



VIRGINIA INITIATIVE FOR
**GROWTH &
OPPORTUNITY**
IN EACH REGION

AGENDA
VIRGINIA GROWTH AND OPPORTUNITY BOARD REGIONAL COUNCIL COMMITTEE MEETING

Tuesday, November 7, 2024

10:00 AM – 12:00 PM

[Virtual Link](#)

Location:

**Blue Ridge Community College
Plecker Center, One College Way
Weyers Cave, VA**

- | | | |
|------|---|-------------------|
| I. | OPENING | |
| | a. Call to order | Chair |
| | b. Roll Call | Shara Gibson |
| | c. Public Comment | Shara Gibson |
| II. | Information Items | |
| | a. Review of GO Virginia’s Purpose and Goals | Chris Lloyd |
| | b. Review of Previous Regional Council Engagement Workshops | Shara Gibson |
| | c. JLARC Study Recommendations Update | Cody Anderson |
| III. | Regional Council Engagement Update | Chair |
| | a. Regional Council Engagement Process | |
| | b. Key Themes and Takeaways | |
| IV. | Regional Council Engagement Working Session | Meeting Attendees |
| | a. Collaboration | |
| | b. Connectivity | |
| | c. Innovation | |
| | d. Productivity | |
| V. | Closing | |
| | a. Closing Remarks | Dr. John Downy |
| | b. Next Steps | Chair |
| VI. | ADJOURNMENT | Chair |



Memorandum

TO: Virginia Growth and Opportunity Board

FROM: GO Virginia Regional Council Leadership Stakeholder Workgroup Members

Region 1 - Beth Rhinehart, David Maloney

Region 2 - Raymond Smoot

Region 3 - Randy Lail

Region 4 - Todd Haymore

Region 5 - Tom Frantz, Anne Conner

Region 6 - William Beale, Rob Quartel

Region 7 - Sid Banerjee, Todd Yeatts

Region 8 - Chris Kyle

Region 9 - Ed Dalrymple, Ray Knott

RE: Consensus Program Recommendations from Regional Council Leadership

DATE: April 5, 2022

DHCD staff facilitated a series of meeting with GO Virginia Regional Council leadership in January and February 2022 to discuss the GO Virginia program and develop priority policy recommendations for the State Board to consider. More than 30 individuals (Council Leadership and Support Organization Staff) participated in one or more sessions. This work built on the 2020 recommendations which were delivered just prior to the pandemic. The goal of the sessions was to review the previous recommendations, assess progress in those areas, and arrive a set of consensus recommendations. This effort engaged regional leaders and staff in a discussion of how to continue to advance the program’s goals and objectives.

This document represents the consensus recommendations for immediate consideration in the three following program policy areas:

- Regional Collaboration and Project Match
- Talent Development
- Traded Sector Focus – Allowance for Healthcare Industry

Council leadership requests consideration and immediate action on the following 2 items.

Regional Collaboration and Project Match

1. Extend Policy #11 Modified Match Per Capita Policy

Board Action Requested: The workgroup recommends that the Board extend Policy #11 Modified Match Per Capita Requests, established in April 2020 due to the economic distress and local fiscal distress caused by the pandemic, through June 30, 2023 given that many localities budgets are still recovering and re-instating the match to pre-COVID levels at this time would hobble projects that could help recovery.

2. Modify Statewide Competitive Project Match Requirements

State code requires that GO Virginia projects have a 1:1 match. The Board has the authority to modify these match requirements to 2:1 based on exceptional economic opportunities or for regions that are fiscally distressed.

Board Action Requested: The workgroup recommends that the Board reduce match requirements to 2:1 for statewide competitive projects that involve more than two regions given their extraordinary economic opportunity.

The following policy issues require the Board's attention, but no immediate policy action at this time.

