GO Virginia Region 2 Executive Committee

December 5, 2024 3:30-4:30pm

Via Zoom Webinar:

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Agenda:

- Introductions (3:30-3:35)
- Project Proposal (3:35-4:30)
  - Statewide competitive planning project: "AI Landscape Assessment" -Virginia Chamber of Commerce

GO VIRGINIA
FY25 COMPETITIVE FUND APPLICATION
PLANNING GRANT

Artificial Intelligence Statewide Landscape Assessment
(ASLA)

ECONOMIC IMPACT

1. Provide an overview of the proposed project and project activities included in the project budget. Describe how this project presents an extraordinary economic opportunity for the region(s). Specifically, discuss how the proposed project aligns with the GO Virginia mission of supporting the growth of traded sector industries as identified in GO Virginia Region 2 and 3's Economic Growth and Diversification Plans.

Overview of the Proposed Project and Project Activities

The proposed Artificial Intelligence Statewide Landscape Assessment (ASLA) aims to engage with the Virginia Chamber of Commerce's members and stakeholders to explore how artificial intelligence (AI) will transform Virginia's business landscape and workforce and, for specific GO Virginia target sectors of statewide significance. As part of the Blueprint Virginia 2035 update, this initiative focuses on sustaining a resilient and industry-responsive talent pipeline—a key strategic priority for Blueprint Virginia 2035.

The project will be led by a qualified consultant retained by the Virginia Chamber of Commerce Foundation. The consultant will conduct a statewide assessment to determine AI's anticipated impacts on workforce development in specific high-priority business sectors. These targeted sectors align with the Virginia Chamber of Commerce's Blueprint Virginia 2030 and GO Virginia's critical business sectors, including Advanced Manufacturing, Information and Emerging Technologies [cor. Blueprint Virginia 2035 – Innovation and Technology], and Life and Health Sciences/Biotechnology [cor. Blueprint Virginia 2035 – Health Care and Life Sciences].

The key components of the assessment include:

a. **Comprehensive AI Report:** This report will analyze current and future AI applications in the workplace, standardize essential terminology and concepts, and identify prevailing trends.

b. **Sector-Specific Impact Analysis**: The project will evaluate AI's impact on key business sectors relative to the workplace in the nine GO Virginia regions.

c. **Current Program Evaluation**: The project will catalog existing workforce development programs, especially GO Virginia-funded ones, to determine their alignment and readiness for AI skill integration.

d. **Strategic Recommendations**: The assessment will identify skill gaps and outline strategies for workforce development programs to integrate AI-related skills. Recommendations will target K-12 and higher education pathways and provide insights for future regionally focused GO Virginia initiatives to help Virginia's traded sectors adapt to AI.

e. **Additional Considerations**: The assessment will address other emerging factors related to AI integration, as identified during the study.

Key Project Activities

a. **Blueprint Virginia 2030 Regional Tour Survey**: During regional tour stops, surveys will be administered to collect real-time insights on AI from businesses and local chamber members.

b. **Interviews with Business Leaders:** Leaders from targeted businesses in GO Virginia regions will be interviewed to capture their perspectives on AI's role in the workplace. These interviews will include representatives from the Virginia Chamber of Commerce's local membership.

c. **Interviews with Workforce Development Leaders**: Discussions will be held with workforce development leaders to assess the integration of AI skills within existing programs.

d. **Additional Activities:** The assessment will address other emerging factors related to AI integration as identified by the consultant.

Extraordinary Economic Opportunity for Virginia's Regions:

This project presents an extraordinary economic opportunity by positioning Virginia's business sector to lead in AI-driven workforce innovation. By proactively addressing potential skill gaps in high-priority, statewide sectors, this project will lead to GO Virginia implementation projects that will support a skilled workforce capable of adapting to AI advancements, which can enhance productivity, attract business investments, and achieve other allied economic and workforce development Virginia Chamber of Commerce, Virginia Economic Development Partnership, and GO Virginia goals. This project will fortify Virginia's reputation as the best place for business and talent in the nation.

Alignment with GO Virginia's Mission and Regional Economic Growth Plans:

The project aligns with GO Virginia's mission to foster growth in Virginia's traded sectors by supporting the strategic integration of AI in workforce development based on direct employer input. This focus on innovation and adaptability ensures Virginia remains competitive, contributing to long-term economic growth and diversification that meets evolving industry needs.

Additionally, the Virginia Chamber of Commerce and GO Virginia partnership for this project will:

- Support Virginia's competitive advantage in recruiting business investment compared to other states.

- Showcase Virginia as a leader in AI workforce development with a business-led strategy.

