

JLARC Workplan

2017



Joint Legislative Audit and Review Commission

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1 JLARC Workplan

The Joint Legislative Audit and Review Commission (JLARC) is the oversight agency of the Virginia General Assembly. It was established by the legislature in 1973 to review and evaluate the operations and performance of state agencies and programs. Major topics of research are developed and approved by the General Assembly and sometimes by the Commission. Since its establishment, JLARC’s responsibilities have been expanded to include oversight and fiscal analysis in a number of areas of Virginia government.

JLARC uses a structured but flexible process for planning the work of the agency. This workplan, which is prepared annually and submitted to the Commission for review and approval, represents a staff proposal for a feasible work schedule. The workplan may be revised to reflect changes in organizational priorities and needs. The sections that follow cover JLARC’s major work functions: Studies, Ongoing Evaluation and Oversight, Fiscal Analysis, and Support.

Proposed meeting schedule 2017

MAY 8	Director’s Report	<i>JLARC director</i>
	JLARC workplan	<i>JLARC staff</i>
	APA workplan and report on 2016 work	<i>APA leadership</i>
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JUNE	<i>No meeting</i>	
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JULY 10	VRS reports	<i>VRS leadership, JLARC staff</i>
	VA529 reports	<i>VA529 leadership, JLARC actuary, JLARC staff</i>
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AUGUST	<i>No meeting</i>	
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SEPTEMBER 11	Operations and Performance of the Virginia Community College System	<i>JLARC staff</i>
	VITA reports	<i>VITA leadership, JLARC staff</i>
	Report to the General Assembly: JLARC Impacts	<i>JLARC staff</i>
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OCTOBER 10	Regulation and Use of Biosolids and Industrial Residuals	<i>JLARC staff</i>
	State spending report	<i>JLARC staff</i>
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NOVEMBER 13	Total Compensation for State Employees	<i>JLARC staff</i>
	Economic development incentives (two reports)	<i>JLARC staff</i>
	Unimplemented JLARC recommendations	<i>JLARC director</i>
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DECEMBER 11	Optimizing State Investments in Early Childhood Development	<i>JLARC staff</i>
	Spending on the K-12 Standards of Quality	<i>JLARC staff</i>
	VRS report	<i>JLARC staff</i>

2 Studies

Major research studies are the primary work of the agency. Studies follow individual project workplans, which are developed by study teams and reviewed by JLARC's project review team—director, associate directors, methodologist, and publications staff—to ensure that high-quality work can be completed in the time allotted. The project review team examines each project at every major stage of the research process.

Studies to be completed and briefed in 2017 are summarized below. Study resolutions are included in the appendix.

Operations and Performance of the Virginia Community College System

Mandate: HJR 157 (2016)

Scheduled briefing: September 11, 2017

Community colleges play an important role in higher education and workforce development. About 40 percent of Virginia undergraduates are enrolled in the Virginia Community College System (VCCS). VCCS is the sixth largest state entity by appropriations (\$1.68 billion in FY16). Over the past decade, appropriations to VCCS have increased 66 percent, adjusted for inflation.

By taking community college courses, students can earn associate's degrees and professional licenses and certifications, and apply coursework toward degrees at four-year higher education institutions. Virginia's community colleges charge less in tuition than four-year institutions, but despite this cost advantage, a smaller percentage of Virginia undergraduates are enrolled at community colleges than a decade ago.

JLARC staff will assess the outcomes and affordability of the academic and workforce programs provided by community colleges and identify opportunities and strategies for improving student success. The study will evaluate student progression through programs, as well as student success in transferring to four-year institutions and entering the workforce.

JLARC staff will assess spending by the central office and the community colleges, to determine whether there are opportunities for more effective and efficient use of funds. In addition, because the current configuration of VCCS has been in place for almost two decades, JLARC staff will examine the structure of VCCS to identify ways to more efficiently meet present-day operational demands.

Regulation and Use of Biosolids and Industrial Residuals

Mandate: HJR 120 (2016)

Scheduled briefing: October 10, 2017

Biosolids and industrial residuals are used to fertilize farmland but can present risks to human health and the environment. Biosolids are organic matter generated by wastewater treatment plants, and industrial residuals are by-products of manufacturing processes, such as food processing. These materials contain pathogens and contaminants that can harm people and pollute water. To try to mitigate these risks, the state regulates the use of these materials.

Biosolids and industrial residuals are applied to about three percent of Virginia's farmland each year, typically in rural areas away from population centers. In 2016, these materials were applied to farmland in 51 of the state's 133 localities. Most biosolids and industrial residuals are given away for free, which benefits farmers by reducing their fertilizer costs or allowing them to treat lands that would otherwise not be fertilized.

