellbeing**
  - Implement and expedite recommendations from Roadmap to Health Project work groups, in special legislative session if necessary.
- ✓ **Create a 21<sup>st</sup> century workforce**
  - Make economic development a driving tenet of the Community and Technical College System.

- Strengthen bridges between high school and college to advance educational attainment levels of West Virginia’s next generation of workers.
  - Implement priority recommendations of the West Virginia Department of Education outlined in the *Closing the Achievement Gap for 21<sup>st</sup> Century Learners in West Virginia (2007-08)* report.
- ✓ **Leverage and support entrepreneurs and researchers**
- Expand the “Bucks for Brains” research trust in funding and in scope.
  - Enhance support for West Virginia’s entrepreneurs and innovators.
- ✓ **Enhance West Virginia’s image**
- Assemble a governor-appointed Generation West Virginia Commission, based on Iowa’s best practice, to develop and guide young professional recruitment and retention strategies.

While all of the five actions identified in this *Work Plan* are important and interconnected, there are two issues that should be considered the most urgent priorities for West Virginia’s leaders:

- **Comprehensive judicial reform, and**
- **Comprehensive health care reform.**

For West Virginia to achieve long-term economic health and stability, it must continue to modernize its programs and government systems according to best practice standards. These are complex and often contentious issues which greatly affect the State’s business climate and quality of life. Finding solutions will not be easy, and the time to initiate change is never convenient. However, West Virginia’s leaders have proven they can address difficult issues, build bridges, reach consensus, and create working solutions.

It is time to recommit to changing West Virginia using a shared vision. Acting now on these five areas can ensure A NEW WEST VIRGINIA.

# WORK PLAN FOR WEST VIRGINIA

---



## Build a business environment for the New Economy: reform the court system

### Issue

West Virginia's court structure and processes have earned the State a reputation for having an anti-competitive legal environment. Many stakeholders associated with *Vision Shared* within the public sector and the private business community indicated that the State's legal climate serves as a major impediment to private sector investment and employment growth. As discussed in the *Competitive Assessment*, West Virginia has a very unusual court system as compared to most states. Some of its unique circumstances include the following.

- West Virginia is one of only a handful of states without an intermediate appellate court. These states include only Delaware, Maine, Montana, Nevada, New Hampshire, North Dakota, South Dakota, Rhode Island, and Wyoming.
- West Virginia and New Hampshire's Supreme Court of Appeals are the only ones in the country that are not obligated to hear a filed appeal.
- West Virginia's judges are elected via partisan elections, whereas most states use non-partisan elections or appointment systems. The only other states that hold partisan elections for its high courts and/or trial courts are Alabama, Illinois, Louisiana, New York, North Carolina, Pennsylvania, and Texas.
- Thirty-four states utilize judicial nominating commissions to screen judicial candidates - West Virginia does not.<sup>1</sup>

The selection method of judges via election and judicial term lengths are dictated by the State Constitution. However, West Virginia legislators can determine if the elections are partisan or nonpartisan. Sandra Day O'Connor (retired Associate Justice for the U.S. Supreme Court) and other prominent members of the judicial

---

<sup>1</sup> Sources: American Bar Association. *Judicial Selection: The Process of Choosing Judges and The American Judicature Society: Methods of Judicial Selection*

community are outspoken critics of partisan elections. It is a widely held belief that judges should not campaign on issues, but rather should make decisions about such issues when presented with them in court. In this regard, court systems in West Virginia and states that allow partisan elections are generally perceived to be less fair than those that employ nonpartisan elections or appointment systems.

## What are others doing?

### *National Center for State Courts*

*Best practice in court system consulting services.*

The National Center for State Courts (NCSC) was created in 1971 as an independent, non-profit organization in response to Chief Justice Warren E. Burger's call for the establishment of an information clearinghouse for state court systems. Since then, the NCSC has expanded its role to provide not only information (including best practices, statistical analysis, and structural information) but also court consulting services, professional development and training opportunities, and advocacy for judicial independence.

The NCSC's Court Consulting Services Division (CCS) provides a number of services for local and state court systems including the following.

- Case Processing Infrastructure
- Case flow Management
- Court Governance / Management
- Court Performance Measurement
- Court Technology
- Fiscal Services
- Human Resources Management
- Jury System Management
- Records Management
- Technical Assistance
- Workload and Workflow Assessment

CCS employs a team of experts to perform operations reviews, research, and suggest strategic solutions for its clients. They are overseen by the NCSC board of directors. The current Board includes the Chief Justice of the Supreme Court of South Carolina, the Chief Administrator of the Supreme Court of Vermont, the Chief Judge of the Court of Appeals of Maryland, the Administrative Director of the Supreme Court of Ohio, the Chief Justice of the Supreme Judicial Court of Massachusetts, other judicial officials from around the country, and representatives from private law firms and corporate counsel.

A number of projects have been recently facilitated by NCSC's Court Consulting Services Division, representing great a diversity of clients and services .A sampling of CCSC's recent state court projects include:

- Arkansas Administrative Office of the Courts
  - Refine, Implement and Train on Performance Appraisal System
- Colorado Administrative Office of the Courts
  - Parents Counsel Statewide Needs Assessment
- Connecticut Administrative Office of the Courts
  - Jury Selection Enhancement
- New Mexico Sentencing Commission
  - Workload Measures for Judges and District Attorneys
- North Dakota Unified Judicial Branch
  - Analysis of Current Case Management System
- Maine Judicial Branch
  - Development of an Automated Case Management System
- West Virginia
  - Judicial Workload Assessment

The National Center for State Courts is a well respected organization trusted to provide independent reviews and realistic, candid recommendations for improving the efficacy of court systems. <sup>2</sup>

*Missouri: State Court Assessment Project (American Bar Association)  
Best practice in independent state court system review.*

The American Bar Association’s Standing Committee on Judicial Independence (SJCI) serves many purposes including assisting state courts, administrative judiciaries, and bar associations to enhance accountability, efficiency, and judicial independence.

In 2005, the Committee created the State Court Assessment Project to provide independent assessments of state court systems’ strengths and weaknesses. Assessments are made based on publicly available information and interviews with diverse stakeholders from both the public and private sectors. However, it is important to note that specific actions to correct deficiencies are not made. Once completed, SJCI delivers the assessment to the Chief Justice of the state, who then determines if it is distributed to a wider audience.<sup>3</sup>

Missouri’s Chief Justice Michael Wolff was the first to solicit and complete an assessment by SJCI in order to “reexamine how well they are addressing the

---

<sup>2</sup> Source: National Center for State Courts. <http://www.ncsconline.org>

<sup>3</sup> Source: American Bar Association Standing Committee on Judicial Independence. <http://www.abanet.org/judind/scap/home.html>

changing needs and concerns of the populace they serve.”<sup>4</sup> Missouri’s assessment consisted of seven key areas of an efficient and effective court system:

- Judicial qualifications, experience, and diversity;
- Judicial powers;
- Financial resources of the court system;
- Structural safeguards;
- Accountability and transparency;
- Needs and expectations of the community; and
- Efficiency.<sup>5</sup>

On indicators within each of these seven areas, the Missouri courts system received 24 positive ratings, eight mixed ratings, and only two negative ratings.

After receiving the assessment in February 2006, Chief Justice Wolff spoke to the Missouri Bar Association about its findings, asking members to send him their comments as well. He then took comments from the members of the Missouri Bar Association along with the assessment to the state’s Judicial Conference with the goal of clarifying the “strategic vision of the future of the Missouri Judiciary.”<sup>6</sup>

## What can West Virginia do?



**Priority action: Immediately engage an independent third-party team to perform a comprehensive review of West Virginia’s Court System.** The State should immediately request the National Center for State Courts to conduct a large scale review of the structure, fairness, predictability, efficacy, and efficiency of West Virginia’s Court System.<sup>7</sup> It is suggested that a special request be made to Sandra Day O’Connor to chair this effort. Based on the results of the report, the legislature should be convened (in special session, if necessary) to prepare and approve the appropriate legislation.