- Engage business leaders and council members across all GO Virginia regions, encouraging interregional collaboration.

- Demonstrate that Virginia prioritizes employer-informed solutions in workforce program development and implementation.

- Empower the Chamber's statewide network to participate directly in a GO Virginia project, strengthening its role as the "Voice of Virginia Business."

- Position GO Virginia within the Chamber's Blueprint 2035 as a programmatic asset within Virginia's business community and its economic development system.

In summary, this project is designed to promote regional economic growth, strengthen AI-related workforce readiness, and advance GO Virginia's mission of supporting a diversified economy through strategic investment in Virginia's traded business sectors.

2. What industry clusters, as identified in the Economic Growth and Diversification Plans of the region(s), will this proposal target? How does this proposal help implement the Plan(s) identified strategies and goals?

This Planning Grant will focus on three target sectors:

   a. Information and Emerging Technologies (all nine GO Virginia Regions incorporate this sector as a priority traded sector cluster, based on their 2023 Growth & Diversification Plan updates)

   b. Advanced Manufacturing (eight of the nine GO Virginia Regions incorporate this sector as a priority traded sector cluster, based on their 2023 Growth & Diversification Plan updates).

   c. Life and Health Sciences/Biotechnology (six of the nine GO of the nine GO Virginia Regions incorporate this sector as a priority traded sector cluster, based on their 2023 Growth & Diversification Plan updates).

This planning project will intentionally seek input from the business sector. By evaluating how AI technologies influence productivity, operational efficiencies, and quality in products and services and assessing the changes in workforce requirements needed to adapt continuously, regions will gain current insights from the private sector about opportunities and challenges that lie ahead. This assessment allows GO Virginia regional leaders to craft tailored programs that align workforce development initiatives with the evolving needs of local industries, ensuring that the workforce is equipped with the necessary skills to thrive in an AI-enhanced economy.

Moreover, the leadership of the Virginia Chamber Foundation brings a business approach to this assessment, complemented by the GO Virginia regional lens, which fosters collaboration among businesses, educational institutions, and government entities. This proactive approach will provide the Regional Councils and the GO Virginia State Board with a lens through which future workforce development project applications can be assessed for their readiness and compatibility to support outcomes that AI affects.

3. Identify the project outcomes and deliverables that will be achieved during the grant performance period.

The project outcome and deliverable will be a report summarizing AI's current and future state and impact on the three target sectors, incorporating quantitative data from reliable research sources and real-time input from employers from each GO Virginia region. The report will focus on the impact on the workforce in each of these sectors and identify the types of workforce development programs needed to attract and retain talent continuously. The report will apply to all nine GO Virginia Regions, enabling them to assess talent and workforce development project applications supporting the targeted sectors more effectively.

Equally as important, the report will inform the recommendations of the Virginia Chamber of Commerce's "Blueprint Virginia 2035" business-led initiative, providing direction and long-term economic development planning for Virginia.

4. Applicants are required to submit a Return on Investment (ROI) report developed by a DHCD-approved third-party contractor for competitive applications. Please attach the prepared ROI analysis that demonstrates the State's Return on Investment (ROI) to the Commonwealth over a 3 and 5-year period. See the Application Review and ROI Validation Process Memo describing the process for engaging technical assistance the third-party. Please note that the ROI analysis is an evaluation criterion but not a requirement for eligibility.

Not applicable.

REGIONAL COLLABORATION

5. Discuss how the Regional Council and project development team consulted with local government entities regarding the strategy and implementation of the project. Describe private industry and subject matter experts' involvement in the validation, development, and implementation of this project.

a. GO Virginia Regions 2 and 3 will support the Virginia Chamber of Commerce during the development and implementation of the project.

b. A Project Workgroup will be empaneled to receive periodic updates on the project and provide input at appropriate milestones and include the following stakeholder representatives:

- VA Chamber/Foundation
- Representatives from each of the other 7 Regions (one staff member and one Council member from the business sector)
- Economic developers from Region 3
- Economic developers from Region 2
- Representative of VOEE
- Representative of VEDP
- Representative of UBED
- Representative of Community Colleges
- Representative of SCHEV
- Representative of the VA Department of Education
- Representative of the Council of Presidents

- Representative of Virginia Private Colleges
- Representative of the Virginia Association of School Superintendents
- Others TBD

6. Discuss how the Regional Council and project development team consulted with local government entities regarding the strategy and implementation of the project. Describe private industry and subject matter experts' involvement in the validation, development, and implementation of this project.

Not applicable to a planning grant. However, the GO Virginia Regional Program Directors were consulted on the planning project and its implementation. All supported the project concept.