JLARC staff will review the benefits, risks, and regulation of biosolids and industrial residuals use. The study team will examine how wastewater treatment plants, manufacturers, farmers, and others benefit from land application of these materials. The study will review the human health risks identified in the scientific research literature and concerns raised by Virginia citizens. The team will then evaluate how state regulations and local monitoring programs address health risks, water pollution risks, and citizen concerns.

Total Compensation for State Employees

Mandate: Commission resolution

Scheduled briefing: November 13, 2017

This study, which was recommended by the Commission on Employee Retirement Security and Pension Reform in 2016, was prompted by concerns about the state workforce. State employee salaries have increased only minimally over the past 10 years, and some state agencies report an increase in staff turnover and difficulty hiring qualified people.

JLARC staff will review several aspects of state employee compensation and its impact on the state workforce. Under contract with JLARC, a consultant will compare the value of total compensation for Virginia state employees to that provided by large employers who seek to recruit employees for similar occupations. JLARC staff will review how compensation affects the state's workforce, and whether cost-effective changes could be made to compensation to address the state's workforce challenges. In addition, JLARC staff will assess whether state policies and budget processes effectively identify and prioritize compensation needs.

Optimizing State Investments in Early Childhood Development

Mandate: SJR 88 (2016)

Scheduled briefing: December 11, 2017

There is general agreement among subject matter experts that children's brains develop rapidly in utero and during the early years of life, and skills developed in these early years provide a foundation for future health, learning, and behavior. Early childhood is therefore a period of great opportunity but also great vulnerability for children. There is general agreement that investing in well-designed and well-implemented programs that support optimal brain and skills development in early childhood can yield long-term returns for society.

For the purposes of this study, early childhood development programs will be defined as those that are intended to support optimal brain and skills development prior to school age. Applying this definition yields three types of programs: early learning, developmental services, and parental support. Virginia has dozens of such programs, and hundreds of millions in federal and state funds are spent annually.

JLARC staff will create an inventory of the state's early childhood development programs. For each program, the study team will assess the level of confidence the state can have in the effectiveness of the program. The team will build on these assessments to propose options the General Assembly can consider for future investments in early childhood development.

3 Ongoing Evaluation and Oversight

JLARC provides ongoing evaluation and oversight on behalf of the General Assembly. Two JLARC staff members are assigned to evaluation and oversight.

Ongoing evaluation

Economic development incentives

In 2016 the General Assembly directed JLARC to undertake a new function: to review and evaluate economic development initiatives and policies on an ongoing basis (2016 Appropriation Act, Item 33). The JLARC Economic Development Subcommittee was appointed to provide guidance to staff for developing the evaluation process and selecting the incentives to evaluate each year. The Weldon Cooper Center for Public Service was hired to perform evaluations, which will focus on

- spending on economic development incentives, such as grants and tax preferences;
- success by businesses in meeting goals in return for incentives;
- economic benefits to Virginia of total spending on incentives; and
- effectiveness of incentives in influencing business activity.

Work activities for 2017 are intended to provide the General Assembly with timely, accurate, and actionable information about economic development incentives. JLARC staff will provide a high-level assessment of all incentives and an in-depth evaluation of three film incentives: the Virginia Motion Picture Production Tax Credit; the Governor's Motion Picture Opportunity Fund; and the Film, TV, and Audio Production Inputs Sales Tax Exemption.

Economic development incentives reports – Scheduled briefing: November 13, 2017

JLARC staff will inform the Commission about economic development incentives through two reports in 2017. The first report will provide a high-level assessment of spending and performance on all incentives over the past five years. The second report will provide the findings from the in-depth evaluations of the three film incentives.

Ongoing oversight

Virginia Retirement System

The Virginia Retirement System Oversight Act (Chapter 10 of Title 30 of the Code of Virginia) authorizes oversight of the Virginia Retirement System (VRS). Under this authority, JLARC is directed to focus on

- the structure and governance of the retirement system;
- the structure of the investment portfolio;

- investment practices, policies and performance;
- the actuarial policy and the actuarial soundness of the trust funds; and
- the administration and management of the retirement system.

JLARC staff oversee and evaluate VRS on a continuing basis and as directed by the General Assembly. Work activities for oversight of the retirement system are intended to ensure that the General Assembly is informed about important aspects of the system's investments, actuarial status, and administrative effectiveness.