---

<sup>4</sup>Source: The Missouri Court System: An Assessment. (February 2006). American Bar Association’s Standing Committee on Judicial Independence. [www.abanet.org/judind/scap/missouri.pdf](http://www.abanet.org/judind/scap/missouri.pdf) (page 4)

<sup>5</sup> Ibid.

<sup>6</sup> Source: Chief Justice speaks to lawyers during annual spring meeting of The Missouri Bar. (May 12, 2006). Missouri Courts.

<sup>7</sup> In 2006, the State’s Supreme Court of Appeals contracted with the National Center for State Courts to review the capacity needs in the Circuit and Family Courts. The study demonstrated the need for more judges to meet the demands of large caseloads presented throughout the State. With these recommendations, lawmakers were able to pass legislation creating additional judgeships to meet caseload needs statewide.



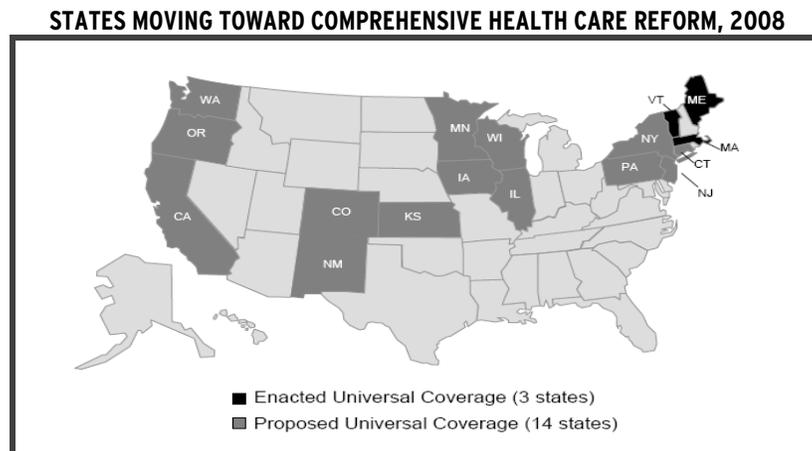
## Improve community health and wellbeing

### Issue

As corporate-sponsored and funded health insurance continues to shrink, health care is at the forefront of U.S. national policy today. As the Baby Boomer generation enters retirement, rates of chronic disease continue to climb and more individuals find accessible and affordable health care out of reach, public and private sector leaders face increased urgency to find a solution.

Health care costs are a key concern for workers and employers. According to the Centers for Medicare and Medicaid Services, “In 2006, people and the government spent \$2.1 trillion on health care, an average of \$7,026 a person. In 2017, health spending will cost an estimated \$13,101 a person.” Furthermore, the sector’s 6.7 percent annual increase in costs reflects a rate nearly three times that of inflation (2.7 percent).<sup>8</sup> Mounting health care costs for current and retired employees threaten many industries in the U.S. as well as the prosperity of small businesses. The federal government’s response to these issues will clearly impact the delivery of patient care in the future.

Until then, many states have taken the initiative to increase accessibility through comprehensive health care reform. As shown in the map below, several states have enacted or proposed universal health coverage for their residents, proving that solutions are within reach.



Source: The Kaiser Commission on Medicaid and the Uninsured: The Henry J. Kaiser Family Foundation. (July 2008). *States Moving Toward Comprehensive Health Care Reform*.

<sup>8</sup> Freking, Kevin. (February 26, 2008). Spending on Health to Rise Dramatically. *BusinessWeek*. Accessed online at: <http://www.businessweek.com/ap/financialnews/D8V1QNCO1.htm>

As was reported in the *Competitive Assessment*, public health issues in West Virginia are alarming. The State has the 10<sup>th</sup> highest infant mortality rate, the highest total population death rate, and the 3<sup>rd</sup> highest proportion of overweight and obese adults in the nation. Additionally, the proportion of adults diagnosed with diabetes and hypertension exceed the national average and continues to rise. While the State has taken steps to expand coverage children and reduce cost burdens on West Virginia's small businesses, it is clear that chronic disease rates warrant an increased focus on preventative care and increased accessibility to care.

## What are others doing?

### *State of Massachusetts*

*Best practice in comprehensive health care reform to facilitate universal insurance coverage.*

Since 2006, the state of Massachusetts has been moving toward universal health insurance through its legislation, Chapter 58 of the Acts of 2006, an "Act Providing Access to Affordable, Quality, Accountable Health Care." Under law, all residents aged 18 and older must have health insurance unless they qualify for an exemption. Individuals who do not comply are fined monthly an amount equal to 50 percent of the premium for the least expensive plan.

Key features of this initiative include:

- Establishment of an independent public agency called the Commonwealth Health Insurance Connector Authority;
- Implementation of a subsidized health insurance program;
- Reforms in the private insurance market;
- Expansion of Medicaid;
- Contribution requirements for companies with eleven or more full-time employees; and
- Establishment of the Health Safety Net, a pool of funding to assist uninsured residents.

The Commonwealth Health Insurance Connector Authority (Health Connector) connects residents and companies with 50 or fewer employees with health insurance plans. The Health Connector also determines policy details such as what minimum services should be covered by health plans and certifies new insurance plans that meet their standards. Currently, minimum coverage includes "preventive and primary care, emergency services, hospitalization benefits, ambulatory patient services, mental health services and prescription drug coverage." The coverage standards restrict deductibles to \$2,000 for individuals and \$4,000 for families and limits out-of-pocket spending to \$5,000 for individuals and \$10,000 for families.

The Health Connector administers two health reform insurance programs: Commonwealth Care and Commonwealth Choice. Funded by the state and federal governments, Commonwealth Care is for residents who do not have access to employer-sponsored insurance, do not qualify for Medicare or Medicaid, and have incomes up to 300 percent of the federal poverty level. A subsidized program, Commonwealth Care offers four plans for which there are no deductibles and premiums are graduated according to income level. For residents earning 150 percent or less of the federal poverty level, which in 2008, equates to \$15,612 for an individual and \$31,812 for a family of four, premiums are fully subsidized. The other three plans offers premiums of \$39 per month, \$77 per month, and \$116 per month, according to the income bracket of the resident.

Through Commonwealth Choice, the Health Connector is able to offer a variety of unsubsidized plans to residents based on their needs. By combining non-group and small-group private health insurance markets, lower costs are more easily achieved. The plans are from six insurance providers: Blue Cross Blue Shield of Massachusetts, Fallon Community Health Plan, Harvard Pilgrim Health Care, Health New England, Neighborhood Health Plan, and Tufts Health Plan. The Health Connector clusters the plan in four categories to help residents compare:

- Gold Level plans, which feature low co-payments and no deductible;
- Silver Level plans, which feature moderate co-payments;
- Bronze Level plans, which feature low premiums; and
- Young Adults plans, which are for 18-26 year-olds and feature low premiums with limits on benefits.

With many more options for affordable health insurance, residents in the state of Massachusetts are better able to use their pre-tax dollars to address their health care needs.

Chapter 58 of the Acts of 2006 also provided for an expansion of Medicaid. By law, all children in families that earn up to 300 percent of the federal poverty rate (and eligible for Commonwealth Care) are covered by MassHealth, Massachusetts's Medicaid program. The law also restored the 2001 cuts in dental and vision coverage and increased Medicaid rates to hospitals and doctors.

