

CFED

Commission on the Future of Economic Development for Vermont

JANUARY 10, 2008 REPORT TO THE LEGISLATURE

EXECUTIVE SUMMARY

Background

It is the purpose of this executive summary to give an overview of the work of the Commission on the Future of Economic Development (CFED) to date, its approach to an economic development plan for the future of Vermont, and what it sees as the scope and timing of the work that will need to be done during the remainder of FY 2006-2006 and 2008-2009 to develop a five year economic development plan. The full text of CFED's January 10, 2007 Report to the Legislature, with appendices, accompanies this Executive Summary.

Steps Taken by CFED during 2006 and 2007

Step 1: Initial Public Input to Begin Framing the Issues

As directed by the legislature in Act 184, CFED initiated its work by seeking public participation, engagement and input from a wide range of perspectives, expertise and interests from the public sector, the private business sector and non-governmental organizations. CFED received initial public testimony during 10 meeting days in 2006-2007, including testimony from 55 individuals and participation of CFED at the July 2007 Creative Economy Conference. The Initial Public Input is a starting point for guiding CFED's work, and it is anticipated that further broadbased input will continue to inform the Commission.

Step 2: Economic Trends and Indicators

CFED developed a draft format with a number of possible indicators that could serve as a basis for benchmarking the performance of economic development policies and programs, and economic progress, in Vermont. These indicators provide a starting point for discussion of CFED's benchmarking work, and it is anticipated that they will be significantly modified with additional input.

Step 3: Internal Survey

SCG staff conducted a survey of Commission members in July to draw out areas of agreement and areas where further facilitated discussion would be useful. This exercise was used to frame strategic future deliberations.

Step 4: Defining Economic Development – the Vision

At the CFED meeting on November 13, 2007, The Commission agreed on a working definition of “economic development” as a starting point for further discussion of an economic development plan. That working definition is:

Economic development is the process of generating economic wealth and vitality in Vermont for the well being of its citizens. State policies that promote economic development seek to improve economic well-being and quality of life through specific activities directed at employers, employees, and business activities, that can be directly correlated to creating and retaining good jobs and enhancing opportunity and prosperity.

Step 5: Developing a Framework

CFED generally agreed that Vermont’s economic development strategic plan should be developed within a framework that includes the following objectives:

- 1) Address the requirements, directions and objectives established for CFED by the legislature in H 184, as outlined in Appendix A;
- 2) Distill a positive and realistic vision for how Vermont’s economy can grow, improve, change, and support broad-based, sustainable economic prosperity and quality of life in the global economy;
- 3) Identify Vermont’s existing sectors of “comparative advantage”, where Vermont is well-positioned with respect to the vision;
- 4) Identify and focus intensively on the top strategic leverage points (sectors of current or future comparative advantage) where investment of limited public resources will make the greatest difference in achieving the strategic economic development vision;
- 5) Recommend public policies to guide, encourage, and reduce barriers to progress towards the vision;
- 6) Have a strategic overview of contiguous and related activities (connected and related to economic development) that highly impact the capacity for and sustainability of economic development in Vermont communities;
- 7) Set specific economic development goals with directional benchmarks; a measurement process with reporting and evaluation processes built in.

Step 6: Adopt a Work Plan for a Consensus Economic Development Plan

CFED has initiated a work plan that will, we believe, lead to a consensus Economic Development Plan. The work plan will generally and sequentially proceed as follows:

- 1) Identify desirable, realistic and sustainable outcomes for an economic development plan (November-December 2007, ongoing)
- 2) Define ‘the Vermont Economy’ as it exists today and identify current economic conditions and externalities that influence, or are influenced by, the Vermont economy. (January-March 2008)
- 3) Identify and evaluate benchmarking programs for existing economic development programs; identify economic development policies and programs for which benchmarking does not exist; determine the effectiveness of current benchmarking programs. (January-April 2008)
- 4) Develop a vision of the Vermont economy of the future, and identify economic conditions and externalities that will influence, or will be influenced by, the Vermont economy of the future. (January – April 2008; ongoing)
- 5) Identify / develop benchmarking programs that will measure the outcomes of the public policies and programs that will support the Vermont economy of the future. (March-May 2008; ongoing)
- 6) Establish definitions for and background information on the key sectors of the Vermont economy of the future. (January – May 2008; ongoing)
- 7) Define the structural and public policy components of the Vermont economy of the Future: (April – June 2008; ongoing)
- 8) Undertake a comprehensive, inclusive public engagement /public hearing process. (April – September 2008; ongoing)
- 9) Report to the legislature on progress in developing a five year economic development plan and seek input from key legislative leaders. (September – October 2008)
- 10) Draft CFED’s economic development plan and public policy recommendations based upon public input and participation. (September – November 2008)
- 11) Publish CFED’S draft economic development plan and public policy recommendations on the CFED website and seek final public input. (October – December 2008)
- 12) Prepare and submit a final draft economic development plan to the legislature. (December 2008/early January 2009)
- 13) Continue evaluation and refinement of the economic development plan with interaction and input from legislature, administration, state, regional and local stakeholders and the public. (January – June 2009; ongoing)
- 14) Benchmark economic development outcomes; review evaluation of economic development plan and policies. (ongoing)