Monthly meetings of board of trustees and committees – Ongoing attendance

JLARC staff attend meetings of the VRS board of trustees and its committees, including the Benefits and Actuarial Committee, the Audit and Compliance Committee, the Defined Contribution Plans Advisory Committee, the Investment Advisory Committee, the Administration and Personnel Committee, and the Investment Policy Committee.

VRS oversight reports – Scheduled briefings: July 10 and December 11, 2017

JLARC staff inform the Commission about VRS operations and investments through two oversight reports, presented at the July and December Commission meetings. Both reports review VRS trust fund investments, defined contribution plans, and issues related to benefits administration and management. The July report will summarize legislation recently adopted by the General Assembly, and the December report will include information on the VRS budget and expenses. VRS leadership will provide a status update on the retirement system at the July meeting.

Legislator guide to VRS – Scheduled publication: February 2018

The VRS Oversight Act requires JLARC to publish an informational guide to VRS for members of the General Assembly. JLARC staff update the guide, with the assistance of VRS staff, every two years.

Virginia529

The Virginia College Savings Plan Oversight Act (Chapter 51 of Title 30 of the Code of Virginia) authorizes oversight of the Virginia College Savings Plan (VA529). Under this authority, JLARC is directed to focus on

- the structure and governance of VA529;
- the structure of investment portfolios;
- investment practices, policies, and performance;
- the actuarial policy and the actuarial soundness of the prepaid tuition program; and
- the administration and management of the plan.

JLARC staff oversee and evaluate VA529 on a continuing basis and as directed by the General Assembly. Work activities for VA529 oversight are intended to ensure that the General Assembly is informed about the plan's investments, actuarial status, and administrative effectiveness.

Meetings of the board of directors and committees – Ongoing attendance

JLARC staff attend the regular meetings of the VA529 board of directors and its committees, including the Audit and Actuarial Committee, the Compensation Committee, the Investment Advisory Committee, and the Scholarship, Education, and Outreach Committee.

Quadrennial Actuarial Audit – Scheduled briefing: July 10, 2017

The Virginia College Savings Plan Oversight Act directs JLARC to conduct an actuarial review of VA529 once every four years. The quadrennial actuarial audit will be based on the June 30, 2016 valuation of the Prepaid529 fund. The audit is being prepared by the actuarial firm Gabriel, Roeder, Smith under the provisions of its contract with JLARC. Gabriel, Roeder, Smith will present the findings and recommendations of the audit at the July meeting.

Prepaid529 investment management report – Scheduled briefing: July 10, 2017

JLARC staff will provide the Commission with an assessment of the investment management structure of the Prepaid529 fund. In 2016, the Commission directed staff to review the investment management structure of the Prepaid529 fund and assess whether there are options to more efficiently manage the fund. Options could include transferring management of Prepaid529 investments to the Virginia Retirement System or the Virginia Department of Treasury. This review is being undertaken through JLARC's existing oversight authority.

Legislator guide to VA529 – Scheduled publication: February 2018

JLARC publishes an informational guide to VA529 for General Assembly members. JLARC staff update the guide, with the assistance of VA529 staff, every two years.

Virginia Information Technologies Agency

The Appropriation Act directs JLARC to review and evaluate the Virginia Information Technologies Agency (VITA) on an ongoing basis. Under this authority, JLARC is directed to focus on

- the state's IT infrastructure outsourcing contracts;
- VITA's planning and oversight responsibilities; and
- VITA's procurement services and oversight of state agency procurement activities.

Work activities for VITA oversight are intended to inform the General Assembly about important aspects of VITA and IT services in Virginia. In 2017, VITA's IT sourcing initiative will continue to be a principal focus of staff attention.

IT advisory meetings – Ongoing attendance

JLARC staff attend meetings of the Chief Information Officers Council, the IT Advisory Council, the IT Infrastructure Services Program Oversight Committee, the IT Steering Committee, the Customer Advisory Council, and other key IT advisory meetings.

Update on IT infrastructure sourcing – Scheduled briefing: September 11, 2017

In September, JLARC staff will brief the Commission on the status of the IT sourcing initiative. The state is in the process of shifting its central IT infrastructure services, which are currently under contract with Northrop Grumman, to new contracts with multiple vendors. The JLARC briefing will address (1) the status of the transition and how it compares to planned transition dates, (2) the potential cost implications of delays in the transition, and (3) the potential impact on agencies of delays in the transition. VITA leadership will also update the Commission on the progress of the IT sourcing initiative at the September meeting.

Other oversight activities

Report to the General Assembly: JLARC Impacts

Scheduled briefing: September 11, 2017

JLARC is required by statute to produce a biennial report to the General Assembly that summarizes significant actions taken by state agencies in response to JLARC reports and recommendations and the resulting savings to the state. The 2017 report will provide an update on actions taken and savings realized in response to recommendations in JLARC reports published from 2013 through 2016.

