



# 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

June 12, 2006

### Attending

#### JLARC Members:

Senator Thomas K. Norment, Chairman; Delegate Leo C. Wardrup, Vice-Chairman; Delegate Vincent Callahan; Senator John H. Chichester, Senator Charles J. Colgan; Delegate Kirkland Cox; Delegate Morgan Griffith; Delegate Frank D. Hargrove, Sr., Delegate Johnny Joannou; Delegate Dwight Jones; Delegate Robert D. Orrock, Sr., Delegate Lacey E. Putney; Senator Walter Stosch; and Mr. Walter J. Kucharski, *ex officio*.

#### JLARC Staff:

Phil Leone, Director; Glen Tittermary, Deputy Director; Aris Bearse, Trish Bishop, Jamie Bitz, Jenny Breidenbaugh, Ashley Colvin, Martha Erwin, Eileen Fleck, Hal Greer, Joan Irby, Eric Messick, Greg Rest, Bob Rotz, Kimberly Sarte, Walt Smiley, Kent Wyatt, and Rebecca Velarde (intern).

#### Others:

Marilyn Tavenner, Secretary of Health and Human Resources; Dana Steger, Virginia Association of Nonprofit Homes for the Aging; Brian Wagner, Department of General Services (DGS); Rich Sliwoski, DGS; Bruce Brooks, DGS, Keith Cheatham, Virginia Chamber of Commerce; Craig Burns, House Appropriations Committee; Robert Schultze, Virginia Retirement System (VRS); Brian Goodman, VRS; Commissioner Tony Conyers, Department of Social Services (DSS); Carolynne Stevens, DSS; Karen Clark, DSS; Judith McGreal, DSS; Steve Lambert, DSS; Rob Nebiker, Department of Health Professions; Mark Pratt; Doug Gray, Virginia Association of Health Plans; Anna Heally, Virginia Association of Health Plans; Phil Abraham, Vecter Corporation; Pete Giesen, James Madison University; Beverly Soble, Virginia Health Care Association; Betty Booker, Richmond Times-Dispatch; Sarah Wilson, Department of Human Resource Management; G. Paul Nardo, House of Delegates; Jim Roberts, VITA; Eric Link, VITA, and Ann Colley, Bureau of Insurance

The meeting was called to order at 10:00 a.m. by Senator Norment, Chairman. Senator Norment recognized Phil Leone who provided the Commission with an overview of the meeting agenda (Enclosure 1).

Mr. Leone then introduced Mr. Walt Smiley, who presented the findings from the JLARC report, *Impact of Assisted Living Facility Regulations: Status Report (Enclosure 2)*. At the conclusion of Mr. Smiley's presentation, Mr. Tony Conyers, Commission of the Department of Social Services commented briefly on the DSS response to the report. Senator Norment then requested a motion to receive the *Impact of Assisted Living Facility Regulations: Status Report (Enclosure 3)*. Senator Chichester made a motion to receive the report, which was seconded by Senator Colgan and approved by the Commission.

Following the receipt of the *Assisted Living Facility Regulations* report, Mr. Leone introduced Eric Messick. Mr. Messick presented the findings of the *Special Report: Severance Benefits for State Employees (Enclosure 4)*. During Mr. Messick's presentation, several questions arose concerning a severance payment made to the former director of VRS. Mr. Bob Schultze, VRS Director, addressed the Commission to answer questions concerning the status of the recovery of the State funds paid to the former VRS Director. Mr. Messick answered questions from the Commission and concluded his presentation. At the conclusion of his remarks, the Chairman asked for a motion to receive the report. A motion was made and a second was issued to receive the *Special Report: Severance Benefits for State Employees (Enclosure 5)*.

The Chairman again recognized Mr. Leone, who introduced Kimberly Sarte. Ms. Sarte presented JLARC's process (Enclosure 6) for its new function of evaluating proposed mandated health insurance benefits.

At the conclusion of Ms. Sarte's presentation, Mr. Leone introduced the Chairman of the JLARC Internal Service Fund Subcommittee, Delegate Leo Wardrup. Delegate Wardrup noted that Senator Stosch and Delegate Joannou were the other members of the subcommittee and they had all attended the subcommittee meeting which occurred earlier that morning. A report from the subcommittee was provided to the Commission (Enclosure 7). In addition, Delegate Wardrup encouraged Commission members to review the supporting detail and documentation for both the VITA and DGS rate requests (Enclosures 8 and 9). After providing a brief overview of the VITA and DGS rate requests, Delegate Wardrup reported to the Commission that the subcommittee recommended approval of the VITA and DGS rates as outlined in the subcommittee report. The Chairman called for a motion to approve the rate requests as presented in the Subcommittee report. A motion was made, seconded, and approved by the Commission to approve the VITA and DGS rates.

Lastly, Phil Leone shared a revised version of the *Special Report: Review of Virginia's Cost-Savings Initiatives* with the Commission (Enclosure 10). Mr. Leone also noted that the next meeting would be held on July 10, 2006. Mr. Leone explained that the July meeting will focus on the Virginia Retirement System, including JLARC's quadrennial actuarial audit of VRS. In addition, Mr. Leone noted that the Director and Chief Investment Officer at VRS would be providing the Commission with status reports on the system. There being no further business, the Commission rose at 11:40 a.m..

Approved by:   
Philip A. Leone, Director

Date: June 20, 2006

Prepared by:   
Patricia S. Bishop,  
Principal Legislative Analyst