



COMMONWEALTH of VIRGINIA

Hal E. Greer
Director

Joint Legislative Audit and Review Commission
201 North 9th Street, General Assembly Building, Suite 1100
Richmond, VA 23219

(804) 786-1258

JLARC Meeting – Minutes
December 9, 2013

Attending

JLARC Members:

Delegate John M. O'Bannon, Chairman; Senator John C. Watkins, Vice-Chairman; Delegate David B. Albo, Senator Charles J. Colgan, Delegate M. Kirkland Cox, Senator Janet Howell, Delegate Johnny Joannou, Delegate Chris Jones, Delegate James P. Massie III, Senator Thomas K. Norment, Delegate Lacey E. Putney, 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; Lauren Axselle, Jamie Bitz, Drew Dickinson, Chris Duncombe, Kathy DuVall, Bridget Farmer, Katie Francis, Nicole Gaffen, Mark Gribbin, Nia Harrison, Borna Kazerooni, Liana Kleeman, Paula Lambert, Joe McMahon, Ellen Miller, Greg Rest, David Reynolds, Kimberly Sarte, Anna Seymour, Beth Singer, Tracey Smith, Christine Wolfe, Sandra Wright.

Others:

Diana Cantor, Chair of VRS Board of Trustees; Bob Schultze, Ronald Schmitz, Rory Badura, Jeanne Chenault – Virginia Retirement System; Mark Smith – George Mason University; Phil Leone, Elizabeth Hooper – Virginia Tech; Carrie Hileman, and Sandi McNinch – Virginia Economic Development Partnership; Kathleen Shaw and Pam Currey – Virginia Commonwealth University; Laura Fornash, Rob Lockridge – University of Virginia; Mark Rubin (VCU Health System); April Kees and Sarah Herzog – Senate Finance Committee; Tony Maggio and Susan Hogge – House Appropriations Committee; Rob Jones – Virginia Education Association; Michael Martz – Richmond Times Dispatch.

The meeting was called to order at 10:02 a.m. by Delegate O'Bannon, Chairman. Delegate O'Bannon then recognized Hal Greer, JLARC staff Director, who provided a brief overview of the meeting agenda. Mr. Greer then presented Delegate Putney with a resolution signed by the Commission members in recognition of his upcoming retirement and thanked him for his years of dedication and service to the Commonwealth.

Subsequently, Mr. Greer provided the Commission with a brief overview of the series of higher education reports to be completed in 2014 then introduced Kimberly Sarte who presented a briefing of the *Review of Academic Spending and Workload at Virginia's Public Higher Education Institutions* report. During the presentation, Ms. Sarte responded to a number of questions from the Commission. Delegate O'Bannon then requested a motion to receive the report and authorize printing. A motion was made by Delegate Spruill and seconded by several Commission members. The motion was approved unanimously by the Commission.

Ms. Smith then presented a briefing of the *VRS Semi-Annual Investment Report: December 2013*. Ms. Smith responded to several questions of the Commission. At the conclusion of Ms. Smith’s presentation, Delegate O’Bannon requested a motion to receive the report and authorize printing. A motion was made by Senator Watkins and Delegate Cox and seconded by Delegate Jones. The motion was approved unanimously by the Commission.

Following Ms. Smith’s presentation, Mr. Greer turned the meeting over to Justin Brown who presented a briefing of *the State Spending on the Standards of Quality: FY 2013* report. At the conclusion of Mr. Brown’s presentation, Delegate O’Bannon requested a motion to receive the report and authorize printing. A motion was made by Senator Watkins, seconded by Delegate Cox and Senator Colgan. The motion was approved unanimously by the Commission.

Mr. Brown then provided the Commission with some remarks regarding internal service fund developments. Mr. Brown explained that the Department of Planning and Budget (DPB) will be changing the way internal service funds appear in the budget. In terms of JLARC’s role with internal service funds, Mr. Brown stated that DPB and JLARC will coordinate on the process of how the funds are managed. Mr. Brown indicated that DPB has proposed a budget-driven process for internal service funds to replace the current rate setting process. He then stated that the internal service fund subcommittee can plan a meeting in April 2014 and provide the Commission with a status update at its May 2014 meeting. Senator Watkins stated that General Assembly members may need to develop a legislative process for internal service funds.

At the conclusion of Mr. Brown’s remarks, Hal Greer introduced Bob Schultze, Director of VRS, who recognized Diana Cantor, Chair of the VRS Board of Trustees, then provided the Commission with a presentation overview of Project Frontier. Mr. Schultze answered a number of questions of the Commission. Delegate O’Bannon stated that no action was required by the Commission on this agenda item.

Lastly, Mr. Greer reminded the Commission of the luncheon immediately following the meeting at the Bull and Bear Club in honor of Delegate Putney’s retirement.

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

Approved by: Hal E. Greer
Hal E. Greer, Director

Date: 12/12/2013

Prepared by: Paula C. Lambert
Paula C. Lambert
Manager, Fiscal and Administrative Services &
Senior Legislative Analyst