Proposed health insurance mandates

Evaluation upon request

At the request of the Health Insurance Reform Commission, JLARC staff participate in the evaluation of bills that would mandate insurance coverage of specific health care benefits. JLARC staff do not anticipate receiving review requests from the Health Insurance Reform Commission in 2017. Statutory mandate: §§ 30-58.1 and 30-343.

Higher education institution management agreements

Review upon request

The Restructured Higher Education Financial and Administrative Operations Act requires that JLARC review the initial management agreements implemented by institutions of higher education and report on institutional compliance with the agreements. JLARC staff have reported on the compliance of four institutions: the University of Virginia, Virginia Tech, William and Mary, and Virginia Commonwealth University. There are no reviews of management agreements planned for 2017. Statutory mandate: § 23.1-1007.

Administrative Process Act exemptions

Periodic review

JLARC is required to periodically review exemptions to the Administrative Process Act and assess whether any exemptions should be discontinued or modified. The Commission has the flexibility to initiate a review when it appears warranted, such as when there are issues or concerns related to regulatory agency use or abuse of the exemptions. Statutory mandate: § 2.2-4005.

Council on Virginia's Future

Technical support and staff assistance upon request

JLARC staff are available for support and assistance to the Council on Virginia's Future. The council was established to develop a strategic plan, long-term goals, and a performance tracking and accountability system (Virginia Performs) for state government. The Council's mandate will expire July 1, 2017. Statutory mandate: § 2.2-2688.

4 Fiscal Analysis

JLARC provides fiscal analysis services to the General Assembly. Under this function, JLARC staff

- provide an independent capability to assess the fiscal impact of proposed legislation and executive orders;
- report on state spending and how Virginia compares nationwide;
- monitor and provide technical support for major forecasts related to the state budget; and
- provide other fiscal analysis support to the General Assembly as requested.

Work activities for 2017 and 2018 are intended to keep the General Assembly informed of state spending trends and provide fiscal assessments and support as requested. Several JLARC staff members work part-time on fiscal analysis.

Fiscal impact review of bills

Upon request of a committee chair

JLARC staff review fiscal impact statements for proposed legislation, and provide a “second opinion” on the projected cost of a specific bill. Through the 2017 General Assembly, JLARC staff have prepared more than 120 fiscal impact reviews. Statutory mandate: Appropriation Act.

Fiscal impact review of executive orders

Upon request of a committee chair

JLARC is required to review the fiscal impact of executive orders issued by the governor, but to date JLARC has not received any requests for this type of review. Upon request, JLARC staff will provide a fiscal impact statement to the requesting chair and the chair of the corresponding committee in the other chamber. Statutory mandate: § 30-19.1:12.

State spending

Annual report scheduled for briefing October 10, 2017

JLARC staff report every year on state spending, including expenditures and appropriations. This year’s report will examine budget growth from FY08 through FY17 and identify the largest and fastest-growing programs. Statutory mandate: § 30-58.3.

K-12 Standards of Quality

Annual report scheduled for briefing December 11, 2017

JLARC staff report every year on funding the state provides each locality for an educational program meeting the K-12 Standards of Quality (SOQ). Statutory mandate: § 22.1-97.

Virginia Compared to the Other States

Scheduled for publication January 2018

Each year JLARC staff publish a booklet comparing all 50 states on a variety of economic and demographic indicators, including population, personal income, revenues, taxes, employment, and tuition at state colleges and universities.

Internal service funds

Memorandum scheduled for release November 2017

JLARC staff monitor 12 internal service funds: nine at the Department of General Services, one at VITA, and two at the Department of Accounts. Each fall JLARC staff provide a memorandum to Commission members addressing the status and fiscal health of the internal service funds. Statutory mandate: §§ 2.2-803, 2.2-1101, and 2.2-2013, and Appropriation Act.

Expenditure forecasts

Ongoing monitoring

JLARC's methodologist participates in a technical advisory group that develops forecast methodologies and alternative forecasts of the state's prison and jail populations. The technical advisory group's "consensus forecasting" process is overseen by the Secretary of Public Safety.

JLARC periodically reviews other major forecasts related to the state budget, including elementary and secondary education average daily membership (school attendance), higher education enrollment, and Medicaid expenditures. Statutory mandate: Appropriation Act.

