COMMONWEALTH of VIRGINIA

Hal E. Greer
Director

Joint Legislative Audit and Review Commission
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JLARC Meeting – Minutes

October 14, 2014

Attending

JLARC Members:
Senator John C. Watkins, Chairman; Delegate David B. Albo, Senator Charles J. Colgan, Delegate M. Kirkland Cox, Delegate Johnny Joannou, Delegate Chris Jones, Delegate R. Steven Landes, Delegate James P. Massie III, Senator Thomas K. Norment, Delegate John M. O'Bannon, Delegate Lionell Spruill, Sr., Senator Walter Stosch, Ms. Martha Mavredes, Ex Officio.

JLARC Staff:
Hal Greer, Director; Nathalie Molliet-Ribet, Senior Associate Director; Justin Brown, Associate Director; Kimberly Sarte, Assistant Director; Lauren Axselle, Erik Beecroft, Sarah Berday-Sacks, Jamie Bitz, Susan Bond, Drew Dickinson, Chris Duncombe, Kathy DuVall, Bridget Farmer, Nicole Gaffen, Mark Gribbin, Nia Harrison, Borna Kazerooni, Liana Kleeman, Paula Lambert, Jeff Lunardi, Joe McMahon, Ellen Miller, David Reynolds, Beth Singer, Tracey Smith, Nichelle Williams, Christine Wolfe.

Others:
Dan Hix and Yan Zheng (State Council of Higher Education for Virginia); Collette Sheehy (University of Virginia); Phil Leone and Elizabeth Hooper (Virginia Tech); Charles King (James Madison University); Eric Sandridge (Auditor of Public Accounts); Tony Maggio (House Appropriations Committee); April Kees and Jason Powell (Senate Finance Committee); Joe Damico (Department of General Services); Alana Austin (NBC-29 in Charlottesville); Ed Rhoades (Lobbyist for fire and rescue squad associations); Anne-Marie Morgan (Virginia Public Radio); Eric Link (VITA); Karin Kapsidelis (Richmond Times-Dispatch).

The meeting was called to order at 10:05 a.m. by Senator Watkins, Chairman. Senator Watkins recognized Hal Greer, JLARC staff Director, who provided the Commission with an overview of the meeting agenda and introduced Justin Brown. Mr. Brown provided the Commission with some brief comments regarding the study mandate (House Joint Resolution 108 approved by the 2012 General Assembly) that directed JLARC to study the cost efficiency of the Commonwealth's public institutions of higher education and to identify opportunities to reduce the cost of public higher education in Virginia. Mr. Brown noted that the support costs and staffing report is the fourth in JLARC's higher education series. Following Mr. Brown's remarks, he

introduced Ellen Miller who presented a briefing of the *Support Costs & Staffing at Virginia's Higher Education Institutions* report. Ms. Miller responded to several questions from the Commission throughout her presentation. Subsequently, Senator Watkins requested a motion to receive the report and authorize printing. A motion was made by Delegate Spruill, seconded by Senator Colgan, and approved unanimously by the Commission.

Mr. Greer then noted that the next item on the agenda was a report from the Study Priorities Subcommittee. Senator Watkins, Subcommittee Chair, noted that the subcommittee met that morning before the Commission meeting to hear JLARC staff presentations of scoping documents for two potential studies: Medicaid and water resource planning and management. Senator Watkins stated that a separate study on Medicaid-funded transportation services (House Joint Resolution 40 of the 2014 General Assembly Session) would not begin until late 2015 because a new contract has just been executed between DMAS and the service provider. Senator Norment asked Mr. Greer about the staff's workload for 2015. Mr. Greer stated that the staff would have a full plate if the Commission approved these two studies, and no additional staff would be available to work on other studies in 2015. Senator Norment indicated that he thought it would be myopic for the Commission to take up all of the staff's capacity for 2015. Delegate O'Bannon noted that the Commission has control over the prioritization of studies that the staff is directed to complete. Senator Watkins stated that the subcommittee voted to have the two studies come forward to the full Commission without a recommendation. Senator Stosch asked about the objectives of the two studies. Senator Watkins asked JLARC staff (Nathalie Molliet-Ribet and Jamie Bitz) to provide the Commission with a brief overview of the scoping documents that were presented to the subcommittee. Sentator Norment asked whether another agency could look into the two study areas.

Following the brief comments provided by Ms. Molliet-Ribet and Mr. Bitz, Delegate Landes made a motion that the Commission authorize JLARC staff to move forward with the Medicaid study. He also noted that the study would provide additional information that the Medicaid Innovation and Reform Commission (MIRC) has not seen before. Delegate Spruill and Delegate Cox seconded Delegate Landes' motion. Delegate Massie stated that the JLARC study would be an independent audit of Medicaid and he is strongly supportive of it. Delegate Joannou asked when JLARC staff would start on the Medicaid study and when a final report would be presented. Mr. Greer explained that an interim report could be presented in 2015 and a final report would be completed in 2016. Senator Stosch noted that the Medicaid study would be asking JLARC to do something that the MIRC could do, which could be viewed as undermining the work of MIRC. Delegate Spruill stated that he prefers for JLARC staff to do the Medicaid study. Delegate O'Bannon said that the work could be parallel to that of the MIRC. Delegate Cox commented that it would be timely to approve the Medicaid study now instead of waiting until the end of the 2015 General Assembly session. Delegate O'Bannon stated that the Commission should approve the Medicaid study now but wait on the water study. No vote was taken on the motion to authorize JLARC staff to move forward with the Medicaid study.

Senator Watkins noted that JLARC staff will use the scoping documents to prepare resolutions for the November Commission meeting. He also stated that most of the recommendations in the prior two JLARC reports on Medicaid have not yet been implemented. Senator Watkins then stated that it would be more prudent to have the two study resolutions drafted and wait until the end of the 2015 General Assembly session to vote on them, which would delay approval by about four months. Delegate Landes then stated that the problem with delaying the approval of the study is that it would cause difficulty with drafting legislation for the 2017 session

based on report recommendations. Senator Norment made a motion that the Commission should direct staff to prepare study resolutions and decide whether they want to move forward at the November Commission meeting. Senator Colgan seconded Senator Norment's motion, which was approved by all of the Commission members still present except for Senator Watkins who abstained from voting.

Lastly, Mr. Greer announced that the next Commission meeting is scheduled for Monday, November 10, which will include presentations on JLARC's final report on higher education and the annual state spending report.

There being no further business, the Commission rose at 11:48 a.m.

Approved by: Hal E. Greer

Hal E. Greer, Director

Date: 10/23/14

Prepared by: Paula Lambert

Paula C. Lambert
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