



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

June 11, 2012

Attending

JLARC Members:

Senator Charles Colgan, Chairman; Delegate John O'Bannon, Vice-Chairman; Delegate Kirk Cox, Senator Janet Howell, Delegate Johnny Joannou, Delegate Chris Jones, Delegate James Massie, Senator Thomas Norment, Delegate Robert Orrock, Delegate Lacey Putney, Delegate Lionell Spruill, Senator Walter Stosch, and Mr. Walter Kucharski, Ex Officio.

JLARC Staff:

Glen Tittermary, Director; Hal Greer, Deputy Director; Nathalie Molliet-Ribet, Division Chief; Justin Brown, Division Chief; Lauren Axselle, Jamie Bitz, Drew Dickinson, Chris Duncombe, Martha Erwin, Katie Francis, Nicole Gaffen, Mark Gribbin, Anna Haley, Nia Harrison, Joan Irby, Paula Lambert, Joe McMahon, Ellen Miller, Laura Parker, Greg Rest, Kimberly Sarte, Walt Smiley, Tracey Smith, Massey Whorley, and Christine Wolfe.

Others:

Robert Schultze (VRS), Phil Leone (Virginia Tech), Mary Ann Curtin (Chesterfield), Carrie Hileman (Virginia Economic Development Partnership), Sarah Herzog (Senate Finance), Mary Jo Fields (VML), Rob Lockridge (UVA), Mike Woods (Troutman Sanders Strategies), David Bailey (Lobbyist), Virginia Diamond (AFLCIO), Fred Dodding (Attorney), Patrick Cushing (Williams Mullen).

The meeting was called to order at 10:00 a.m. by Senator Colgan, Chairman. Senator Colgan welcomed Delegate Massie, Delegate Spruill, and Senator Watkins, newly appointed members to the Commission. The first order of business was the election of a new Chairman and Vice-Chairman. Senator Colgan asked for nominations for Chairman. Delegate Cox nominated Delegate O'Bannon which was seconded by Delegate Putney. There being no other nominations, Delegate O'Bannon was elected Chairman unanimously by the Commission. Delegate O'Bannon then requested nominations for Vice-Chairman. Senator Norment nominated Senator Watkins. Delegate Massie seconded the nomination. Senator Watkins was elected Vice-Chairman unanimously by the Commission.

Delegate O'Bannon then recognized Glen Tittermary, JLARC staff Director, who introduced three new JLARC staff members to the Commission: Chris Duncombe, Nicole Gaffen, and Laura Parker. Following these introductions, Mr. Tittermary suggested to the Commission that the November 13 meeting start at 9:00 am in order to accommodate those members attending the House Appropriations retreat that afternoon in Hampton Roads. The members agreed to the change so Mr. Tittermary indicated that JLARC's website and the legislative meeting calendar would be updated to reflect this change.

Mr. Tittermary then provided the Commission with an overview of the meeting agenda (Enclosure 1) and introduced Walt Smiley who presented a briefing (Enclosure 2) of the *Review of Employee Misclassification in Virginia* report (Enclosure 3). At the conclusion of Mr. Smiley's presentation, Delegate O'Bannon requested a motion to receive the report and authorize printing. A motion was made by Delegate Putney, seconded by Delegate Joannou, and approved unanimously by the Commission.

Following Mr. Smiley's presentation, Mr. Tittermary presented the 2012 Director's Report (Enclosure 4) to the Commission. Mr. Tittermary then introduced Hal Greer who presented a summary of JLARC's FY 2013 Strategic Plan (Enclosure 5). Following Mr. Greer's presentation, Delegate O'Bannon requested a motion to approve JLARC's Strategic Plan. Delegate Cox made a motion, which was seconded and approved unanimously by the Commission.