Debt Capacity Advisory Committee

Participation by JLARC director

The JLARC director serves on the Debt Capacity Advisory Committee, which is required to review the size and condition of the state's tax-supported debt. The committee provides to the governor and General Assembly an estimate of the maximum amount of new tax-supported debt that may be prudently authorized for the next biennium. As necessary, the JLARC director will submit informational memoranda to the chairs of the money committees. Statutory mandate: § 2.2-2712.

Education – special joint committees

Technical support and staff assistance as requested

In 2017, JLARC will support two joint committees studying education: the joint subcommittee on the future competitiveness of Virginia higher education and the joint committee on the future of public elementary and secondary education. Statutory mandate: Appropriation Act (2015) and HJR 112 (2016).

5 Support Functions

Several functions support the research and oversight work of JLARC staff: research methods, publications, fiscal and administrative support, and staff training and development.

Research methods

JLARC has a methodologist who supports teams in developing and carrying out evaluations of state programs and agencies. The research methodologist

- supports the conceptualization, design, and implementation of research methods and techniques to improve the accuracy and validity of findings;
- advises study teams on data collection, approaches to analysis, and statistical methods;
- reviews work products for methodological soundness and accuracy of interpretation;
- develops and implements training to enhance staff capabilities;
- provides technical assistance for the fiscal analysis function; and
- serves as a member of the project review team.

Publications

JLARC's publishing functions are carried out by a two-person team. The publications team works to

- ensure JLARC's products feature strong writing, good design, and high-quality information graphics;
- ensure editorial accuracy, consistency, and integrity; and
- advance the communication of JLARC's work to the legislature and to the public.

The team handles design and layout of JLARC documents and publications, and edits reports and other documents for clarity, logic, usage, and style. The team contributes to the design of graphics; obtains photo images for use in reports, presentations, and on the website; maintains staff resources for writing and graphics; and oversees output and distribution of JLARC publications online and in print.

The JLARC publications team maintains the JLARC website, making sure that public information is current and accurate, and monitors media coverage of JLARC's work.

Fiscal and administrative support

JLARC's fiscal and administrative support function is carried out by a two-person team. The manager for fiscal and administrative services oversees daily operations of the function, which include

- executing the agency's annual budget and ensuring effective internal financial controls;
- providing human resources services to agency staff;
- managing the agency's fixed assets inventory;
- managing agency records and archives; and
- conducting administrative preparation and follow-up for Commission meetings.

The fiscal and administrative support manager also coordinates JLARC's staff recruiting efforts and organizes tracking of JLARC-related legislation. In addition, this function provides administrative support to study teams as needed.

Staff training and development

Staff training activities ensure that staff have the skills and knowledge necessary to perform their work, improve their individual performance, and contribute to the organization's overall performance. Several different types of training are offered to help staff meet their individual training needs and to address organization-wide training needs.

In 2017, training may include

- in-house training for newer staff, to be led by experienced or skilled JLARC staff members;
- external training and skills development courses, designed to address the professional growth or skills development needs of selected staff;
- professional development opportunities offered by the National Legislative Program Evaluation Society at its annual conference; and
- webinars relevant to the work of the agency, available through the National Conference of State Legislatures and other professional organizations.

Appendix: Study resolutions

HOUSE JOINT RESOLUTION NO. 157

Directing the Joint Legislative Audit and Review Commission to review the Virginia Community College System. Report.

Agreed to by the House of Delegates, February 11, 2016

Agreed to by the Senate, February 23, 2016

WHEREAS, the Joint Legislative Audit and Review Commission has not comprehensively reviewed Virginia's Community College System since 1991; and

WHEREAS, Virginia's Community College System works with local school systems, four-year public institutions of higher education, and employers to develop credit, noncredit, and dual enrollment courses for those seeking degrees, credentials, and course credits; and

WHEREAS, Virginia's two-year institutions of higher education offer a less costly alternative to four-year institutions of higher education, but enrollment at two-year institutions constitutes a smaller percentage of the Commonwealth's total undergraduate enrollment than a decade ago; and

WHEREAS between FY 2006 and FY 2015, general fund appropriations to the Virginia Community College System rose \$53 million, the eighth largest increase of all state agencies; and

WHEREAS, between FY 2006 and FY 2015, the Virginia Community College System's central office spending rose 128 percent and staffing rose 39 percent; and

WHEREAS, the Virginia Community College System comprises 23 two-year public institutions of higher education with varying levels of student enrollment and spending and differing circumstances in which to raise revenue from public and private sources; and

WHEREAS, the Virginia Community College System comprises 40 campuses across the Commonwealth with total capital assets valued at \$1.34 billion; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to review the Virginia Community College System.

