



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

May 11, 2009

Attending

JLARC Members:

Delegate Kirkland Cox, Chairman; Delegate Morgan Griffith; Delegate Phillip Hamilton; Delegate Frank Hargrove; Delegate Johnny Joannou; Delegate Harvey Morgan; Senator Thomas Norment; Delegate Lacey Putney; Senator Walter Stosch; Mr. Walter Kucharski, Ex Officio.

JLARC Staff:

Phil Leone, Director; Glen Tittermary, Deputy Director; Bob Rotz, Division Chief; Hal Greer, Division Chief; Aris Bearse, Jenny Breidenbaugh, Justin Brown, Ashley Colvin, David Reynolds, Martha Erwin, Mark Gribbin, Joan Irby, Paula Lambert, Eric Messick, Ellen Miller, Nathalie Molliet-Ribet, Greg Rest, Kimberly Sarte, Walt Smiley, Tracey Smith, Massey Whorley, Christine Wolfe.

Others:

Mary Jo Fields, VML; Bob Young, Department of Treasury; Kim Snead, JCHC;

The meeting was called to order at 10:05 a.m. by Delegate Cox, Chairman.

Delegate Cox then recognized Phil Leone who provided the Commission with an overview of the meeting agenda (Enclosure 1) and the 2009 Legislative Impact of JLARC Studies (Enclosure 2). Mr. Leone introduced Glen Tittermary who presented a summary of JLARC's FY 2009 Strategic Plan (Enclosure 3). Following Mr. Tittermary's presentation, Delegate Hamilton made a motion to approve JLARC's Strategic Plan and authorize printing. This motion was seconded by Delegate Morgan and approved by the Commission.

Following the motion to approve JLARC's Strategic Plan, Mr. Tittermary began the presentation of the *2009 JLARC Workplan* (Enclosure 4) by providing an overview of the projects under his division, which include: (1) *Review of DGS Internal Service Funds*, (2) *2009 Report to the General Assembly*, (3) *Review of Funding for District and Circuit Courts*, (4) *State Spending (2009 Update)*, (5) *Virginia Retirement System (VRS) Oversight*, (6) *Internal Service Fund Oversight*, and (7) *Computer Resources and Website Support*. Mr. Tittermary then turned the presentation over to Justin Brown, project leader of the DGS Internal Service Funds (ISF) study.

Mr. Brown gave a brief overview of the DGS ISF study then turned the presentation over to Walt Smiley who spoke about the District and Circuit Court Funding study and the State Spending report (2009 Update). During his presentation on the court study, Mr. Smiley noted that JLARC staff recommends dividing this study into two parts: (1) court funding and (2) courthouse construction and maintenance. After responding to several questions from the Commission and after some discussion of the members, the Commission noted that they were not in agreement with this staff recommendation, and would therefore not approve this portion of the workplan. Instead, they requested that findings related to both court funding and courthouse construction and maintenance be briefed to the Commission at the November 9, 2009 meeting.

At the conclusion of Mr. Smiley's presentation, he turned the presentation over to Tracey Smith who provided an overview on the staff's VRS oversight activities. After responding to questions from the Commission, Ms. Smith turned the presentation back over to Glen Tittermary who briefly described the JLARC's ongoing responsibility to perform Internal Service Fund Oversight activities. Mr. Tittermary noted that the Internal Service Funds Subcommittee will need to schedule a meeting.

Following Mr. Tittermary's presentation, Bob Rotz, Senior Division Chief, gave a brief overview of the projects assigned to his division: (1) *Impact of eVA on Small Businesses*, (2) *Homeless Veterans*, (3) *APA Exemptions*, (4) *Post-Election Audits*, and (5) *State Spending on Standards of Quality (SOQ) Costs (2009 Update)*. Mr. Rotz then introduced Eric Messick, project leader of the Impact of eVA on Small Businesses and the Homeless Veterans studies. Mr. Messick gave a brief overview of both studies.

At the conclusion of Mr. Messick's remarks, Delegate Cox directed the Commission's attention to a letter (Enclosure 5) from him to Mr. Leone requesting JLARC to study ways to reduce homelessness among veterans in the Commonwealth and for this study to be included in the Commission's 2009 workplan. Delegate Hamilton made a motion which was seconded by Delegate Morgan and approved by the Commission.

Mr. Messick then introduced Aris Bearnse, project leader for the APA Exemptions study. Following Mr. Bearnse's remarks, Justin Brown gave a brief overview of the Review of Post-Election Audits of Voting Equipment in Virginia. At the conclusion of his remarks, Mr. Brown turned the presentation back over to Bob Rotz who described the State Spending on SOQ costs.

Mr. Rotz then introduced Hal Greer, Division Chief, who gave an overview of the projects assigned to his division: (1) *Autism Services*, (2) *Virginia Corporate Income Tax*, (3) *VITA*, and (4) *Review of Health Insurance Mandates*. Mr. Greer then introduced Nathalie Molliet-Ribet, project leader of the Autism and Corporate Income Tax studies. Ms. Molliet-Ribet gave a brief overview of both studies and responded to questions from the Commission. She then introduced Ashley Colvin who gave an overview of the VITA study. Mr. Colvin then introduced Kimberly Sarte who provided the Commission with a summary of the Mandated Health Insurance Benefits reviews for 2009.

Following Ms. Sarte's presentation, Delegate Cox asked if there were any additional questions of the Commission and requested a motion to approve the *2009 JLARC Workplan* (Enclosure 6) and authorize printing. Delegate Hamilton made a motion to approve the workplan, which was seconded by Senator Stosch and approved by the Commission.

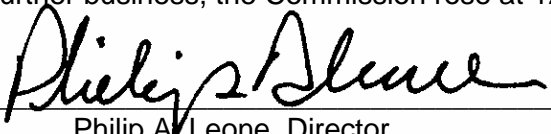
At this time, Delegate Cox then asked the Commission to consider two study resolutions directing the JLARC staff to (1) study the benefits of placing more public deposits, investments and other Treasury managed funds with banks operating within the Commonwealth versus out-of-state institutions (Enclosure 7) and (2) study the costs incurred by the Commonwealth or its localities resulting from tort claims and the limit on damages for claims brought pursuant to the Virginia Tort Claims Act (Enclosure 8). Mr. Bob Young, Deputy State Treasurer, addressed the Commission regarding the first resolution and answered questions of the Commission members. After much discussion, a motion was made by Delegate Hamilton and seconded by Delegate Putney for JLARC to conduct this study. The motion was approved by the Commission with a 7-to-1 vote.

Delegate Cox then addressed the Commission on the second resolution. After much deliberation of the Commission a motion was made by Delegate Joannou and seconded by Delegate Griffith. The motion was defeated with a 4-to-4 vote.

Mr. Walt Kucharski then gave a presentation (Enclosure 9) of the Auditor of Public Accounts *Annual Workplan* (Enclosure 9). Following Mr. Kucharski's presentation, a motion was made by Senator Stosch to approve the APA's annual workplan. This motion was seconded by Delegate Morgan and approved by the Commission.

Lastly, Phil Leone announced that the next Commission meeting is scheduled for Monday, June 8, 2009, which will include presentations on autism services and DGS internal service funds.

There being no further business, the Commission rose at 12:20 p.m.

Approved by: 
Philip A. Leone, Director

Date: May 22, 2009

Prepared by: 
Joan M. Irby