7. Describe the service area of the project. What portion of the population of the region(s) are served by the project?

Given the selected targeted sectors of statewide significance, the project will serve all GO Virginia's Regions 2 and 3 populations.

8. Name the applicant/fiscal agent and all partner organizations involved with the implementation of the project. Describe each entity's role in completing the scope of work, their financial or in-kind match commitment, and their capacity to successfully execute their duties as they relate to the project. Partners may include but are not limited to school divisions, community colleges, public and private institutions of higher education, economic and workforce development entities, local governments, regional organizations, planning commissions, and nonprofit organizations.

The Virginia Chamber of Commerce Foundation will serve as the applicant and fiscal agent and is a [IRS Non-Profit designation forthcoming]. It will also partner with members of the workgroup identified above.

9. Identify cost efficiencies, repurposing of existing funds, leveraging of existing assets, or other evidence of collaboration that can be demonstrated as a result of the project.

It is not applicable for a planning grant; however, it is essential to note that the timing of this planning grant is intentionally tied to the Virginia Chamber of Commerce's timeline for the development of its Blueprint 2030, thus leveraging the existing statewide approach to the planning process. Additionally, this project application will leverage the time and value of the staff from the Virginia Chamber of Commerce Foundation's support of its process to engage regions in the creation of Blueprint 2030.

10. Identify cost efficiencies, repurposing of existing funds, leveraging of existing assets, or other evidence of collaboration that can be demonstrated as a result of the project.

Not applicable to a planning grant.

PROJECT READINESS

11. Describe the project timeline and the specific project milestones (including deliverables) that will be utilized to track project progress and fund disbursement. Address the project administrator's ability to meet these milestones and to take remedial actions in the event that the milestones are not achieved.

The project applicant is the Virginia Chamber of Commerce Foundation, which has extensive experience in both stakeholder engagement and grant management. The project timeline follows the Chamber's *Blueprint Virginia* timeline, as shown below:

- February 2025: Inaugural Workgroup Meeting
- March 2025: Consulting firm hired
- April 2025: Employers identified; desk research initiated (including assessment of existing workforce development programs), SWOT analysis initiated
- May 2025 Workgroup Meetings
- May – July 2025: Employers interviewed through focus groups and individual interviews; survey conducted
- August 2025: Report drafted for review by Chamber Foundation, GO Virginia Regions and Workgroup
- August 2025: Workgroup Meeting
- September 2025: Near-final report reviewed by Chamber Foundation for alignment with *Blueprint 2035*.
- October 2025: Near-final report and recommendations presented to Workgroup, Regional Councils, and Virginia Chamber.
- November 2025: Final report and recommendations presented to Workgroup, Regional Councils, Virginia Chamber, and GO Virginia state staff.
- December 2025: Report presented to Virginia Chamber's Economic Summit.

12. Describe the total project budget, explaining how GO Virginia funds will be used, how matching funds will be used, the sources and uses for matching funds, and any additional leverage for matching funds, if applicable. Additional leverage may consist of other state funds not eligible for GO Virginia match, or additional federal resources that contribute to the full scope of work but are not part of the required match.

    a. Does the project have the required $2:1 match?
       - Yes.

    b. Does the project have the required 20% local match (See the Match Waiver Request Guidelines)? Currently, at least 20% local match must be provided by units of local government.

       - Sources and Uses Budget will be drafted reflecting a $100k GO Virginia planning grant and $50k in-kind match from the expenses incurred to develop and produce Blue Print Virginia 2035.

13. If this is a multi-regional proposal, describe the roles and responsibilities of members of the project team and how they will implement the project across multiple regions. Describe the division of responsibility and the plan for communication between project administrators, support organizations, and partners.

As a multi-regional Competitive Planning Grant, monthly staff calls will be held between the Virginia Chamber of Commerce Foundation team and the two lead regions (GO Virginia Regions 2 & 3) support organizations. Subsequent updates will be provided to each Regional Council or Executive Committee.

Additionally, the staff of each Region will be participating in the Advisory Workgroup and can attend those meetings to inform their Regional Council leadership. Regional Council staff are committing to supporting the project by identifying and connecting the consulting firm to appropriate business leaders in the target sectors in each region, as well as providing input and feedback as the planning process occurs. The Advisory Workgroup will be convened and facilitated by the consultant hired by the Virginia Chamber of Commerce Foundation to lead the research, stakeholder engagement, and report development.

14. Discuss any major barriers to successful implementation and other associated risks along with a plan to overcome them. How will the project administrator address these barriers?

