



COMMONWEALTH of VIRGINIA

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

*Philip A. Leone
Director*

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MINUTES

June 14, 2004

Attending

JLARC MEMBERS: Delegate Lacey E. Putney, Acting Chairman; Delegate Vincent F. Callahan, Jr.; Senator John H. Chichester; Senator Charles J. Colgan; Delegate Kirkland Cox; Delegate Morgan Griffith; Delegate Frank Hargrove; Delegate Johnny S. Joannou; Delegate Thomas K. Norment; Delegate Harry J. Parrish; Delegate Leo C. Wardrup; Delegate Martin Williams; Mr. Walter J. Kucharski, Ex Officio.

JLARC Staff: Phil Leone, Director; Kirk Jonas, Deputy Director; Glen Tittermary, Division Chief; Bob Rotz, Division Chief; Janice Baab, Aris Bearse, Trish Bishop, Wendy Brown, Ashley Colvin, Eileen Fleck, Ellen Jackson, Paula Lambert, Eric Messick, Nathalie Molliet-Ribet, Jason Powell, Greg Rest, Kimberly Sarte, Walt Smiley, Tracey Smith, and Christine Wolfe.

Others: Hiram Johnson, IT Investment Board; Lem Stewart, VITA CIO; Austin Mathews, VITA CFO; Karen Helderman, Auditor of Public Accounts staff; Bill Cole, APA Staff; Martha Mavredes, APA staff; Tayloe Murphy, Secretary of Natural Resources; Craig Burns, House Appropriations Committee staff; Anne Oman, HAC staff; Robert Vaughn, HAC staff; Pamela StalSmith, Richmond Times Dispatch; Mary Jo Fields, Virginia Municipal League; David Bailey, David Bailey and Associates; Mitch Goldstein, JCOTS Director.

The meeting was called to order at 10:00 a.m. by Delegate Putney, acting Chairman. The first order of business was the election of a new Chairman to replace Senator Kevin Miller. Senator Colgan moved to nominate Delegate Putney for Chairman. The motion was seconded by Delegate Parrish and Delegate Putney was unanimously elected Chairman by the other Commission members. Senator Colgan then moved that Senator Norment be elected Vice-Chairman. Senator Norment was unanimously elected Vice-Chairman.

Mr. Leone then welcomed the new JLARC members, Delegate Griffith and Senator Williams, explaining that the first JLARC meeting of the year traditionally focuses on the JLARC and APA workplans.

Mr. Leone then reminded the Commission that Kirk Jonas will be retiring from JLARC after 27 years on June 24th and that he will join the University of Richmond as the founding director of the university's Research Institute. He then turned the meeting over to Mr. Jonas.

Mr. Jonas provided an overview of the legislative impact of JLARC's 2003 studies. Following his presentation, several members congratulated Mr. Jonas on his retirement.

Mr. Leone then introduced Mr. Tittermary as the new Deputy Director and the Commission welcomed him to his new position.

Mr. Tittermary then provided an overview of the projects under his supervision. These included: (1) *Wrap-Up of Acclimation of Virginia's Foreign-Born Study*, (2) *Exploratory Tenure Study*, (3) *Study on Replacing Income Tax Revenue with Sales and Use Tax Revenue*, (4) *Review of Revised Child Day Care Regulations*, (5) *Review of Emergency Medical System*, (6) *Use and Financing of Trauma Care Centers*, (7) *State Spending study*, (8) *VRS Oversight*, (9) *Implementation Review of VITA*, (10) *Internal Service Fund Oversight*, and (11) *ongoing computer resources and website support*. He then turned the meeting over to Greg Rest, project leader for the exploratory tenure study.

Mr. Rest gave a brief overview of the exploratory tenure study and then turned the meeting over to Aris Bearse, project leader for the study on replacing income tax revenue with sales and use tax revenue.

Mr. Bearse gave a brief overview of the study. After several questions from the Commission, he turned the meeting over to Mr. Tittermary, who spoke for Linda Ford, project leader for the revised child day care regulations study.

Mr. Tittermary gave a brief overview of the child day care regulations study and then turned the meeting over to Walt Smiley, project leader for the study of Virginia's Emergency Medical Systems.

Mr. Smiley gave a brief overview of the study and then introduced Nathalie Molliet-Ribet, project leader for the trauma centers study. After several questions from the Commission, Ms.