Talent Development

1. Provide More Actionable Labor Market Information

The workgroup felt that there was a universal need for actionable labor market data and that GO Virginia could play a role in supporting regions and statewide efforts. Specifically, the group discussed the need for data that helped regions understand skills gaps relative to their industry targets and that this information would help drive more impactful projects.

Board Action Requested: The group recommends that the Board engage other relevant state and regional stakeholders in a discussion regarding the need for actionable labor market data and consider providing additional support to regions in understanding skills gaps relative to their priority industry clusters.

2. Talent Attraction

Board Action Requested: Areas of Opportunity for Future Funding (memo dated Dec 11, 2018) states that talent attraction is important. The Board should develop policy that states the Board's position on the use of GO Virginia funds for regional talent attraction/recruitment efforts, review appropriate outcomes and ROI for these efforts, and consider mechanisms to ensure that GO Virginia isn't funding in-state intraregional competition for talent.

3. Restrict Investments in K-5 education

The consensus was that GO Virginia should stay focused on talent pathway initiatives involving students in grades 6-12 as well as postsecondary education programs that are aligned to support the needs of

identified targeted industry sectors and expand the pool of qualified workers in specific, high demand occupations.

The group recognized that funding any K-5 activities this would be a dilution of GO Virginia's mission difficult to provide the return on investment and impact tracking desired by the program.

Board Actions Requested: Existing guidance discourages K-5 investments; however, the Board should consider adopting more formal policy in the area, restricting funding for K-5 projects.

Traded Sector Focus and High Wage Jobs

1. Allow for Investments in Healthcare Sector Initiatives

Board Action Requested: The Board should consider modifying Board Policy #8 to include additional considerations for non-traded healthcare sector investments including one or more of the following three conditions:

- 1) If the region can demonstrate that the sector is serving a significant number of customers from an adjacent state and that the GO Virginia investment would allow it to expand services to those customers, thus increasing the export of health care services (non-state revenue generated).**
- 2) If the region can demonstrate that its health outcomes scores (or other similar measure of community health) are such that it is negatively impacting the region's ability to attract or retain businesses in its targeted sectors and that the investment would improve the measure.**
- 3) If the region can demonstrate that lack of available healthcare services in a region are causing residents to leave the state to seek services in neighboring states and the investment would stop the leakage of dollars to neighboring states.**

Council leadership will be collaborating to discuss issues and opportunities related to program funding, building strong and engaged regional councils, regional planning and project development, project evaluation, and project implementation, monitoring and impact reporting.