The Virginia Chamber of Commerce Foundation and GO Virginia Regions 2 & 3 program support staff anticipate no barriers to the project's successful implementation.

15. Discuss any prerequisite activities undertaken by the project partners to increase efficiency with regard to program delivery and support for the project once launched.

Not applicable to a planning grant.

PROJECT SUSTAINABILITY

16. Discuss how the program will achieve stable, long-term sustainability beyond the initial funding period. Have any funding sources been secured to continue implementing the program or strategy following the exhaustion of these funds? Describe how this project allows for replication or scalability in other GO Virginia regions.

Not applicable to a planning grant. As noted in the Project Overview, a key assessment element will be for the consultant to develop actionable strategies for relevant workforce development programs to address AI's impact on the workforce, including recommendations for K-12 and higher education career pathways. These strategies should inform potential regionally driven GO Virginia-funded initiatives that help businesses in Virginia's traded sectors adapt to AI.

17. Has this request been validated by industry demand?

Not applicable to a planning grant. However, this planning grant application is the result of reviews of state and national trends as well as the opportunity to localize those reviews within Virginia through the Blueprint 2035 process. Examples of these state and national trends include reports and studies from:

- [Federal Reserve Bank of Atlanta](#)
- [Virginia Mercury](#)
- [Virginia Economic Development Partnership](#)

<u>REQUIRED ATTACHMENTS</u>
- Executive Summary
- GO Virginia Core Outcomes (N/A)
- Third-Party Commonwealth Return on Investment (ROI) (N/A)
- Match Verification Form
- Milestones Overview and Drawdown Schedule
- Budget Overview (DHCD Sources & Uses Template)

Budget Category (Dropdown)	Uses of GO VA Funds	Amount ($)	Description
Administration	Southside PDC grant administration	$1,000	Grant administration and project reporting
Contract Services	VA Chamber of Commerce Foundation	$99,000	Qualified consultant assess AI's anticipated impacts on workforce development statewide in specific high-priority business sectors as part of Blueprint VA 2035
		$100,000	**Total GO Virginia Request**

Directions: Please list the budget category, associated uses of GO VA funds (how funds are being used), amount, and desciption for each budget category. In the Description column please provide more detail about the proposed uses of the funding including, if applicable, what organization will be receiving/managing those funds (i.e. grant recipient or third-party). The budget categories and amounts should match the **"DHCD Request" column** in the CAMS application budget.

Please include a detailed budget narrative below:

GOVA and match funds will support these project deliverables:

a. Comprehensive AI Report

b. Sector-Specific Impact Analysis

c. Current Program Catalog

d. Strategic Recommendations

Budget Category (Dropdown)	Description of Uses of Matching Funds	Amount ($)	Match Source (Dropdown)	Type of Match (Dropdown)	Source of Match (Details)	Documentation Submitted (Dropdown)
Contract Services	Blueprint VA 2035 Production	$40,000.00	Private	In-Kind	Virginia Chamber of Commerce	Yes
Contract Services	Blueprint VA 2035/GO Virginia Workgroup (Region 2)	$5,000.00	Local	In-Kind	Montgomery Co., Roanoke City, LRBA locality (tbd)	Yes
Contract Services	Blueprint VA 2035/GO Virginia Workgroup (Region 3)	$5,000.00	Local	In-Kind	Mecklenburg Patrick Co., Prince Edward Co., Pittsylvania Co. PS, IALR	Yes
		$ 50,000.00	Total Matching Funds			
		$ 10,000.00	Total Local Match			
Directions: Please list all budget categories, description of uses, type of match, sources associated with the required matching funds, and if documentation was submitted. The budget categories and amounts should match the **"Other Funding" column** in the CAMS application budget. NOTE: State funds may NOT be used as match, but may be listed as additional leverage.						

Budget Category (Dropdown)	Description of Uses of Additional Leverage	Amount ($)	Type of Leverage (Dropdown)	Source of Leverage	Documentation Submitted (Dropdown)
	$ - Total Leveraged Funds				
Directions: Please list all sources and uses associated with additional leverage beyond the required match. Additional leverage **SHOULD NOT** be included in the CAMS application budget. **NOTE:** State funds may only be used as additional leverage and may not contribute to the required $2:1 match.					

Type of Funds	Totals	
GO Virginia	$	100,000.00
Matching Funds	$	50,000.00
Total CAMS Budget	**$**	**150,000.00**
Additional Leverage	$	-
Total Project Budget	**$**	**150,000.00**

These answers will autofill from previous tabs.

Type of Match	Totals	
Matching Funds	$	50,000.00
At least $2:1	**YES**	
Local Match		10,000.00