Molliet-Ribet reintroduced Mr. Smiley, who spoke about the State spending study.

Mr. Smiley then introduced Trish Bishop who provided an overview of the staff's VRS oversight activities. She then turned the meeting over to Mr. Tittermary, project leader for the VITA implementation review study.

Mr. Tittermary provided a brief overview of the staff's VITA implementation review, oversight of internal service funds, and his ongoing responsibilities for computer systems support. Mr. Tittermary then introduced Bob Rotz, Division Chief, who gave a brief overview of the projects assigned to his division: (1) *Review of Child Protective Services*, (2) *Impact of the Aging Population on State Agencies*, (3) *Effectiveness of Nutrient Management Plans*, and (4) *State Funds Expended by School Divisions for the Standards of Quality*.

Mr. Rotz then turned the meeting over to Wendy Brown who gave an overview of the Child Protective Services study. After several questions from the Commission, Ms. Brown turned the meeting over to Ashley Colvin, project leader for the Aging study.

Mr. Colvin gave a brief overview of the Aging study and then introduced Eric Messick, project leader for the nutrient management study. After summarizing this study, Mr. Messick turned the meeting back over to Mr. Rotz for an overview of the SOQ study.

Delegate Putney then asked if there were any questions of the staff and asked for a motion to approve the 2004 Annual Workplan. Delegate Wardrup noted that the study of the Department of Social Services passed in the 2004 Session was not mentioned. Mr. Leone stated that work will begin on this study in the Fall.

A motion was made and seconded to accept the 2004 Annual Workplan and it was unanimously approved by the Commission.

Mr. Kucharski then presented the workplan for the Auditor of Public Accounts and the agency's salary scale adjustments.

Following Mr. Kucharski's presentation, Senator Norment moved to approve the APA's workplan. This motion was seconded by Delegate Callahan, and the workplan was unanimously approved by the Commission.

Senator Norment then moved to approve the APA salary scale adjustments, which was seconded by Delegate Cox, and the salary scale adjustments were unanimously approved by the Commission.

Mr. Tittermary then presented a review of a request from VITA to reduce rates for the Unisys mainframe. Delegate Wardrup moved to approve the rate reduction, which was seconded by Senator Norment. The rate reduction was unanimously approved by the Commission.

Mr. Tittermary then provided an overview of the VITA interim rate requests. He introduced Lem Stewart, VITA CIO, who gave a presentation on recent changes to VITA and summarized the proposed rate methodologies that were before the Commission for approval.

Mr. Tittermary stated that JLARC staff recommended approval of the two rate methodologies: direct bill rate methodology and the shared resources service rate methodology, with a requirement that VITA prepare an appropriate cost allocation plan. He also noted that VITA was requesting that JLARC staff have the authority to approve VITA rates in the interim, to avoid having to wait until the next JLARC meeting for rate approval. He noted that the staff had no recommendation on this proposal and left the decision with the Commission.

A motion was made by Delegate Wardrup and seconded by Senator Norment to approve the rate methodologies. The rate methodologies were approved unanimously by the Commission. Senator Norment moved to table the proposal to delegate interim rate approval authority to JLARC staff, which was seconded by Senator Williams. The Commission voted unanimously to table the proposal.


Mr. Leone then suggested that the July 12th Commission meeting begin at 9:30 a.m. instead of 10:00 a.m. for the purpose of discussing how study recommendations would be handled in light of HB 1231 passed during the 2004 Session. Delegate Griffith, who served on the Joint Rules Subcommittee that developed the conformity provisions for collegial bodies contained in the statute, explained that the intent of this legislation was that recommendations would require approval of a majority of the House and Senate members voting separately *only* in cases where an issue or recommendation was highly controversial and as a result, a member specifically requested that a special vote be taken. Recommendations would not routinely be subject to approval by separate votes of House and Senate members, he said. Unless such a voting procedure were requested, he said, JLARC and other commissions would continue to take votes as they had in the past.

Without objection, the Commission agreed with the procedure, as described. The issue having been resolved, the Commission agreed that the July 12th meeting be held at 10:00 a.m., as originally scheduled.

The Commission rose at 1:00 p.m.

Approved by: 
Philip A. Leone, Director

Date: June 22, 2004

Prepared by: 
Tracey R. Smith
Legislative Analyst