Businesses with eleven or more full-time employees are now required to contribute a "fair and reasonable" amount toward their employees' health insurance. "Fair and reasonable" is defined as either enrollment of at least 25 percent of full-time employees in the employer's health plan or 33 percent of employees' premium costs. If the business does not comply, they are charged a Fair Share Assessment up to \$295 per uninsured full-time employee, based on how much their uninsured employees use free care. Employers also are required to setup Section 125 plans, which are pre-tax payroll deduction plans that allow employees to pay insurance premiums with pre-tax dollars.

The health reform act also replaced the Uncompensated Care Pool with the Health Safety Net, which uses funds to assist uninsured residents whose income is below 400 percent of the federal poverty level pay for medical services. The ultimate goal is to eventually use the funding for Health Safety Net to help pay for the subsidized insurance programs.

Since 2006, more than 350,000 Massachusetts residents have become insured. By fall 2007, the Urban Institute determined that the percentage of working-age adults that are uninsured decreased from 13 percent in 2006 to 7 percent. Almost one third of the newly insured are now covered by private insurance, either found on their own, through their employer, or through Commonwealth Choice. In addition to those covered by unsubsidized, private insurance, 174,000 are now enrolled in Commonwealth Care; about 50,000 of those pay a premium, while the others receive free coverage. The remainder of the newly insured is covered by MassHealth. Because of the increase in insured individuals, a decrease has been seen in the usage of the Health Safety Net. In the first year of reform, usage decreased by 16 percent. Also, an increase in public support has been observed. The Urban Institute reported that from 2006 to 2007, favorable opinion among working-age adults for this initiative grew from 68 to 71 percent.<sup>9</sup>

### *State of Vermont*

*Best practice in comprehensive health care reform to facilitate universal coverage.*

In 2006, Vermont passed a series of acts, including the 2006 Health Care Affordability Act, in order to provide a foundation for Vermont's Health Care Reform Plan, which intends to improve care for residents with chronic conditions and attain near universal coverage. Currently, residents are not mandated to obtain insurance coverage. The state legislature plans to reconsider the need for an individual mandate in 2010 if 96 percent of Vermont's residents are not insured.

This comprehensive health care reform legislation has three goals:

- To increase access to affordable health care for all residents;
- To improve the quality of care; and
- To contain the cost of health care.

---

<sup>9</sup> Sources: "Health Care for (Almost) Everyone," *Harvard Public Health Review*. Winter 2008. <http://www.hsph.harvard.edu/news/hphr/jano8/wintero8masshealth.html>, accessed 7 August 2008.

Commonwealth Connector, <http://www.mahealthconnector.org/>, assessed 7 August 2008.

Kaiser Commission on Medicaid and the Uninsured, <http://www.kff.org/uninsured/upload/State%20Health%20Reform.pdf>, assessed 7 August 2008.

To achieve these goals, Vermont is implementing various strategies, including Catamount Health, Employer-Based Premium Assistance, Blueprint for Health, and an Employer Health Care Contribution Fund.

- A joint effort between the state of Vermont, Blue Cross Blue Shield of Vermont, and MVP Health Care, Catamount Health is a new insurance plan that offers all eligible residents quality health care including doctor visits, screenings, hospital visits, emergency care, chronic disease care and prescriptions, at a lower cost. To qualify, a resident must not be eligible for Medicaid, Medicare, or the Vermont Health Access Plan; must have been uninsured for at least 12 months; must earn more than \$1,307 per month (\$1,612 if a parent and higher for larger families); and must not have access to employer-based insurance. For residents insured by this plan, office visit co-payments are \$10, deductibles are \$250 for individuals and \$500 for families, and prescriptions range from \$10-\$50. Monthly premiums are based on income and range from \$60 for individuals who earn incomes up to 200 percent of the federal poverty rate to \$393 for individuals who earn over 300 percent of the federal poverty level.
- Another program is the Employer-Based Premium Assistance program, which helps eligible employees enroll in their employer-sponsored health insurance plans. For eligibility, the employee must qualify for the Catamount Health program or the Vermont Health Access Plan, the employee's individual income must be below \$2,613 (higher for larger families), the employer's plan must meet the state's standard of comprehensive coverage and must have a deductible that is \$500 or less; and the cost of providing premium assistance must be less than the cost of providing assistance for the Catamount Health or Vermont Health Access Plan.
- Although launched before the reform legislation, the Blueprint for Health is an important initiative included in reform implementation. The Blueprint provides assistance to residents with chronic conditions through Healthier Living workshops and community coordination and events to prevent illness, complications, and emergencies. The Blueprint provides educational tools, clinical guidelines, and best practices to health care providers that are interested in more effective and proactive care for chronic conditions. The Healthier Living workshops have been attended by hundreds of residents, and through them, the Blueprint teaches individuals how to manage their own conditions. Encouraging statewide awareness, the Blueprint also provides funding and advice to communities and hospital service areas to evaluate their local infrastructure, recruit new health care providers, organize coalitions, and host Fit & Healthy Vermonter events, which focus on physical activity and nutrition, as well as the Healthier Living workshops. Its latest development is a web-based chronic care patient information system that is free to health care providers.

- To advance the goal of containing health care costs, Vermont employers are required to pay an assessment of \$365 for each of its uninsured employees. Except for small businesses, which are exempt, employers who do not offer a health insurance plan with an employer contribution must pay the assessment on all employees. Employers who do offer a health insurance plan with an employer contribution must pay the assessment on employees who are ineligible to participate in the plan and employees who refuse the employer's coverage and do not have outside coverage. This ensures that Vermont companies are taking an active role in the health care goals of the state.

Financed through many various sources of revenue including a tobacco tax increase, federal matching funds through Medicaid, premiums paid by residents, and employer assessments, Vermont's Health Care Reform Plan has seen an increase in insured residents since implementation began in 2007. Vermont has a Five-Year Implementation Plan and is regularly evaluating its progress.<sup>10</sup>

## What can West Virginia do?



### **The State is already headed in the right direction.**

The passage of State legislation that ensures affordable, quality health care for all West Virginians is an important issue; however, many State leaders felt politics were standing in the way of meaningful, comprehensive reform efforts. As such, the Senate and House Health Committee hired Dr. Kenneth Thorpe, chairman of the Health Policy Management program at Emory University and the architect of the State of Vermont's comprehensive reform program, to develop a health care plan for West Virginia. Thorpe is overseeing four work groups examining (1) the health care delivery model, (2) wellness and prevention issues, (3) administrative procedures, and (4) information technology systems. This effort is called the Roadmap to Health Project.

---

<sup>10</sup> Sources: Kaiser Commission on Medicaid and the Uninsured, <http://www.kff.org/uninsured/upload/State%20Health%20Reform.pdf>, assessed 8 August 2008.

Vermont's Health Care Reform of 2006, <http://hcr.vermont.gov/>, assessed 8 August 2008.

Green Mountain Care Programs, [http://www.greenmountaincare.org/about/green\\_mountain\\_care\\_programs.html#catamount](http://www.greenmountaincare.org/about/green_mountain_care_programs.html#catamount), assessed 8 August 2008.

Vermont Blueprint for Health, Chronic Care Initiative, <http://healthvermont.gov/blueprint.aspx>, assessed 8 August 2008.

This is the right starting point. The State cannot afford to delay action. The work groups need to expedite their activities based on best practices and West Virginia's unique realities. West Virginia's elected leaders must prepare and pass the needed legislation as soon as possible and unite around the work groups' reform recommendations.



## Create a 21<sup>st</sup> century workforce

### Issue

Without a doubt, workforce preparedness is the number one issue in economic development today. As was discussed in the *Competitive Assessment*, the convergence of several trends including the retirement of the Baby Boomer generation, a flat-lining of educational attainment levels among workers, and U.S. immigration policies are predicted to result in critical labor shortages in several occupational areas in the coming years. Because of this, communities will increasingly be in competition for not only businesses, but for workers as well. If West Virginia is to achieve greater success in economic development, it must begin with strengthening the competitiveness of its current and future workforce.