Following the motion to approve JLARC's Strategic Plan, Mr. Greer began the presentation (Enclosure 6) of the *2012 JLARC Workplan* (Enclosure 7) by providing an overview of the projects under his division which include: (1) *Annual Review of State Spending*, (2) *Virginia Retirement System Oversight*, (3) *Virginia College Savings Plan Oversight*, (4) *Internal Service Fund Oversight*, (5) *VITA Oversight*, and (6) *Biennial Report to the General Assembly*. Mr. Greer then turned the presentation over to the project leaders assigned to his division (Walt Smiley, Tracey Smith, Ellen Miller, Justin Brown, and Jamie Bitz) each of whom presented a brief overview to the Commission of the research activities for each project and oversight function.

Following Mr. Greer's division presentation, Nathalie Molliet-Ribet, Division Chief, provided an overview of the projects assigned to her division: (1) *Review of the Effectiveness of Virginia's Economic Development Incentive Grants*, and (2) *Impact of Restructuring Virginia's Business, Professional and Occupational License (BPOL)*. Ms. Molliet-Ribet then turned the presentation over to Ellen Miller who presented a brief overview to the Commission of the study issues and research activities for the incentive grants project. Ms. Molliet-Ribet then presented a brief overview of the BPOL project also gave a brief overview to the Commission on the *Evaluations of Proposed Mandated Health Insurance Benefits*, which is an ongoing responsibility in her division.

Following Ms. Molliet-Ribet's presentation, Justin Brown, Division Chief, gave an overview of the projects assigned to his division: (1) *Review of Dedicated Funding Options for Land Conservation*, (2) *Year Round Schools*, (3) *Incentives for Regional Collaboration on Local Government Functions*, (4) *Follow-up Review of the Cost of Competing in Standards of Quality Funding*. Mr. Brown then turned the presentation over

to the project leaders in his division (Jamie Bitz, Kimberly Sarte, and Tracey Smith) each of whom presented a brief overview to the Commission of the study issues and research activities for each project. Mr. Brown then gave a brief overview to the Commission of the Cost of Competing Adjustment project, in addition to the *State Spending on the Standards of Quality (SOQ)*, an ongoing responsibility in his division.

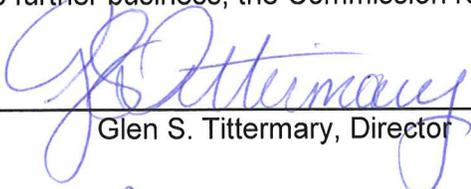
At this time, Mr. Greer presented the Commission with an overview of other studies assigned but not scheduled to be briefed until the fall of 2013 and 2014. Following the workplan presentation, Delegate O'Bannon asked if there were any additional questions of the Commission and requested a motion to approve the *2012 JLARC Workplan* (Enclosure 7). Delegate Cox made a motion to approve the workplan, which was seconded by Senator Colgan and approved unanimously by the Commission.

Delegate O'Bannon then recognized Mr. Walt Kucharski who presented the Auditor of Public Accounts *Annual Workplan* (Enclosure 8) along with Staci Henshaw, an Audit Director for the APA. During the presentation, Senator Stosch requested that Mr. Kucharski provide the Commission with an update of the Cardinal project at the next Commission meeting. Following the presentation, Delegate O'Bannon requested a motion to approve the *APA Annual Workplan* (Enclosure 9). A motion was made by Senator Stosch, seconded by Delegate Jones, and approved unanimously by the Commission.

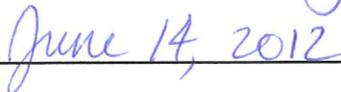
Lastly, Mr. Tittermary announced that the next Commission meeting is scheduled for Monday, July 9, which will include presentations on the Semi-Annual VRS Investment Report and the Virginia College Savings Plan CEO Overview.

There being no further business, the Commission rose at 12:10 p.m.

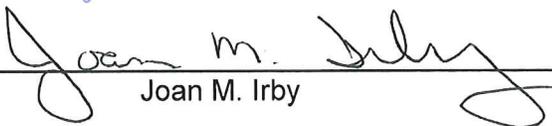
Approved by: _____


Glen S. Tittermary, Director

Date: _____



Prepared by: _____


Joan M. Irby