Recommendation/ Policy Consideration Number	JLARC Report Recommendation	Committee Responsibility	Status
1	The Department of Housing and Community Development should change its "number of jobs created/filled" outcome measure for the GO Virginia program by (i) splitting the criteria into separate "jobs created" and "jobs filled" measures, (ii) removing the "estimated" and "expected" qualifiers so that only actual jobs created or filled are counted, and (iii) clarifying that any job created or filled must be clearly attributable to the project's activities, which must be explained in project reports.	Program Performance and Evaluation Committee	COMPLETE
2	The Department of Housing and Community Development should revise the Core Grant Outcomes list for GO Virginia projects to ensure that outcomes measures are narrow enough to avoid mixing different program activities, are clearly defined, and are appropriate and specific to the project type.	Program Performance and Evaluation Committee	COMPLETE
3	The GO Virginia Board should amend the GO Virginia bylaws to assign responsibility for the review of outcome calculation methods and outcome data verification to staff at the Department of Housing and Community Development.	Program Performance and Evaluation Committee (decision); Governance and Policy Committee (bylaws update)	In progress. The committee discussed this recommendation on 8/19/2024. No action was taken.
4	The GO Virginia Board should develop and implement a policy to assess the long term impact of individual projects and the GO Virginia program as a whole, including which information should be collected to facilitate this long-term assessment. The board's actions should proceed under the guidance of its new project [program] evaluation committee and with the assistance and input of Department of Housing and Community Development staff and regional council support staff.	Program Performance and Evaluation Committee	In progress. Committee reviewed this recommendation on 8/19/2024. Staff will bring forward recommendations at a future meeting.
5	The GO Virginia board should revise its policies to include a more detailed definition of traded sector activities, modeled on definition used by the Virginia Economic Development Partnership's Virginia Jobs Investment Program, which can be used to determine project eligibility.	Governance and Policy Committee	In-Progress; The Governance and Policy committee has adopted a recommended update to Board Policy #4, which addresses the traded sector industry definition. This Policy will be considered for adoption by the State Board at its meeting on 09/10/2024.
6	The GO Virginia board should revise its policies to allow grants for healthcare projects that meet the following criteria: (i) are consistent with the region's growth and diversification plan, (ii) provide evidence that the project will help address an unmet healthcare need in the region, and (iii) provide evidence that addressing the healthcare need will benefit the regional workforce or economy. Eligibility determinations should be made on a case-by-case basis early in the application process, not at the final board vote.	Healthcare Taskforce (decision recommendation); Governance and Policy Committee (policy update)	Complete; The GO Virginia State Board approved Board Policy #17 at the 6/4/2024 meeting of the Board.
7	The GO Virginia board should replace the eligibility requirement that all grant projects must create higher wage jobs with a requirement that all grant projects must create a new or expanded workforce or economic development activity.	Governance and Policy Committee	Complete; GP will report to the State Board at the 09/10/2024 meeting about the staff changes to guidance reflecting adoption of this recommendation.
8	The GO Virginia board should either eliminate or reduce the local match requirement for all grants.	Governance and Policy Committee	In Progress; this item will be discussed at the 09/09/2024 Governance and Policy Committee meeting. A memo detailing the history of the local match requirement alongside a discussion of how recent legislation reducing total match also intrinsically reduced local match will be presented. Staff recommendation for this item will be to not take action unless future data suggests total match reductions are not sufficiently reducing barriers to access to the GO Virginia fund.
9	The GO Virginia Board should expand eligibility requirements for statewide competitive funds by making these grants available to (i) any region that has awarded or is about to award all or almost all of its per capita funds in a given year and is not carrying a significant unobligated funding balance, and (ii) projects that require a grant amount that is equal to or greater than half of the region's unobligated per capita funds. Projects that involve multiple regions should continue to be eligible for these funds.	Governance and Policy Committee	Complete; the Competitive Guidance Update was adopted by the Board at the 12/11/2023 meeting.
10	The GO Virginia board should eliminate the requirement that all projects show a positive Return on Investment (ROI) to the state to be eligible for GO Virginia funding.	Governance and Policy Committee	In Progress; Initial discussions on this item is scheduled to take place at the Governance and Policy Committee meeting on 09/09/2024. This will be an introductory conversation without a staff recommended action. It is important to note that having a positive ROI is not an eligibility requirement of the GO Virginia program and is instead an evaluation tool. Staff anticipates holding a workgroup of stakeholders to discuss the relevance of the current ROI model this fall. A staff recommendation and Governance and Policy Committee action are anticipated to take place prior to the 12/10/2024 meeting of the State Board.
11	The GO Virginia board should revise its policies to delegate grant approval authority to the director of the Department of Housing and Community Development for any regional per capita implementation grant that has been dutifully reviewed and approved by a regional council and recommended for administrative approval by a board designated workgroup.	Governance and Policy Committee	At the 3/11/2024 meeting of GP, the committee chose to not take action on this item. This will be reported to the State Board at their 09/10/2024 meeting.