West Virginia's current situation presents some challenging labor force dynamics. According to many stakeholders associated with *Vision Shared*, broadly speaking, the State has an insufficient workforce to meet employer needs, both in terms of skills and supply. These issues consist of short and longer-term concerns:

### Skills

- Poor K-12 student performance in reading, writing, and math;
- Lower adult educational attainment, compared to the national workforce; and
- Quicker and more effective training of incumbent workers to meet the needs of employers.

### Supply

- Stagnant population growth and a comparatively older population;
- Very low labor force participation rates;
- Trouble retaining college graduates in the long-term; and
- Rising gas prices are shrinking labor sheds.

West Virginia has implemented many best practice programs in recent years, including passage of legislation to bring pre-kindergarten programming to all four-year olds by 2012; rollout and implementation of the PROMISE Scholarship; adoption of the ACT WorkKeys certifications statewide; and planning for state-of-the-art training centers under the "Bucks for Brains" initiative. However, the State would benefit from better aligning programs – both new and existing – to create a seamless and comprehensive approach to workforce development.

## What are others doing?

### *Technical College System of Georgia*

*Best practice in technical and adult education, and business services.*

The Technical College System of Georgia (TCSG) manages Georgia's 34 technical colleges, adult literacy programs, and workforce development programs. Guided by three principles –customer focus, partnerships with business and industry, and a commitment to quality – TCSG is dedicated to adult education, technical education, business and industry training, and economic development in Georgia.

### **Adult Education**

TCSG has several adult education programs for adults interested in obtaining a GED and improving their career options. Last year alone, 18,000 Georgians earned GEDs from TCSG. Other adult education programs include the Workplace Education Program, the Certified Literate Community Program, the English Literacy and Civics Education Program, and the Health Literacy Program.

- The Workplace Education Program focuses on providing training in the skills workers need for job attainment and retention, career advancement, and increased productivity. In this program, participants receive a Career Ready Certification based on the level of skills obtained. The worker qualifies for more jobs as they attain higher skill levels.
- The Certified Literate Community Program (CLCP) began in 1990 as a pilot program with five communities. Since that time, 14 communities have become Certified Literate Communities, 42 are program participants, and 25 others are currently in the process of meeting the criteria to become a participant. CLCP is a partnership between local government, the state, the business community, and the local education system that utilizes community resources to combat illiteracy throughout communities in Georgia.
- The English Literacy and Civics Education Program is funded by the U.S. Department of Education and has been existence for five years. Implemented by 21 technical colleges, two state colleges, six community-based organizations, and four school systems, the program helps immigrants and refugees who speak limited English attain skills and knowledge needed to gain jobs and to be active community members.
- The Health Literacy Program offers free classes to adults that help them to read, understand, and make decisions about health-related information as well as communicate with health care professionals and fill out necessary forms. Through this program, TCSG is able to empower adults who otherwise would not be able to effectively protect their health.

**Technical Education**

Offering 600 programs throughout the system, TCSG boasts that 98 percent of its technical college graduates are employed or are continuing their studies. Last year, more than 27,000 students graduated throughout the state. With some of the lowest tuition rates among public post-secondary schools nationwide, students are able to affordably seek education and training. One notable feature that TCSG provides is a two-year guarantee to students that if a graduate is deficient in standard competency areas related to their discipline, the technical college will retrain the graduate at no instructional cost to the graduate or his employer.

**Business and Industry Training**

An important factor in economic development in Georgia, TCSG provides business and industry training through its Quick Start program, which is divided into two areas of training: manufacturing and service. This program has benefited more than 3,700 companies and 390,000 Georgia workers since 1967, which is free to eligible businesses, new and existing. Both the manufacturing and service tracts are divided in six segments:

*Manufacturing*

- Company Orientation
- Core Skills
- Job-Specific Skills
- Productivity Enhancement
- Employee Involvement
- Human Resource Development

*Service*

- Company Orientation
- Customer Service
- Interaction Skills
- Product Information Training
- Job Procedures
- Professional Development

Quick Start uses a Certified Economic Development Trainer, who is trained by the state, to serve as point-of-contact for each company, assess which training segments are needed, and design a detailed plan. In addition to workforce training, Quick Start also offers pre-employment assessment and training that assist companies in selecting the best candidates for their open positions.

Another initiative that provides business and industry training is the set of Certified Specialist programs, which trains people for work readiness with industry specific skills. Launched in 1996, there are currently four specialist programs:

- Certified Construction Worker;
- Certified Customer Service Specialist;
- Certified Manufacturing Specialist; and
- Certified Warehouse and Distribution Specialist.

Each program area offers introductory information specific to the industry, provides instruction on basic work skills, and addresses general workplace issues. Each program is tailored to address the needs of the specific industry and requirements are

different for each program. For instance, the components of the Certified Construction Worker program include an introduction to the construction environment, safety in the construction industry, professional tool use, blueprint reading, and construction materials.

### **Economic Development**

Also, because of its commitment to providing the necessary workforce to ensure that Georgia businesses remain competitive in this global economy, each technical college of TCSG has a Vice President of Economic Development who, along with their staff, communicates with local businesses and responds to their workforce needs.

Through all of the various programs offered by TCSG, Georgians have access to quality adult education, technical education, and business and industry training, all contributing to positive economic development outcomes in Georgia.<sup>11</sup>

### ***20,010 by 2010 Initiative (Austin, Texas)***

*Best practice in advancing educational attainment for at-risk youth.*

While the Austin metro area has one of the most educated workforces in the nation, the Greater Austin Chamber recognized that much of the highly-educated population was the result of in-migration for high-technology sector jobs and University of Texas - Austin enrollment. Local leaders determined that in order to facilitate sustained economic growth and increase opportunities for existing residents, additional capacity would be needed at Greater Austin's colleges and universities.

With the support of three local school districts, six higher education institutions, and 12 community organizations and companies, the Greater Austin Chamber led the effort to grow higher education enrollment from 67,000 in 2000 to 100,000 by 2015, achieved (in part) by increasing the proportion of local students transitioning into two- and four-year colleges and universities from 4.4 to 6 percent.<sup>12</sup> The initial phase of this effort was dubbed *20,010 by 2010*, referring to an intermediate additional capacity goal for Greater Austin's colleges and universities.

A component of this effort was a program called Financial Aid Saturdays. In order to help meet increased higher education enrollment goals, the Chamber provided support to Austin, Round Rock, and Manor Independent School Districts (ISDs) to increase FAFSA (Free Application for Federal Student Aid) submission by 15 percent for students graduating in 2007. The Chamber organized and trained volunteers to make calls, answer questions, and walk students and their families through the process of applying for financial aid. In the first phase of the program, more than

---

<sup>11</sup> Source: Technical College System of Georgia, [www.tcsg.edu/](http://www.tcsg.edu/)

<sup>12</sup> Source: The Greater Austin Chamber of Commerce. *Education and Talent Development*. [www.austinchamber.com/TheChamber/AboutTheChamber/education.html#table1](http://www.austinchamber.com/TheChamber/AboutTheChamber/education.html#table1)

200 volunteers from the Chamber assisted over 500 families in filing FAFSA applications.

