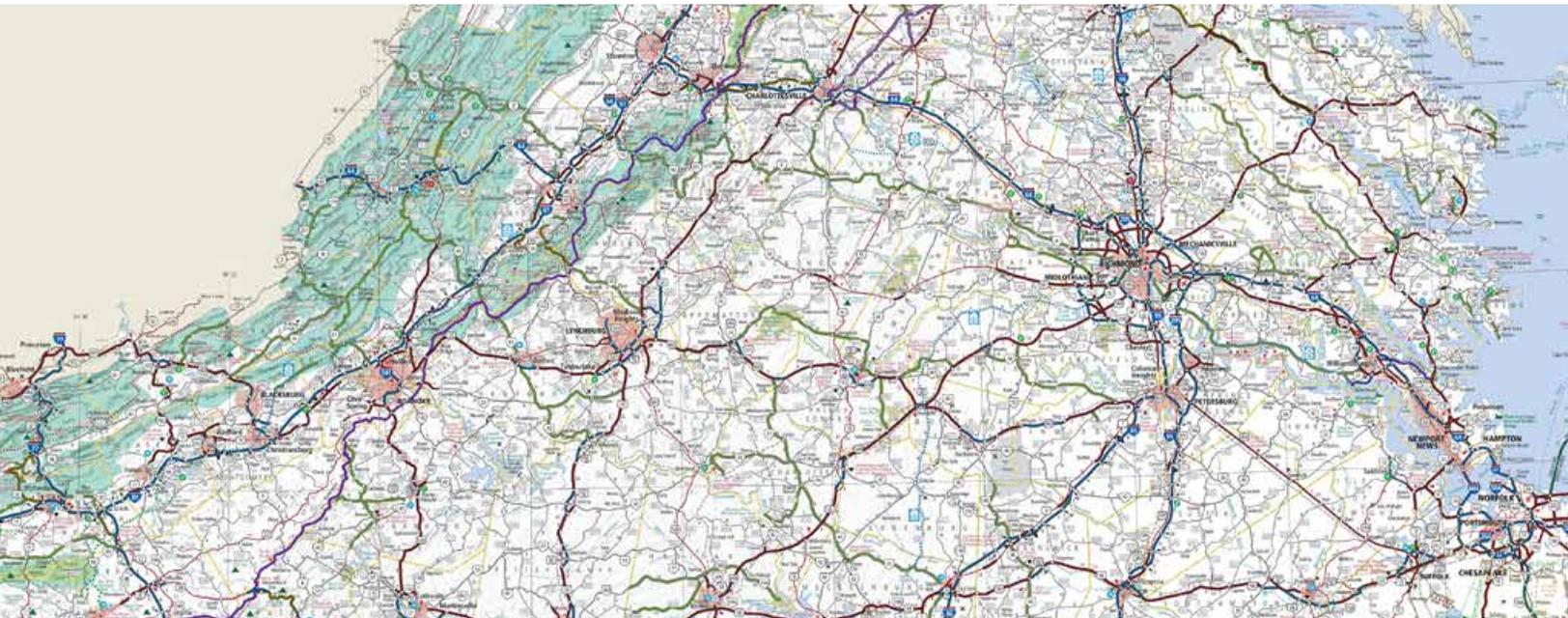


Roadmap

Path to Progress



JULY 2015



THE
COMMONWEALTH
INSTITUTE

Roadmap Path to Progress

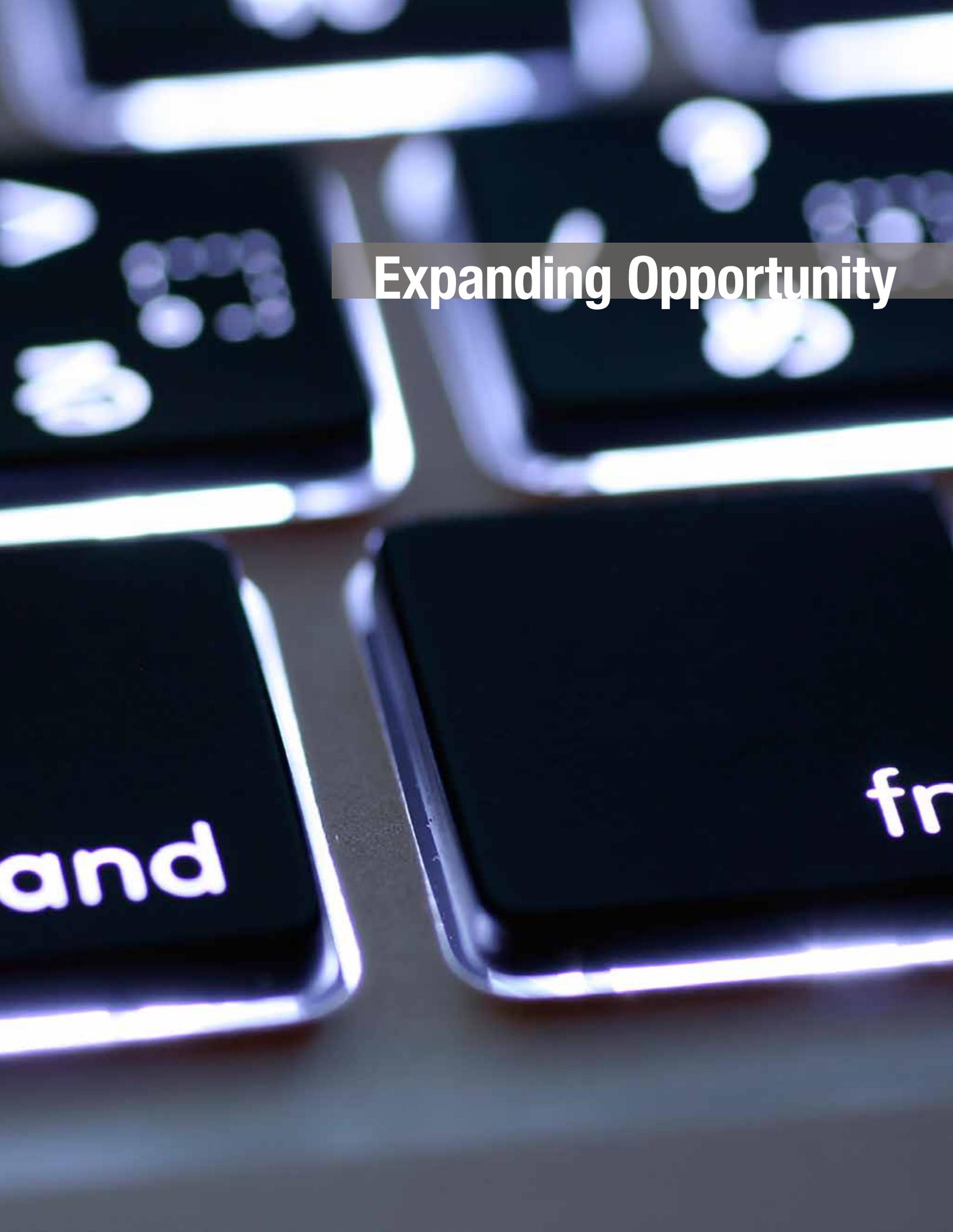


We believe Virginia needs an economy that works for us all, not just a few. Where every Virginian who works hard should be able to support their family and build a brighter future. Yet for all too many in our commonwealth, that opportunity is increasingly out of reach.

Despite rising productivity and education, wages for most Virginians have stagnated. Despite being among the richest states, the number of students per teacher in our schools has grown as the state turns its back on support for public K-12 education. Despite the need to invest in our skilled workers, Virginia makes it harder than nearly any other state for working age adults to get the care they need to stay healthy and productive. We can – and must – do better.

Virginia should be a place where people can find work that pays enough to get ahead. A place that fosters broad-based prosperity and a thriving middle class to sustain our economy. A place that gives our children the best possible shot at success. Virginia should be a place where, no matter our circumstance, we all have an opportunity to not simply live, but thrive. For that to happen, our state needs to adopt these policies which invest in our people and promote an economy that works for all. By doing that, we will generate more consumers who have more money which will expand the demand for the goods and services sold by Virginia businesses. Together, that will spur economic growth in our state.

That is our vision for the future. And this is the roadmap for getting there.

A close-up photograph of a computer keyboard with a semi-transparent grey text box overlaid in the center. The keyboard keys are dark with white text. The text 'and' is visible on a key in the lower-left foreground, and 'fr' is visible on a key in the lower-right foreground. The background shows other keys, including a numeric keypad, which are out of focus.

Expanding Opportunity

and

fr



Virginia's state-funded preschool does a great job getting some kids ready for kindergarden, but we're not doing enough to make sure that all students at-risk get the early help they need. Last school year, more than 10,000 kindergarten students across the state needed special help to catch up, but many weren't in pre-k the year before. And this year almost a quarter of state funding for pre-k is going unused, often because localities don't have enough classroom space or enough local funding to meet the state's required match. In addition, many families aren't able to buy school supplies for their children and meet all of their other needs, starting these kids off on the wrong foot from day one of the school year.