Recommendation/ Policy Consideration Number	JLARC Report Recommendation	Committee Responsibility	Status
12	The GO Virginia board should revise its policies to clarify that only grant applications that would require a significant investment of state funds are required to include an estimated return on investment (ROI). The ROI should be tailored to each project and calculated by experienced professionals using established methodologies, and the costs should be paid for by the GO Virginia program out of its existing fund balances.	Governance and Policy Committee	In Progress; Initial discussions on this item is scheduled to take place at the Governance and Policy Committee meeting on 09/09/2024. This will be an introductory conversation without a staff recommended action. It is important to note that currently the program requires a 3rd party ROI evaluation of any project seeking to access the GO Virginia Competitive fund, which includes an eligibility requirement of "extraordinary economic opportunity". A positive ROI is not an eligibility criteria but serves as an evaluation tool. Staff anticipates holding a workgroup of stakeholders to discuss the relevance of the current ROI model this fall. A staff recommendation and Governance and Policy Committee action are anticipated to take place prior to the 12/10/2024 meeting of the State Board.
13	The General Assembly may wish to consider amending the Code to add the Secretary of Labor to the list of cabinet secretaries eligible to be appointed by the Governor to the GO Virginia board.	N/A	Complete; the Governor signed legislation adopting this recommendation on 4/2/2024. The legislation went into effect on 07/01/2024.
14	The General Assembly may wish to consider amending the Code to require that, within the GO Virginia board's 14 citizen members, there must be at least one member appointed from each of the nine GO Virginia regions.	Governance and Policy Committee	No action was taken by the General Assembly on this item during the 2024 General Assembly Session. Staff is monitoring board composition and encouraging geographic distribution. Currently, only one GO Virginia Region (Region 6) has no representation on the GO Virginia State Board.
15	The GO Virginia board should adopt a policy that defines a cycle for full and lighter reviews of regional growth and diversification plans.	Governance and Policy Committee	In Progress; this item will appear on the Governance and Policy Committee's 09/09/2024 agenda. DHCD staff will report on the history of Growth and Diversification Plan updates and August workgroup meetings held with stakeholders about the update process. Staff will recommend no formal action and note that this recommendation, while already being acted on by staff, will be memorialized in program guidance.
16	The GO Virginia board should revise its policies to allow regions to award up to 25 percent of their annually allocated per capita funds for planning grants and raise or eliminate the \$100,000 per grant limit.	Governance and Policy Committee	In Progress; it is expected that DHCD staff will develop a survey for the Regional Support Organizations to detail grants that have been achieved as a result of planning efforts, both GO Virginia and from other efforts. Based on the data received in this survey, DHCD staff anticipates bringing this item before the Committee in 12/2024 with a final recommended action/report for the State Board at their 12/10/2024 meeting.
Policy Consideration 1	The General Assembly could reduce the match requirement for GO Virginia grants from being at least equal to the grant (1:1) to being at least equal to half of the grant (2:1) match.	N/A	Complete; the Governor signed legislation adopting this recommendation on 4/2/2024. This legislation went into effect on 07/1/2024.
Policy Consideration 2	The GO Virginia board could revise its policies to allow smaller organizations, which meet criteria specified by the board, to receive a portion of their GO Virginia award at the start of the grant period.	N/A	No action or discussion has occurred on this item.



Memorandum

TO: Virginia Growth and Opportunity Board – Regional Council Committee

FROM: Sara Dunnigan, Deputy Director, DHCD

RE: Regional Council Survey

DATE: 11/7/2024

Background

The Regional Council Committee (“Committee”) of the Virginia Growth and Opportunity Board (“GO Virginia” or “Board”) is charged with developing strategies to ensure communication between the Board and Regional Councils and create synergy among the GO Virginia regions by inviting feedback; sharing information on project focus and purpose; and ensuring that Regional Councils are briefed on direction and strategies for implementing the GO Virginia mission.

Regional Council Survey

The 2024 Regional Council Survey was conducted to solicit feedback from Regional Council leadership on issues of important and to prioritize the development of the Regional Council Committee’s workplan. The results presented in the following summary represent the results of that survey as well as data collected during interviews conducted by Leah Fremou, Vice Chair for Regional Councils and the chair of the Regional Councils Committee.