In conducting its study, the Joint Legislative Audit and Review Commission (the Commission) shall (i) evaluate the system's success in providing Virginians with the education, training, and credentials needed to succeed in the workforce; (ii) determine whether the system's mission is aligned with the Commonwealth's educational and workforce development priorities and complements the missions of the Commonwealth's secondary and four-year higher education systems and its higher education centers, including through dual enrollment and transfer agreements; (iii) assess the system's success in making educational and training opportunities affordable; (iv) assess the spending and allocation of funds within the system; (v) assess how well the system's central office supports each institution; (vi) assess the adequacy of centralized data and information systems to measure institutional effectiveness and to support sound funding decisions; (vii) compare Virginia's Community College System to the community college systems in other states; and (viii) review other issues and make recommendations as appropriate.

All agencies of the Commonwealth, including the Virginia Community College System, the State Council of Higher Education for Virginia, the Department of Education, the Virginia Employment Commission, and local school divisions, shall provide assistance to the Joint Legislative Audit and Review Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings for the first year by November 30, 2016, and for the second year by November 30, 2017, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the Commission intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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HOUSE JOINT RESOLUTION NO. 120

Directing the Joint Legislative Audit and Review Commission to study biosolids and industrial residuals in Virginia. Report.

Agreed to by the House of Delegates, February 11, 2016

Agreed to by the Senate, February 23, 2016

WHEREAS, prior to 1994, the Department of Environmental Quality (DEQ) regulated all land application of treated sewage sludge, commonly known as biosolids, when biosolids were applied to agricultural lands; and

WHEREAS, in 1994, the General Assembly directed the Virginia Department of Health (VDH) to adopt regulations to ensure that (i) sewage sludge permitted for land application, marketing, or distribution is properly treated or stabilized; (ii) land application, marketing, and distribution of sewage sludge is performed in a manner that will protect public health and the environment; and (iii) the escape, flow, or discharge of sewage sludge into state waters in a manner that would cause pollution of state waters, as those terms are defined in § 62.1-44.3 of the Code of Virginia, will be prevented; and

WHEREAS, in 2007, the General Assembly authorized the transfer of all regulatory oversight of biosolids from VDH to DEQ; and

WHEREAS, since 2008, biosolids have been land applied in at least 68 localities in the Commonwealth, with at least 54 of those localities receiving biosolids annually; and

WHEREAS, between 2008 and 2013, an average of 221,000 dry tons of biosolids have been beneficially recycled over an average of 63,000 acres annually; and

WHEREAS, this acreage represents less than one percent of the available crop land, pasture land, and forest land in the Commonwealth; and

WHEREAS, the National Academy of Sciences reviewed current practices, public health concerns, and regulatory standards and concluded that the use of biosolids in the production of crops for human consumption, when practiced in accordance with existing federal guidelines and regulations, presents negligible risk to the consumer, to crop production, or to the environment; and

WHEREAS, in accordance with House Joint Resolution No. 694 of the 2007 Session of the General Assembly, the Secretary of Natural Resources and Secretary of Health and Human Resources convened a panel of experts to study the impact of land application of biosolids on human health and the environment; and

WHEREAS, the General Assembly posed specific questions to the panel and requested that it consider the typical contaminant concentrations and application rates of biosolids in its study; and

WHEREAS, the panel included stakeholders from a broad range of disciplines, including medicine, higher education, forestry, agronomy, environmental science, ecology, veterinary medicine, and law; and

WHEREAS, the Secretary of Natural Resources and Secretary of Health and Human Resources published the final report of the panel in 2008 (House Document 27); and

WHEREAS, the panel uncovered no evidence or literature verifying a causal link between biosolids and illness but recognized gaps in the science and knowledge surrounding this issue; and

WHEREAS, the panel stated that these gaps could be reduced through highly controlled epidemiological studies relating to health effects of land-applied biosolids and through additional efforts to reduce the limitations in quantifying all the chemical and biological constituents in biosolids; and

WHEREAS, the panel stated that there are gaps in the research that characterizes the composition, fate, and effects of pharmaceutical and personal care products and other persistent organic compounds in biosolids, as well as in other products, materials, and the environment; and

WHEREAS, House Joint Resolution No. 694 of the 2007 Session of the General Assembly also directed the panel to perform a detailed analysis of the chemical and biological composition of biosolids; and

WHEREAS, detailed analysis of the vast number of constituents of biosolids, combined with the specialized analytical methods employed to detect and quantify these constituents, involves significant cost; and

WHEREAS, because no funding was available to conduct new analyses, the panel was limited in performing a detailed analysis of the chemical and biological constituents of biosolids; and