With the launch of the new phase of its strategic plan, *Opportunity Austin II*, the Chamber's Education and Talent Development Department is looking to expand upon the early success of the *20,010 by 2010* program by continuing the initiative through to the year 2013. Enhanced efforts will include:

- Continuing to expand Financial Aid Saturday services to school districts in all five regional counties;
- Maintaining commitments to tracking regional college-readiness standards and mitigate data issues that challenge these efforts by partnering with regional school systems and educational research organizations;
- Actively recruiting volunteers to support *20,010 by 2010* goals by leveraging the Chamber's State of Education and other such events;
- Increasing adult education preparation and enrollment through community college and career fairs; and
- Annually reporting Austin Community College (ACC) progress and making recommendations to further promote and enhance the two-year institution as a regional workforce development tool.<sup>13</sup>

## What can West Virginia do?

For many years, community and technical colleges in West Virginia shared administrative boards and campuses with State universities. Critics of this system claimed that two-year colleges were not receiving the resources needed for effective workforce development delivery. As such, some community and technical colleges split from their associated four-year universities by creating an autonomous governing board.

As part of continuing efforts to modernize the State's workforce development system, legislators passed House Bill 3215 in March of this year to formally separate all community and technical colleges from West Virginia's four-year universities. This move presents a tremendous opportunity for the State's Community and Technical Colleges System to define a clearer path for itself.



**Priority action: Make economic development a driving tenet of the Community and Technical College System.** The stated mission of the system is “to deliver affordable, accessible high quality education and training that dynamically advances the economic and social development of West Virginia.” However, communications and programming do not reflect that economic development is a high priority.

<sup>13</sup> Source: The Greater Austin Chamber of Commerce. *Education and Talent Development*. [www.austinchamber.com/TheChamber/AboutTheChamber/education.html#table1](http://www.austinchamber.com/TheChamber/AboutTheChamber/education.html#table1)

Additionally, the structure of the West Virginia Advance program incentivizes community and technical colleges to assist business with customized training by providing funding to offset the costs. The State needs to provide customized worker training for new and expanding businesses as a public service.

- **Services:**
  - To provide a clear link between the Community and Technical College System and West Virginia’s business community, require all system colleges to have a full-time economic development specialist on staff. Create an economic development coordinator at the System’s administrative offices or redefine the roles of the workforce development coordinator and the technical program development coordinator so that business needs are more effectively addressed.
  - Restructure the West Virginia Advance customized training program. Charge the system’s economic development specialist with overseeing the program (with special counsel from an appointed representative in the Department of Commerce) eliminating the Higher Education Policy Commission from program administration. Eliminate the 25 percent programming fee charged to participating, qualified West Virginia businesses. Determine which training services will be provided by the colleges and which will be provided by the State’s new training centers (appropriated for under the “Bucks for Brains” initiative).
  - Use the development of the new state-of-the-art training centers as a leverage point for expanding and enhancing the economic development mission of the Community and Technical College System. As with Georgia’s best practice model for manufacturing and service training provided through Quick Start, these centers are an opportunity for West Virginia to carve out niche areas in workforce development.
  - Provide Adult Basic Education at every community and technical college in West Virginia.
- **Communication:**
  - Create a portal for businesses on the System’s homepage. Currently, clicking on the “workforce development” link on the home page takes users to a page that presents hyperlinks to five resources: WorkKeys, ACT Centers, Tech Prep, West Virginia Higher Education Adult Part Time Student, and West Virginia Advance. Notice this list does not include links to Department of Commerce or Workforce West Virginia. Furthermore, the page lacks introductory language summarizing the System’s commitment to West Virginia’s business community and economic development. Available business services should be easy to find and clearly articulated. The current web page achieves neither.

- Develop web standards for system colleges requiring an “economic development” link on the home page, standard resource links, and key points that must be addressed in text. Include contact information for the college’s economic development specialist.
- Expand the West Virginia Advance brand to include all customized worker training programs.
- Engage local chambers of commerce and economic development commissions on an annual basis so that business community needs are effectively communicated to community and technical colleges so they may respond in a timely manner.



**Priority action: Strengthen bridges between high school and college to advance educational attainment levels of West Virginia’s next generation of workers.**

- In districts with lower college matriculation rates, hold Financial Aid Saturdays workshops for parents and students sponsored by local districts, chambers of commerce, and the State’s Department of Education. Consider holding similar workshops to assist students with the completion of college applications.
- Allow high school students participating in dual enrollment/Middle College programs through community and technical colleges to access PROMISE scholarship money early. Funds could be made available on the basis of their cumulative GPAs only, instead of all the evaluative measures used for graduating students (course work completed, GPA, and ACT scores).
- Provide Middle College programs every at community and technical college in West Virginia.



**Priority action: Implement recommendations from the Department of Education outlined in the *Closing the Achievement Gap Report for 21st Century Learners in West Virginia, 2007-08*, specifically those related to:**

- Developing school and system performance standards that exceed those outlined by No Child Left Behind “AYP” (annual yearly progress).
- Aligning WESTEST 2 assessment measures with college readiness standards for English and Math, and the State’s 21<sup>st</sup> century “content standards and objectives.”

- Developing on-line guides designed to increase student performance on the SAT and ACT, since these measures in part determine PROMISE scholarship eligibility.
- Developing online guides to support increased achievement in middle and high school reading and math.



## Leverage and support entrepreneurs and researchers

### Issue

For economic development strategies to be optimally successful, they must include diverse policies and programs to promote growth. Competition for workers and jobs is so fierce that communities must leverage economic growth opportunities from all available angles, including existing businesses and entrepreneurs. Investing in research and development (R&D) is now considered to be a vital state-level economic development strategy, as new technologies and products can be commercialized to create quality jobs and generate new capital investments. Transferring new technologies from the laboratory to the showroom floor requires entrepreneurs to carry products through an arduous process, which many states have simplified through strategic public and private sector support.

West Virginia lags behind other states that for years have committed comprehensive support to entrepreneurs and invested serious capital in university research and development. In this regard, the State has substantial ground to make up. As reported in the *Rankings and Ratings* deliverable, West Virginia ranked last in the nation on the Kauffman Foundation's 2007 *State New Economy Index*. In the index sub-components, the State ranked 50<sup>th</sup> in inventor patents, 46<sup>th</sup> in industry patents, and 49<sup>th</sup> in entrepreneurial activity.

In order to maximize the impacts of State research investments, attract private R&D, and encourage existing residents and workers to follow through on their "big ideas," West Virginia must also aggressively develop its entrepreneurship programming.

### What are others doing?

#### *Georgia Research Alliance*

*Best practice in state-supported research and innovation.*

The Georgia Research Alliance was formed in 1983 and reorganized in 1990 as a non-profit corporation to foster collaboration between businesses, state government, and research universities in order to create and sustain for the state of Georgia, an economy rich with technology. Its goals include:

- Attracting gifted, enterprising faculty and graduate students to Georgia;

- Generating science and technology jobs;
- Assisting established companies with growth strategies;
- Providing incentives to research centers; and
- Identifying industry areas with potential for launching new business ventures.

The original focus of GRA was the funding of Eminent Scholars in three disciplines: environmental technology, advanced telecommunications, and genetics (biotechnology). The Georgia legislature has funded the Georgia Research Alliance since 1991 at an average annual level of nearly \$40 million. The Alliance's Board of Director includes a number of corporate CEOs and university presidents, but is dominated by private sector leadership.

Funded by the Georgia legislature, participating research universities, private foundations and other supporters, GRA has three main program areas: GRA Eminent Scholars, Centers of Research Excellence, and Commercialization. The six participating university partners are Clark Atlanta University, Emory University, Georgia Institute of Technology, Georgia State University, Medical College of Georgia, and University of Georgia. Each project must include a private sector partner and at least two universities.