**GO Virginia Foundation
Regional Council Survey – 2024
Summary of Responses**

The Feedback Loop Process

- Due diligence completed at the regional council level often is lost/ignored when it reaches the state review process
- Significant delays can occur in getting feedback from the SME team to the regional councils (and potential grantees) so that adjustments to a proposed grant application can be made
- Inconsistency of feedback from DHCD staff on why a project was recommended for deferral or rejection

Grant Approval Process

- Explore opportunities for the state Board to devolve some of its grant approval powers to the regional councils (particularly for the use of per capita funds)
- DHCD and state Board seem to want “risk-free” projects. GO Virginia was supposed to be a lab for ideas, and sometimes, lab experiments fail. This culture also makes grant approval process too cumbersome.
- CAMS is sometimes clunky and not user friendly. Could be streamlined.
- Deferrals based on lack of connection to a regional growth and diversification plan are often based on a misunderstanding of that plan.

Grant Administration

- 8% cap on the amount of grant which may be used for grant administration or the \$250,000 for “capacity building” may be insufficient to cover operating costs of a regional council
- The situation would be improved if the 8% did not need to be solely used on the project from which it is tied but can be used for any expenses of the regional council
- Further, most of the work of the regional council is with the pre-application effort, not grant administration, thus emphasizing the importance of tapping into the 8% earlier or not tied to a specific project.
- Consider whether a private entity could be a grant administrator.

Local Match

- Continuing concerns about the ability to secure local match

Return on Investment

- Evaluation window for determining ROI is too short to demonstrate success
- Need to have a process in place to capture regional collaboration that is facilitated by GO Virginia but which may not have been part of a grant

- It appears the goal posts for measuring success have moved over time

State Board-Regional Council Relations

- Need to facilitate more opportunities for the state Board to hear directly from regional leadership and regional successes (including at quarterly state Board meetings)
- State board leadership/members should visit in person at least one regional council meeting in each region annually

Role of the GO Virginia Foundation

- Additional communications from the GO Virginia Foundation to regional council members on the importance of business leadership could be helpful
- Website should have additional information and be more interactive
- Need to be more engaged in cultivating the business community to understand what GO Virginia does (would be helpful in new regional council member recruitment)
- The mission and results of GO Virginia are not well known in the business community. The Foundation should step up communications to the business community to build support there for the program.
- Clearer communication of how/when to communicate to legislators would be helpful
- An “elevator pitch” outlining what GO Virginia is and what it has accomplished would be helpful.

Local Government Engagement

- Most councils have at least one local elected/appointed official on the regional council but communication is often insufficient.
- Since grants don't go directly to local governments, they are sometimes disengaged from GO Virginia

Project Types

- Construction and trade positions should be considered as eligible for grants

Recruitment of Regional Council Members

- There should be a new members manual, or other training (video), to provide background on GO Virginia, expectations of a regional council member
- Regional council members should actively work to find the next generation of leaders and get the regional business community to better understand what GO Virginia is and its impact
- Convening a “strategy task force” helps to develop future projects
- Working committees of the regional council have been helpful for recruitment and keeping the project pipeline full.

Interregional Collaboration

- Overlay of regional growth and diversification plans should facilitate identification of common areas of interest for greater interregional collaboration
- There should be some sort of statewide strategy around which regions can rally. Otherwise, regional projects seem random and uncoordinated with each other and with other key stakeholders.
- There should be a better mapping of the ecosystem within which GO Virginia operates so that regional council members understand where GO Virginia fits in and the role it can play (and what its limits are).

Regional Council Policies

- There should be a consistent policy manual for regional councils to follow on expenses and other administrative items

Allies and Stakeholders

- Relationship with VEDP (particularly on site development) and VIPC should be clarified
- VEDP should work to ensure alignment between its cluster strategy and regional growth and diversification plans

Purpose of GO Virginia

- There is some feeling among the regional councils that GO Virginia is becoming less of an incubator or laboratory for good ideas but the process, as it has matured, has become more risk adverse and projects have become more short-term and tactical rather than visionary.