WHEREAS, under § 405(d)(2)(C) of the federal Clean Water Act, the U.S. Environmental Protection Agency is required to conduct a review of the standards set out in 40 C.F.R. Part 503 not less than every two years for purposes of regulating new pollutants where sufficient data exist; and

WHEREAS, § 62.1-44.3 of the Code of Virginia defines industrial wastes as "liquid or other wastes resulting from any process of industry, manufacture, trade, or business or from the development of any

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natural resources"; and

WHEREAS, the land application in Virginia of industrial wastes, including industrial residuals, is regulated by the Virginia Department of Agriculture and Consumer Services (VDACS) and DEQ; and

WHEREAS, VDACS regulates certain industrial residuals as "industrial co-products" in accordance with the regulations applicable to agricultural liming materials and fertilizer, providing for the marketing and distribution of industrial wastes; and

WHEREAS, the land application of industrial residuals that is not regulated by VDACS is regulated by the State Water Control Board and DEQ; and

WHEREAS, industrial residuals from more than 35 facilities are land applied in Virginia pursuant to the terms of a Virginia Pollution Abatement or Virginia Pollutant Discharge Elimination System Permit issued by DEQ; and

WHEREAS, since taking over the regulatory program from VDH, DEQ has conducted over 10,000 inspections of biosolids and industrial residual land application sites; and

WHEREAS, biosolids and industrial residuals are beneficially land applied on less than one percent of the cropland, pastureland, and forestland on Virginia farms; and

WHEREAS, on average, less than 10,000 dry tons of industrial wastes are land applied annually in Virginia, an amount representing less than five percent of the annual amounts of biosolids land applied in Virginia; and

WHEREAS, the permits issued by DEQ include authorization for land application of industrial wastes from a variety of facilities, including poultry hatching plants, breweries, rendering plants, chicken and pork processing and packaging plants, plants for the processing of apples, fish, meat, tomatoes, and wood, plants for the manufacturing of concentrated and dried soup stock, confections, beverages, and snack cakes, farmers' markets, and municipal potable water treatment plants; and

WHEREAS, the Department of Environmental Quality's permit application requires the applicant to submit details regarding the design of the industrial wastes treatment works, including the storage facility and land area determination, as well as characterization of the industrial wastes that includes analyses of heavy metals and other constituents; and

WHEREAS, DEQ examines the specific processes used at the facility generating the industrial wastes to determine whether any waste constituents may represent a threat to human health and the environment; and

WHEREAS, DEQ requires the permit applicant to provide analyses to determine the capacity of the land application site to assimilate nutrients, metals, and any other pollutants of concern, in order to demonstrate that the activity may be performed safely and protect the environment; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study biosolids and industrial residuals in Virginia.

In conducting its study, the Joint Legislative Audit and Review Commission (JLARC) shall (i) analyze the current scientific literature regarding the long-term effects of biosolids and industrial residuals on health, including potential impacts on well, surface, and ground water; (ii) evaluate the regulatory requirements for land application and storage; (iii) evaluate the differences between biosolids and industrial residuals rated as "Class A" materials and "Class B" materials; (iv) evaluate the feasibility, especially for local governments, and including an economic impact on citizens of the Commonwealth, of requiring municipal utilities currently permitted to generate, as a byproduct of the municipal wastewater treatment process, "Class B" material to upgrade those facilities to generate "Class A" material; (v) evaluate the effectiveness of the local monitoring component of the programs, while also analyzing the potential for private contractors to serve in a monitoring capacity; (vi) evaluate both the potential outcomes and the probable costs from additional testing requirements for these products; (vii) analyze potential alternatives for waste materials that are currently processed and treated to be land applied, and any potential costs that could be associated with such alternatives; (viii) evaluate the contractual relationships among Virginia localities and the impacts of local agreements and decisions that could affect wastewater treatment and land application, including septic tank pump out requirements; and (ix) where applicable, analyze the potential impacts of Virginia's biosolids and industrial residuals regulations on agricultural interests and future economic development in the Commonwealth.

Technical assistance shall be provided to the Joint Legislative Audit and Review Commission by the Department of Environmental Quality, the Virginia Department of Agriculture and Consumer Services, the Virginia Department of Health, the United States Geological Survey, and the members of the W3170, a multi-state workgroup composed of representatives of the U.S. Environmental Protection Agency, the U.S. Department of Agriculture, universities, and municipal governments from across the United States that is conducting research on understanding the potential hazards and value of constituents in biosolids and other residuals. All agencies and academic institutions of the Commonwealth, local governments, and other interested parties as necessary shall provide assistance to the Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings for the first year by November 30, 2016, and for the second year by November 30, 2017, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the Commission intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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COMMONWEALTH of VIRGINIA

*Joint Legislative Audit and Review Commission
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A Resolution of the Joint Legislative Audit and Review Commission directing staff to study total compensation to employees of the Commonwealth.