1. The **Eminent Scholars** program recruits scientists and invests \$750,000 for an endowment for each, which is matched at minimum, one-to-one by the corresponding research university with private funding, and invests additional dollars to the development of the research laboratories needed by the scholar to discover new technologies with commercial potential. The Eminent Scholars program has successfully helped to recruit 60 scientists, who study in the three primary disciplines. With them also come research teams and private and federal funding. According to GRA, the Eminent Scholars program has brought to Georgia over \$1 billion in outside grants and contracts.
2. To strengthen their ability to conduct quality research that can be translated to industry innovations, GRA invests in **Centers of Research Excellence**. Currently supporting 24 nationally recognized centers, GRA is also able to attract federal and private funding for the centers. Important to the development of new products and technologies, many of the Centers of Research Excellence are consortiums between several universities, and many are headed by GRA Eminent Scholars. The Centers of Research Excellence have created an avenue by which new companies may be created and existing companies may develop new products, platforms, and processes. So far, over 100 existing corporations have benefited through university partnerships.

3. Through GRA **commercialization efforts**, scientific discoveries are translated into new markets and new technologies. Its two commercialization programs are **VentureLab**, through which GRA evaluates the commercial potential of inventions and provides funding for the continuation of development of the most promising ones, and **Technology Partnerships**, which is a grant program for university researchers conducting research with a Georgia company. Since 2002, GRA has assessed over 250 inventions. VentureLab grants have ensured the creation of 66 companies that have attracted \$200 million in private equity investment and created 430 jobs. Through Technology Partnerships, university research directly helps the participating company to develop or improve its products and processes.

To date, GRA has successfully aided in the creation of 125 companies and over 4,000 jobs. In the last 15 years, the Georgia Research Alliance has attracted \$2 billion in federal and private research investments by leveraging \$450 in state funding. The program is currently staffed by seven people.<sup>14</sup>

*North Carolina Rural Economic Development Center's Institute for Rural Entrepreneurship*

*Best practice in statewide entrepreneurship development programming.*

Established in 2003, the Institute for Rural Entrepreneurship currently has four projects to aid it in its mission “to stimulate and support the development of micro, small and medium-size enterprises in North Carolina’s 85 rural counties.” Born from the belief that entrepreneurs contribute significantly to the economic health and growth of rural communities, the Institute, in collaboration with state public officials and business leaders, has established four goals:

- To support self-employment as an important source of jobs and income;
- To support the development of new and existing entrepreneurial companies;
- To support the incorporation of entrepreneurship in economic development programs; and
- To support overall improvement in the health and vitality of the small business community in rural areas.

To achieve these goals and foster a culture of entrepreneurship in North Carolina, the Institute currently operates four programs: North Carolina’s Rural Entrepreneurship Development System, New Opportunities for Workers (NOW), Community Entrepreneurship Demonstration, and Entrepreneurial Incubators.

---

<sup>14</sup> Source: Georgia Research Alliance, [www.gra.org](http://www.gra.org)

With these programs, the Institute intends to improve the technical assistance and information, education and training, access to capital and networks, and leadership and policy development opportunities available to entrepreneurs.

1. The **Rural Entrepreneurship Development System** is one of the six regional projects funded by W.K. Kellogg Foundation Entrepreneurship Development Systems for Rural America project. With a grant of \$2 million over three years, the North Carolina project focuses on five areas: education, technical assistance, financial capital, business networks, and leadership and policy development. Through the project, workshops and leadership training opportunities for business owners, service providers, and community leaders are provided over the two year period.
  
2. The **New Opportunities for Workers (NOW)** program was launched in 2004 and is a partnership between the Institute, the Rural Dislocated Worker Initiative, other state agencies, and programs of the community college to train dislocated workers who are aspiring entrepreneurs. Currently open to 15 community colleges, the NOW program is available to anyone who has been laid off since 2000 and is unemployed or underemployed. The program provides a needs assessment to interested people then grants scholarships to a participating community college for training in small business development. Later, follow-up counseling is provided, and for those who present viable business plans, start-up loans and continuous technical support is available. Since its launch, NOW has held 345 information sessions attended by over 3,800 dislocated workers. Over 880 of those participated further. Of those, about one third received technical assistance and about two thirds enrolled in training. It has been predicted that 265 participants will start new businesses ranging from baking to electrical contracting. Over one hundred participants already operated businesses and received assistance to make their businesses more successful.
  
3. The **Community Entrepreneurship Demonstration**, launched in 2003, is an experiment conducted by the Institute with the support of the Rural Economic Development Center and the N.C. Department of Commerce to find out if public investment in rural entrepreneurship development would result in new jobs and businesses. With \$440,000 contributed by the Department of Commerce and \$160,000 from the Rural Economic Development Center, the Institute provided grants to communities interested in designing an entrepreneurial support system. Workshops were conducted, and 24 communities applied for demonstration grants. Of those, ten projects were funded with grants ranging from \$30,000 to \$100,000 depending on the scope, from town to region. The communities were given 15 months to complete their projects, and during this time, representatives of all ten projects met twice to discuss

their experiences and give advice. The results of the demonstration included 49 new businesses and 75 new full-time jobs in 22 counties. In addition, 216 people completed an entrepreneurial skills training program, 201 people received referrals for business services, and 275 people gained assistance with their business ideas.

4. Launched in 2004, the **Entrepreneurial Incubators** grant program is a collaborative effort between the Institute and the North Carolina Department of Commerce. This program provides grants to rural communities who want to establish or expand a business incubator in order to provide resources and business support services to new small businesses in their areas. In 2005 and 2006, the program received applications from 49 communities. In 2005, funded with \$2.25 million by the North Carolina General Assembly from a federal community development block grant, the Entrepreneurial Incubators program extended grants ranging from \$210,000 to \$400,000 to seven projects. In 2006, funded with \$1.75 million by the North Carolina General Assembly, the program extended grants ranging from \$100,000 to \$350,000 to seven more projects.

The Institute is funded through the North Carolina Rural Economic Development Center as well as various state, federal and private grants. The Economic Development Center itself was established in 1987 with state and private funding. It was the first organization in the United States dedicated to rural economic development and prosperity.<sup>15</sup>

## What can West Virginia do?



**Priority action: Expand the “Bucks for Brains” research trust in funding and in scope.** The “Bucks for Brains” initiative suggests a major shift in West Virginia’s approach to economic development, the importance of which cannot be understated. However, “Bucks for Brains” must be viewed as a starting point, as more rigorous and comprehensive efforts must be pursued for West Virginia to get in the game of research and technology transfer.

West Virginia has recently been presented with unique and exciting opportunities related to research and business development. Specifically, West Virginia University’s (WVU) recently solidified partnership with University of Pittsburgh and Carnegie Mellon University to create CWP, Inc. has positioned the State to greatly expand its energy research programming. CWP, Inc. will coordinate and facilitate the expansion of research opportunities at the three universities through an

---

<sup>15</sup> Source: Institute for Rural Entrepreneurship, [www.ncruralcenter.org/entrepreneurship/](http://www.ncruralcenter.org/entrepreneurship/)

established relationship with the National Energy Technology Laboratories (part of the U.S. Department of Energy), which maintains labs in Morgantown and Pittsburgh. In addition, the non-profit organization, Center for Economic Options, is currently partnering with eight West Virginia colleges and universities to identify opportunities for the State to develop green research and business activity.

Furthermore, research reports from *Imagine West Virginia* and *Create West Virginia* (affiliates of *Vision Shared*) recently published research supporting greater State level investments in R&D and enhanced university technology transfer and commercialization processes. All signs point to expanding “Bucks for Brains” in order to fully leverage the State’s current research opportunities and to lay the ground for increasing research capacity and high wage job growth in the future.

