



COMMONWEALTH of VIRGINIA

Glen S. Tittermary
Director

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

(804) 786-1258

MINUTES

July 11, 2011

Attending

JLARC Members:

Senator Charles J. Colgan, Sr., Chairman; Delegate John M. O'Bannon, Vice-Chairman; Delegate M. Kirkland Cox, Senator Edward Houck; Senator Janet Howell; Delegate Johnny Joannou; Delegate Chris Jones; Delegate Harvey Morgan; Senator Thomas K. Norment, Delegate Robert Orrock; Delegate Lacey E. Putney; Senator Walter Stosch; Mr. Walter J. Kucharski, Ex Officio.

JLARC Staff:

Glen Tittermary, Director; Hal Greer, Deputy Director; Lauren Axelle, Aris Bearse, Ashley Colvin, Drew Dickenson, Martha Erwin, Anna Haley, Paula Lambert, Nathalie Molliet-Ribet, Bob Rotz, Walt Smiley, Tracey Smith, Christine Wolfe.

Others:

Diana Cantor, Chair, Board of Trustees, VRS; Charles Grant, CIO, VRS; Robert Schultze, Director, VRS; Trish Bishop, Director of Policy and Compliance, VRS; Jeanne Chenault, Public Relations Director, VRS; Jim Roberts, Glen Pond, Virginia Governmental Employees Association; Mary Jo Fields, Virginia Municipal League; Rob Jones, Virginia Education Association; Jim Regimbal, Fiscal Analytics, Ltd.; Tyler Whitley, Richmond Times Dispatch; Jason Powell, Sarah Herzog – Senate Finance Committee; Wendy Kang, Virginia Community College System; Peter Blake, State Council for Higher Education in Virginia.

The Commission meeting was called to order at 10:00 a.m. by Senator Colgan, Chairman. Senator Colgan then recognized Glen Tittermary, JLARC staff Director, who provided the Commission with an overview of the items on the meeting agenda (Enclosure 1). Mr. Tittermary then introduced Aris Bearse, project leader for the *Review of Coordination Needs Within Virginia's Education System* report (Enclosure 2), who presented a briefing of the report (Enclosure 3). Following several questions of the Commission, Senator Colgan requested a motion to receive the report and authorize printing. Delegate Orrock proposed a motion to add a recommendation to the JLARC report that the General Assembly may wish to consider requiring the Secretary of Education to serve as an ex officio member on SCHEV's board and the Board of Education. After some discussion among the Commission, Mr. Tittermary committed JLARC

staff to conduct some additional research regarding the legality and feasibility of the Secretary of Education serving as an ex officio board member. Mr. Tittermary stated that JLARC staff would send the members a memo with the findings from this additional research. Subsequently, Delegate Orrock withdrew his motion to amend the JLARC report. Senator Colgan then requested a motion to receive the report and authorize printing. Senator Houck made a motion, which was seconded by Delegate O'Bannon and approved unanimously by the Commission.

Mr. Tittermary then introduced Tracey Smith, Senior Legislative Analyst for VRS Oversight, who presented a briefing (Enclosure 4) of the *VRS Semi-Annual Investment Report* (Enclosure 5). At the conclusion of Ms. Smith's presentation, Senator Colgan requested a motion to receive the report and authorize printing. Delegate O'Bannon made the motion, which was seconded by Senator Howell and approved unanimously by the Commission.

Senator Colgan then welcomed Ms. Diana Cantor, Chairman of the VRS Board of Trustees, who provided the Commission with an overview of VRS (Enclosure 6). During her remarks, she noted that the next Board retreat is scheduled for September. In addition, she informed the Commission members that Charles Grant, VRS' Chief Investment Officer, is retiring from VRS in August. Accordingly, Ms. Cantor noted that VRS is working diligently in the search for Mr. Grant's replacement. Following Ms. Cantor's remarks, Mr. Charles Grant presented an overview of VRS' investments and answered many questions from the Commission members. At the end of Mr. Grant's presentation, Senator Colgan thanked him for his presentation and for his years of service to the Commonwealth. Senator Colgan then welcomed Bob Schultze, VRS' Director, who provided the Commission with an overview of VRS membership, employer contribution rates, and benefits funding.

Lastly, Mr. Tittermary announced that the next Commission meeting is scheduled for Monday, September 12, 2011, which will include a presentation on third grade reading proficiency and the biennial Report to the General Assembly. There being no further business, the Commission rose at 12:27 p.m.

Approved by: _____


Glen Tittermary, Director

Date: _____

7/14/11

Prepared by: _____


Paula C. Lambert

Fiscal Officer & Senior Legislative Analyst