Virginia's students are more likely to graduate than the national average, but we're far from leading the pack. Twenty-one other states have higher on-time graduation rates. And more than ten percent of last year's graduating class did not finish on time. The picture is even bleaker for students with disabilities, students whose families struggle to make ends meet, or students who grapple with English. Not graduating from high school makes it harder to succeed and provide for a family. It also undercuts Virginia's progress toward being a state with a well-educated, highly skilled workforce.

Destination

All Virginia students start school ready to learn.

How We Get There

Extend quality preschool to all at-risk four-year-olds.

Provide a \$100 grant each August so students in deeply poor families have the back-to-school supplies they need.

Destination

More Virginians graduate from high school.

How We Get There

Improve the quality of education in struggling schools by better preparing teachers and reducing turnover.

Increase state education funding so students in all localities, not just the most affluent, attend high-quality public schools.

Promote positive behavioral interventions and best practices to keep students in their schools and communities.

Expanding Opportunity



Virginia workers have rapidly increased their skills and education in recent years. Since 1979, we've gone from 60 percent of Virginia workers having just a high school education or less to 68 percent having at least some college education. But too many workers still can't get the education and training required for a good-paying job, and employers struggle to find skilled workers for open jobs. That's because Virginia's support for job training falls short. For example, per student funding for the community college system – crucial to training workers – is down one-third compared to before the recession. As a result, tuition has soared, leaving tough choices for working families trying to improve their skills and balance child care costs, mortgage payments, and saving for their children's educations.



Virginia has almost 240,000 businesses, including 225,000 small businesses that, together, employ over 1.4 million Virginians. But those businesses that play by the rules are harmed when a weak state enforcement system allows other businesses to save costs by breaking the law. Hundreds of thousands of Virginia workers are likely misclassified by their employers as independent contractors, rather than employees. This results in unfair competition for other businesses and costs the public as much as \$28 million a year in money that we need to support our schools and communities. And many other companies force employees to work off the clock, deny them overtime, or pay them less than minimum wage. These are all forms of wage theft, which costs workers more every year than all the money stolen in convenience store, bank, and street robberies combined.

Destination

More Virginians can get better jobs through higher education and work training.

How We Get There

Increase financial assistance and investments in higher education so workers can afford post-secondary schooling and noncredit training.

Equip more workers with the education and skills employers need by promoting regional career pathways programs and business-driven, regional strategies.

Provide workers the help they need - like childcare and transportation - to make opportunities to better themselves attainable.

Destination

Virginia businesses and workers that play by the rules are protected against unfair competition from less honest companies.

How We Get There

Sufficiently fund the state's wage enforcement office to make sure workers are paid what they earn.

Crack down on misclassification of employees as independent contractors so workers can get the protections they've earned, businesses compete on a level playing field, and the state receives the revenue it's due.



Housing values are rebounding and the stock market is high. While people in the top 1 percent - making over \$400,000 a year - have seen their incomes soar for decades, those in the middle, or trying to get there, are stuck. As a result, too many families lack the savings they need to carry them through hard times. Many more can't set enough aside for a secure retirement. The net wealth of typical folks nearing retirement age has fallen, even compared to the period before the housing bubble. Over 20,000 Virginia families a year file for bankruptcy, often due to medical bills or missed work due to illness. And we're not doing enough to help workers who still struggle to find jobs: fewer than one in four Virginians who lose their job through no fault of their own receive any unemployment insurance payments, one of the lowest rates in the country.



Virginia workers are producing more goods and services than in past decades. But their 17 percent increase in productivity over the last 15 years hasn't brought a corresponding gain in wages. Middle-class wages grew just 9 percent and wages for the lowest paid workers actually dropped. The typical Virginia worker now makes just 39 cents for every dollar that high-wage workers make; the gap used to be much smaller. And going to college is no longer a sure path to decent wages and career opportunities. Four in ten Virginians who have attended college but do not have a four-year degree make under \$13.23 an hour.

Destination

Virginia families are protected from financial ruin and have the opportunity to save for the future.

How We Get There

Make simple, low-cost ways to save for retirement more widely available.

Give all workers earned, paid sick time and family leave so no one has to choose between paying the rent and caring for a sick child.

Promote quality, affordable health insurance that helps workers get the care they need to get back on the job without fearing bankruptcy.