- Using the Georgia Research Alliance as a model, form a private-sector dominated Board of Directors to guide the expansion and development of the “Bucks for Brains” research trust.
- Identify a permanent funding source for the “Bucks for Brains” research trust to avoid sporadic support and so it may weather multiple election cycles in the long-run.
- Prioritize the creation of five additional Eminent Scholar positions at West Virginia’s doctoral-granting universities. Fund the program in a similar method to Georgia’s Eminent Scholars, where state funding is matched one-to-one by university and private dollars. Support CWP, Inc. and WVU’s efforts to become nationally recognized for excellence in energy research by funding three endowed research positions in energy. *Market Street* recommends that one initial endowment should be granted in biometrics/biomedicine and one in nanotechnology.
- Institute a Research and Development Tax Credit. Many states already offer businesses credits against their franchise or income tax. In this model, businesses participating in qualified R&D activities may receive a credit for research expenditures over a set base amount.
- Charge the Higher Education Policy Commission with leading strategic planning efforts to review and enhance technology transfer and commercialization assistance at West Virginia University and Marshall University. Consider opportunities to leverage the National Technology Transfer Center in Wheeling in these efforts.<sup>16</sup>

---

<sup>16</sup> The National Technology Transfer Center is a federally supported organization aimed at improving technology transfer from federal labs and universities to private industry for commercialization.



**Priority action: Enhance support for West Virginia’s entrepreneurs.**

*Vision Shared’s* Entrepreneurship Team published a *Blueprint for Entrepreneurship* in 2003. In 2006, *Vision Shared* issued an update to the report recognizing where the State made improvements the entrepreneurial climate and identifying areas of outstanding need.

The report examined perceptions of entrepreneurship in the State, entrepreneurial infrastructure, access to capital, educational resources, and the tax and regulatory climate. Because entrepreneurs and small businesses do not necessarily have the same needs, it is important to focus on serving both groups. The West Virginia Department of Commerce provides a range of small business support services, however there are major gaps in programming. *Market Street* strongly agrees with *Vision Shared’s* assessment articulated in the *Blueprint for Entrepreneurship*:

“The State of West Virginia and its related development agencies are well disposed to supporting and encouraging an enterprise culture and individual entrepreneurs. There is, however, a policy and coordination gap because West Virginia’s entrepreneurial infrastructure is largely dependent on a loose connection of independent organizations.

This lack of coordination is a major stumbling block to maximizing potential of resources devoted toward entrepreneurial support in West Virginia. There is a need to develop an all-embracing entrepreneurship policy to better coordinate the work of the many agencies and organizations focused on supporting entrepreneurs.”<sup>17</sup>

Further, key recommendations made in the report to rectify this issue should be implemented. These include the following:

- Restructure the State’s Small Business Development Centers (SBDC) to include larger budgets and an increased focus on entrepreneurship development. Rename SBDCs as “Entrepreneurship and Small Business Development Centers.”
- Link “Entrepreneurship and Small Business Development Centers” to non-profit intermediaries (marketing services, financiers, incubators, training providers) through the creation of an Entrepreneurship Alliance, organized through *Vision Shared*.

---

<sup>17</sup> Source: *Blueprint for Entrepreneurship*. *Vision Shared*. 2006 draft, (page 6,13)

- Establish a grant program to provide matching grants for non-profit intermediaries that serve entrepreneurs and small businesses.
- Incorporate support for entrepreneurship training into the Workforce Development Grant program so that displaced workers would be eligible for educational training that would them start businesses.
- Consider future research in how to possibly reorganize the Department of Commerce to position small business development and entrepreneurship development as a high priority.



## Enhance West Virginia's image

### Issue

As was summarized in the *Ratings and Rankings* report, West Virginia's standings on many popular rankings contribute to how some people perceive the State. For better or worse, in economic development especially, perception is reality. West Virginia's low cost of living, public safety record, natural beauty and outdoor amenities, and its commitment to the arts point to a relatively strong quality of life. However, this reality may be clouded by outdated or misinformed ideas about West Virginia's people, economic opportunities, and communities. Such challenges affect not only business recruitment marketing, but also young professional (YP) recruitment and retention strategies – both of which affect the State's capacity for economic growth.

West Virginia's Department of Commerce has several initiatives on the table to address these issues. Its "Opportunity for a Better Life" campaign is a nationwide image campaign aimed at enhancing the perception of opportunity in West Virginia. To link former residents to in-state job opportunities and provide quality of life information, the "Come Home to West Virginia" initiative includes an informational website, advertising in targeted publications, and direct mailings. In this regard, State leaders are working to improve West Virginia's image through strategic marketing and access to information.

In terms of young professional retention, Generation West Virginia has gained momentum since it was formed in 2007. This consortium of YP groups from around the State is attempting to strengthen West Virginia's image, influence legislative and policy issues, and provide a professional network to help retain young workers. The group has been supported by private and non-profit donors, but has not received strong support from State government. There must be a stronger conduit between this group and West Virginia's policy makers.

### What are others doing?

#### *Generation Iowa Commission*

*Best practice in state supported young professional recruitment and retention.*

In 2007, Governor Culver established the Generation Iowa Commission to drive the state's young professional retention and recruitment activities. Appointed by the governor, each of the 15 voting commission members serve three-year terms and must be between the ages of 18 and 35. Together, the commission must reflect

diversity in regions throughout the state, employment backgrounds, university alma mater both in-state and out-of-state, and multicultural diversity. Additionally, four non-voting “ex officio” members serve on the commission: two state senators and two state representatives. The responsibilities of the Commission include:

- Advising the Department of Economic Development in affairs related to young professional recruitment and retention;
- Submitting biannual reports to the Governor on the status of the Department’s efforts, migration patterns, changing demographics, and opportunities for young professionals in Iowa; and
- Developing best practice guidelines for Iowa’s businesses in recruiting and retaining young adult workers.<sup>18</sup>

In its first report, *Road Map to Recruit and Retain Young People in Iowa*, the Generation Iowa Commission made four prioritized recommendations to the Governor and the Department of Economic Development.

1. **Bridge Iowa’s wage gap and reduce student debt.** This could be achieved through several measures. The first is establishing a Higher Education Tax Credit. The Credit, ranging from \$1,500 to \$2,000, could be claimed annually up to 10-years after graduating from a college or university. The second is a student loan repayment assistance program. Iowa residents working in “critical need professions” would be eligible to receive state assistance (varying from \$1,000 to \$5,000 per year, determined by length of time working in Iowa) to pay off their student loans. The third is adjusting the state’s tax incentive structure so that incentives are awarded on the basis of worker’s wages, not the total benefits package.
2. **Expand career pathways.** The Commission recommends creating an Iowa Merit Scholars Program. It would provide full tuition and room and board at in-state schools for a select group of talented students. The Program would be open to both in-state and out-of-state applicants but would require scholars to reside and work in Iowa for a certain length of time after graduation. Another tactic to achieve this goal is creating a searchable online job and internship bank. Finally, the Commission also recommends expanding the Accelerated Career Education (ACE) program to all 4-year universities. ACE assists Iowa’s community and technical colleges expand existing or create new programs to respond to employer needs.
3. **Invest in amenities for young professionals.** The Commission’s recommends that the State renew financial commitment to its Main Street

---

<sup>18</sup> Source: [www.iowalifechanging.com/Generation](http://www.iowalifechanging.com/Generation)

programs, the Arts Council, and other existing programs that strengthen quality of place and expand arts, cultural, and entertainment amenities. Additionally, Iowa needs to make funding high speed broadband infrastructure a priority.

