



# COMMONWEALTH of VIRGINIA

*Joint Legislative Audit and Review Commission  
Suite 1100, General Assembly Building, Capitol Square  
Richmond, Virginia 23219*

*Philip A. Leone  
Director*

*(804) 786-1258*

## MINUTES

December 13, 2004

### Attending

JLARC MEMBERS: Delegate Lacey E. Putney, Chairman; Senator Thomas K. Norment, Jr., Vice-Chairman; Delegate Vincent F. Callahan, Jr.; Senator John H. Chichester; Delegate M. Kirkland Cox; Delegate Morgan Griffith; Delegate Frank Hargrove; Delegate Johnny S. Joannou; Delegate Harry J. Parrish; Senator Walter Stosch; Mr. Walter J. Kucharski, Ex Officio.

JLARC Staff: Phil Leone, Director; Glen Tittermary, Deputy Director; Bob Rotz, Division Chief; Hal Greer, Division Chief; Aris Bearse, Trish Bishop, Justin Brown, Wendy Brown, Ashley Colvin, Eileen Fleck, Michelle Hebert-Giffen, Joan Irby, Paula Lambert, John Long, Eric Messick, Nathalie Molliet-Ribet, Greg Rest, Kimberly Sarte, Walt Smiley.

Others: Wallace (Bo) Harris (VRS Deputy Director); Chris Spanos (Lobbyist, Virginia League of Social Service Executives); Maurice Jones (DSS Commissioner); Rob Jones (Lobbyist, Virginia Education Association); Joe Flores and Sara Dickerson (Senate Finance Committee); Christina Nuchols (Virginian Pilot); Glen Pond (Virginia Governmental Employees' Association); Jeff Shapiro (Richmond Times Dispatch); Ellen Davenport (Virginia Association of Counties); Mary Jo Fields (Virginia Municipal League); Betty Long (Vice President of Virginia Hospital and Healthcare Association); Nancy Everett (VRS Chief Investment Officer); Charles Grant, Barry Faison, Patty Atkins-Smith, and Jeanne Chenault (VRS); Brian Goodman (Attorney General's Office); Craig Burns, Anne Oman, and Susan Massart (House Appropriations Committee).

The meeting was called to order at 10:10 a.m. by Delegate Putney, Chairman. Delegate Putney recognized Phil Leone who

provided an overview of the meeting agenda (Enclosure 1). Mr. Leone then introduced Hal Greer who gave the staff presentation (Enclosure 2) for the *Review of Child Protective Services in Virginia* (Enclosure 3). Mr. Greer answered several questions from the Commission members. At the conclusion of Mr. Greer's briefing, Delegate Callahan made a motion to receive the report and authorize printing. The motion was seconded by Delegate Parrish and approved unanimously by the Commission members.

Mr. Leone then introduced Walt Smiley, Manager of JLARC's Fiscal Analysis Section, who gave the staff presentation (Enclosure 4) for the *Review of State Spending: December 2004 Update* (Enclosure 5). Mr. Smiley answered several questions from the Commission members. At the conclusion of Mr. Smiley's briefing, Senator Stosch made a motion to receive the report and authorize printing, which was approved unanimously by the Commission members.

Mr. Leone then introduced Bob Rotz, Division Chief, who gave the staff presentation (Enclosure 6) for the special report on *State Spending on Standards of Quality (SOQ) Costs* (Enclosure 7). Mr. Rotz answered questions from the Commission members. At the conclusion of Mr. Rotz's briefing, Delegate Parrish made a motion to receive the report and authorize printing. The motion was seconded by Delegate Callahan and was approved unanimously by the Commission members.

Mr. Leone then introduced Trish Bishop, JLARC's analyst for VRS Oversight, who gave the staff presentation (Enclosure 8) for the *VRS Biennial Status and Semi-Annual Investment Report, December 2004* (Enclosure 9). Ms. Bishop answered several questions from the Commission members. At the conclusion of Ms. Bishop's briefing, Senator Norment made a motion to receive the report and authorize printing. The motion was seconded by Senator Stosch and was approved unanimously by the Commission members. Ms. Bishop requested a separate motion of the Commission for the quadrennial actuarial audit presented on slide 25 of the presentation: "In compliance with Section 30-81 of the *Code of Virginia*, JLARC requests the JLARC actuary to conduct a review and analysis of the June 30, 2004 valuation of VRS, confirming that the VRS actuary used the same experience study, methods, and assumptions as represented in the 2001 valuation. The results of this review shall be provided to the Commission and the House Appropriations and Senate Finance Committees. Further, the quadrennial actuarial audit shall be based on the June 30, 2005 valuation, and shall be presented to the Commission in late 2005 or early 2006." A motion was made by Delegate Callahan for the quadrennial actuarial audit as outlined on slide 25 to be performed by JLARC's actuary based on the 2005 valuation. Senator Stosch seconded this motion, which was then approved unanimously by the Commission members.

Mr. Leone then requested a final motion of the Commission for the *Proposed Study of Homeland Security Efforts and Funding in*

Virginia (Enclosure 10). Delegate Putney noted that the study is appropriate for Virginia, and Senator Norment concurred. A motion was made by Delegate Callahan for the study to be conducted by JLARC staff, and was seconded by Senator Norment. The motion was approved unanimously by the Commission members.

Mr. Leone directed the Commission's attention to a proposed JLARC meeting schedule for 2005 (Enclosure 11). He then noted that this was the final Commission meeting of the year. There being no further business, the Commission rose at 12:00 p.m.

Approved by:   
Philip A. Leone, Director

Date: December 15, 2004

Prepared by:   
Paula C. Lambert, Legislative Analyst