Prepare the state's unemployment insurance trust fund for the next recession so it's ready to protect workers and stimulate the economy.

Eliminate unreasonable barriers to unemployment supports that make it harder for laid-off workers to weather tough times.

Destination

All working Virginians can support their families.

How We Get There

Restore the minimum wage to a level where everyone who works all day can support their family and build a future.

Strengthen the state's earned income tax credit to help more families that work hard but are paid too little to make ends meet.

A photograph of a soybean field with rows of healthy, green plants. The plants are in the early stages of growth, showing their characteristic trifoliate leaves. The rows are spaced evenly, and the soil between them is a reddish-brown color. The overall appearance is that of a well-maintained and thriving agricultural field.

A Healthy State



Health reform has dramatically reduced the number of people across the country who can't get insurance.

But in Virginia, there remain hundreds of thousands left uncovered. They can't afford to see a doctor when they need to. That includes 195,000 people who are in the health care coverage gap: even though they struggle to get by, they aren't eligible for Virginia's meager Medicaid and don't make enough to get tax credits to buy private insurance. On top of all of that, far too many struggle to get desperately needed mental health care.

Destination

All Virginians can get the health care they need.

How We Get There

Advance an innovative Virginia solution to close the coverage gap.

Encourage Virginians to buy affordable coverage through the health insurance marketplace.

Improve mental health and substance abuse treatment.



Virginia produces bumper crops of soybeans and peanuts, as well as livestock and other food products

for consumption here and overseas. But even with these agricultural riches, more than one in seven families statewide struggle to put food on the table. Of students who get free or reduced-price school lunches, only half receive school breakfasts and less than a fifth receive summer meals. And fewer than half of the state's high-poverty schools use an effective new federal option called community eligibility to offer school meals to all of their students.

Destination

No Virginian goes without a steady diet of nutritious food.

How We Get There

Remove the counterproductive requirement that families spend nearly all of their savings to get and keep SNAP (food stamps).

Boost the number of students getting school breakfast by offering meals after the school day begins.

Increase the number of locations serving free summer meals to schoolaged children whose parents are struggling to make ends meet.

Increase the number of schools offering nutritious, free meals to all students through community eligibility.

Encourage public after-school programs that serve meals to make use of available federal funding.



Virginia is a growing state that attracts businesses, workers, and families seeking a good place to raise their

kids. But with this growth comes challenges. More than 900,000 Virginia families pay a higher share of their income toward their mortgage or rent and utilities than they can reasonably afford. Many others live far from their jobs to reduce housing costs, then face high commuting costs and extra child care bills. This leaves less money for food, transportation, retirement savings, and everything else.