4. **Improve Iowa’s image through marketing.** The Commission cites the perception that “Iowa is nothing but corn fields, hog farms, and old white people.” To make Iowa more attractive to young professionals, the Department of Economic Development must address the issue of perception. In this regard, the Commission recommends an internal and external marketing campaign highlighting job opportunities, diversity, and quality of life in Iowa.<sup>19</sup>

According to a recent article in The Wall Street Journal, “Iowa officials say efforts to lure former residents have brought about 2,200 of them back to the state.”<sup>20</sup>

***Brand Oregon***

*Best practice in state communications and marketing.*

Announced by Governor Ted Kulongoski in 2003, the Brand Oregon campaign unifies external communications to maximize the impact of the State’s marketing efforts. The campaign is imperative to its economic development efforts, as it is hoped that coordinated marketing will enhance Oregon’s image and bring increased returns to its economy. The Brand Oregon campaign has four primary goals:

- Develop a unified set of branded messages that can be used in many types of state communications and for many different industries;
- For Oregon to be in control of telling its own story;
- Increase sales of Oregon-made products and services; and
- Rollout a multi-faceted campaign with long-term appeal.

The State hired a reputable in-state firm to develop the logos and a comprehensive brand book, utilizing the State’s slogan (Oregon: We Love Dreamers) where feasible. The brand book offers logo variations and communication tools to help promote economic growth in key areas: agriculture, tourism, and target business sectors. Additionally, the State has solicited residents, workers, and business owners to share their “Oregon Story”- which are highlighted in strategic communications both in print and online.

---

<sup>19</sup> Source: *Road Map to Recruit and Retain Young People in Iowa*. (2007). [www.iowalifechanging.com/generation/downloads/gen-iowa-report-2007-RECOMMENDATIONSONLY.pdf](http://www.iowalifechanging.com/generation/downloads/gen-iowa-report-2007-RECOMMENDATIONSONLY.pdf)

<sup>20</sup> Dougherty, Connor. (January 3, 2008). Ex-Residents Gone, But They Are Not Forgotten. *The Wall Street Journal*.

Between 2006 and 2007, the State's advertising response rate increased by 15 percent. Additionally, 60 percent of press releases resulted in published news stories, up from prior years.

To ensure the longevity of the campaign, Governor Kulongoski appointed an advisory board with representation from diverse business sectors. Additionally, the Brand Oregon Office was created within the Department of Economic and Community development. It is overseen by an advisory team of staff from partnering state agencies including the Department of Tourism and the Department of Agriculture. The Brand Oregon Office has a budget of \$1.6 million for the 2008 and 2009 biennium.<sup>21</sup>

### *Michigan "Cool Cities"*

*Best practice in state communications and marketing.*

In 2004, the State of Michigan launched the "Cool Cities" program to encourage its communities to focus on neighborhood revitalization to become more attractive to young professionals. In the program's first year, 20 communities were announced as the Cool Cities pilot projects. Each received \$100,000 in catalyst grants and access to \$100 million in additional state grants, loans, and other resources. Today, the initiative continues to focus on communities with plans to revitalize neighborhoods via mixed-use, mixed-income, and walkable developments, and intend to do so using a partnership of existing public, private, and non-profit organizations.

To determine award eligibility, the State developed the "TIDE" model. TIDE is based on the four elements the State's research determined are necessary to attract and retain young professionals: Talent, Innovation, Diversity, and Environment (i.e., quality of place). Additional award parameters were established by comprehensive community input on the State's image, existing amenities, and hopes for Michigan's future. This input was gathered through (1) an online survey, targeted at current in-state university students and recent graduates; (2) the creation of Local Cool City Advisory Groups in 130 of Michigan's cities; (3) focus groups held in four Midwestern cities; and (4) Cool Cities University Summits held at colleges and universities throughout the state.

Michigan has received national attention for its initiative, which has benefited both official Cool Cities-participating communities and others since it began in 2004. This initiative illustrates how states, as well as communities, are acting on the commonly held belief that most young professionals prefer areas with a strong sense of place. Fostering a sense of place where it does not already exist, or strengthening existing

---

<sup>21</sup> Source: [www.oregon.gov/BRANDOREGON](http://www.oregon.gov/BRANDOREGON)

areas and outsiders' awareness of them, is an important component of a young professionals recruitment strategy.<sup>22</sup>

## What can West Virginia do?

The Department of Commerce is in the midst of launching a comprehensive image campaign. *Market Street* has confidence in State leaders to continue these efforts, reassessing after initial impacts can be measured. With shorter-term marketing under control, the State must start to focus on longer term efforts to enhance the perception of West Virginia as a place for opportunity. Focusing efforts on young professionals will also address critical workforce needs, building “cool” communities, and growing quality job opportunities. In this regard, charging West Virginia’s young professionals with the task of developing the State’s agenda for young professional recruitment and retention makes sense. Adopting the “Iowa approach” could have great success in West Virginia.

Generation West Virginia formed recently and has gained serious momentum in crystallizing the network of young professionals locally and statewide. However, many public and private sector leaders view the organization as lacking the power, support, and funding to really affect change. If building a workforce of people like them is a key priority, then Generation West Virginia should be engaged in the process of making that happen.



**Priority action: Assemble a governor-appointed Generation West Virginia Commission, based on Iowa’s best practice, to develop and guide young professional recruitment and retention strategies.** Members should be representative of the Generation West Virginia membership, *Vision Shared’s* Creative Communities work group, and elected legislators. The Commission should be empowered to drive State policy in young professional recruitment and retention.

- Give the Commission a modest research budget to conduct initial investigations on the State’s challenges in recruiting and retaining young professionals. Explore the feasibility of partnering with university researchers.
- Require the Commission to issue a report identifying needs and recommended solutions to stem the out-migration of West Virginia’s best and brightest and to effectively recruit young workers in State.
- Implement the Commission’s recommendations. State government is creating a more business friendly environment through new policies and

---

<sup>22</sup> Sources: [www.coolcities.com](http://www.coolcities.com)  
Michigan’s Office of the Governor, [www.michigan.gov/gov/0,1607,7-168-29544\\_29546--,00.html](http://www.michigan.gov/gov/0,1607,7-168-29544_29546--,00.html)

programs. State leaders should be open to implementing incentives attract and retain talent as well. Enacting changes in this regard will likely draw positive press coverage and help to enhance the State's image as a place for opportunity externally. Internally, this will send a strong message to the State's best and brightest: you matter to West Virginia.

- Require the Department of Commerce to engage Generation West Virginia in its marketing efforts geared at young professionals.

## CONCLUSION

*Vision Shared* has been instrumental in uniting stakeholders from diverse backgrounds and with differing viewpoints around common goals. This has helped West Virginia move past some difficult challenges impeding economic success, including its antiquated business tax structure and workers compensation system. In such regards, *Vision Shared* has defined itself as a trusted organization working for positive change and economic growth in West Virginia. The work West Virginia's public and private sectors leaders have been able to accomplish since the development of the 2000 strategy is, in fact, quite remarkable.

For West Virginia and *Vision Shared* to continue this legacy, leaders must recommit to tackling the State's pervasive challenges, effectively address new problems, and leverage new opportunities for economic growth. This *Work Plan for West Virginia* outlines the priority work areas for public and private sector leaders to undertake in order to advance West Virginia to the "next level" of economic competitiveness. These include:

- Building a business environment for the New Economy: reform the court system;
- Improving community health and wellbeing;
- Creating a 21<sup>st</sup> century workforce;
- Leveraging and supporting entrepreneurs and researchers; and
- Enhancing West Virginia's image.

Acting now on these five areas can ensure A NEW WEST VIRGINIA. All of the actions identified in the *Work Plan* are vital to improving the competitive position of the state. However, comprehensive judicial reform and comprehensive health care reform should be priorities. These incredibly complex issues will take both time and dedication from public and private sector leadership to find workable solutions.

As *Vision Shared* and project stakeholders move forward, *Market Street* will continue to offer support and guidance on implementation, as needed; however, it is up to West Virginia's leaders take the necessary actions to initiate progressive, positive change.