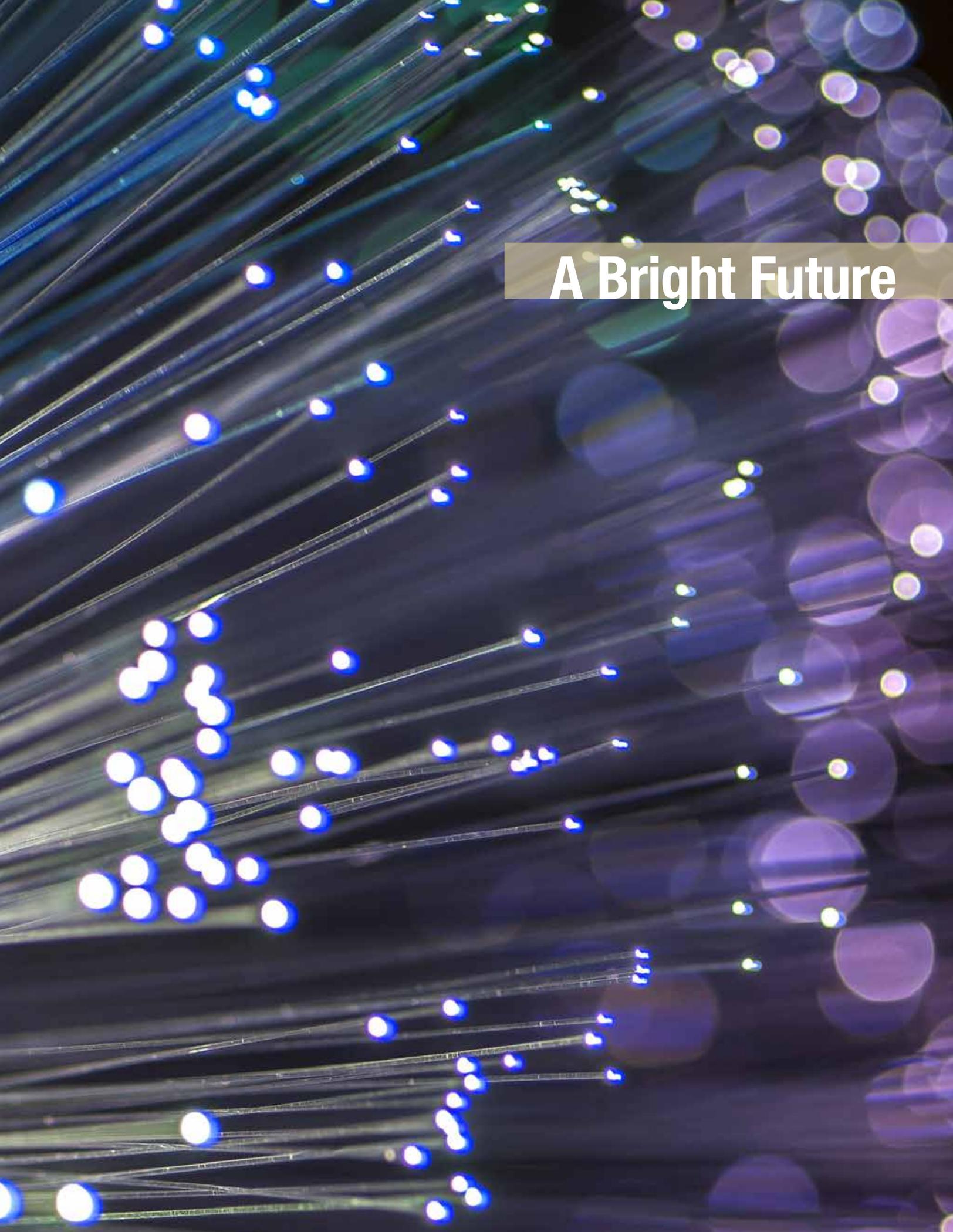
Destination

All Virginians have a decent place to live.

How We Get There

Establish ongoing support for Virginia's housing trust fund, which increases opportunities for families to access decent, affordable homes.

Make it illegal for landlords to deny housing solely because the renter will pay with rental assistance, disability payments, or a Housing Choice Voucher.



A Bright Future



The recession ended in 2009. But even after the recession was supposedly a thing of the past, the state still faces a gap between its resources and what it takes to meet growing public needs. While large corporations and millionaires continue to benefit from loopholes, lawmakers cut core public services people rely on. The state can't keep relying on cuts and gimmicks to make it through the down years at the expense of quality schools, safe roads, and other essential services.

Destination

Virginia generates the resources needed to preserve our top-quality schools, safe communities, and other building blocks of a strong economy.

How We Get There

Require large corporations to pay their fair share.

Reform the state income tax so that the middle class doesn't pay the same rate as millionaires.

Close the tax loophole for people buying million-dollar yachts while working families pay the full tax rate on everyday essentials.

Modernize the state sales tax to reflect today's economy.

Avoid arbitrary spending limits that make it harder for the state to respond to unforeseen events.



The number of school-age children in Virginia climbs every year, but the state has cut funding and hurt our students' chances to get ahead. In the 2013-2014 school year, class sizes kept rising, with the number of students per teacher growing larger than any time in the past decade. And as classes grow, we don't pay teachers enough to attract and retain the best. Despite recent raises, teacher pay in Virginia continues to slide down the national rankings.

Destination

Virginia supports its public schools at the level needed so that they excel and train our students to succeed in our state's economy.

How We Get There

Help school divisions fund early childhood programs by partnering with private and nonprofit preschool providers.

Reduce class sizes and ensure that students have the support - like reading and math specialists - they need to learn.

Recruit and retain the most highly-qualified teachers with salaries that lead rather than lag the rest of the nation.

Roadmap: Policy Summary

At The Commonwealth Institute, we are dedicated to making Virginia a place where everyone who works hard is able to support their family and build a brighter future. We will gladly work with you to realize the policy recommendations found within Roadmap. If you would like more information or assistance on any of these issues and solutions, please contact Joe Stanley at joe@thecommonwealthinstitute.org or 804-396-2051.

Expanding Opportunity

Destination

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We do not endorse candidates for public office.

Our products inform state economic, fiscal, and budget policy debates and contribute to sound decisions that improve the well-being of individuals, communities and Virginia as a whole.

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