Authorized by the Commission on January 13, 2017

WHEREAS, the Commonwealth has funded statewide base pay increases only three times since 2007; and

WHEREAS, the three percent performance increase scheduled for 2016 was canceled due to revenue shortfall; and

WHEREAS, state salaries are lower than salaries for comparable positions in the private sector by an average of 21.20 percent; and

WHEREAS, state employee wages have been lower than all other sectors since 2003; and

WHEREAS, in 2015 the Commonwealth ranked 32nd among all states in pay to state employees; and

WHEREAS, the workforce of the Commonwealth has experienced turnover rates of 11.1 percent, 13.15 percent, and 14.1 percent in fiscal years 2014, 2015, and 2016, respectively; and

WHEREAS, employees of the Commonwealth receive a variety of forms of noncash compensation, including retirement contributions, health insurance premiums, group life insurance, disability benefits, and paid leave; and

WHEREAS, noncash compensation for employees of the Commonwealth has constituted, as a percentage of total compensation, 48.4 percent, 44.5 percent, and 44.0 percent for fiscal years 2014, 2015, and 2016, respectively; and

WHEREAS, the Joint Legislative Audit and Review Commission (JLARC) reviewed state employee salaries and benefits in 2008 and 2011, but issues related to total compensation, such as the adoption of the hybrid retirement plan, have continued to evolve; now, therefore be it

RESOLVED by the Joint Legislative Audit and Review Commission that staff be directed to study total compensation to employees of the Commonwealth. In conducting its study, staff shall determine the total value of all forms of compensation provided to state employees, including cash compensation and the value of health care, retirement, leave, and other flexible benefits. Staff shall also (i) compare

the total compensation provided by state agencies with the compensation provided by other large employers that seek to recruit and retain employees with the same skills and competencies; (ii) research how best to recruit, retain, motivate, and facilitate the work/life balance of state employees; (iii) identify cost-effective approaches that could be used to ensure that state agencies are able to employ an effective workforce; and (iv) research any other issues and make recommendations as appropriate.

The staff shall hire consultants or experts it considers necessary for the completion of the study. The costs of consultants or experts for analysis shall be paid for from additional general fund appropriations to the Commission for that purpose.

Technical assistance shall be provided to JLARC by the Department of Human Resource Management. All agencies of the Commonwealth shall provide assistance to JLARC for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings by November 15, 2017, and the chairman shall submit to the chairman of the Commission on Employee Retirement Security and Pension Reform an executive summary of its findings and recommendations no later than November 30, 2017. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

SENATE JOINT RESOLUTION NO. 88

Directing the Joint Legislative Audit and Review Commission to study specific early childhood development programs, prenatal to age five, in the Commonwealth in order for the General Assembly to determine the best strategy for future early childhood development investments. Report.

Agreed to by the Senate, February 10, 2016
 Agreed to by the House of Delegates, March 4, 2016

WHEREAS, according to the Virginia Department of Education, children who repeat at least one grade in kindergarten through grade three cost taxpayers in the Commonwealth approximately \$80 million per year; and

WHEREAS, according to a 2013 Voices for Virginia's Children report, one in eight children in the Commonwealth begin kindergarten without the basic skills to succeed in school; and

WHEREAS, according to a 2011 Annie E. Casey Foundation report, children who do not demonstrate proficiency in reading in third grade are four times more likely to fail to graduate from high school than children who demonstrate proficiency in reading in third grade; and

WHEREAS, national data indicates that children who enter the elementary through secondary education system without sufficient preparedness are more likely to fall behind grade-level expectations, move into special education, and drop out of high school and are less likely to enter postsecondary education programs; and

WHEREAS, although the Virginia Preschool Initiative has been in effect since 1994, House Joint Resolution No. 729 of the Acts of Assembly of 2007 is one of the few studies directed by the General Assembly to evaluate the effectiveness, accountability, and program costs of the Initiative; and

WHEREAS, in 1993, the Virginia Board of Education, the Virginia Department of Education, and the former Virginia Council on Child Day Care and Early Childhood Programs developed a report entitled "A Study of Programs Serving At-Risk Four-Year-Old Children" that found that "[t]here is no central data base tracking all the funding streams or demographic information on at-risk children or the quality of the programs" and that such information is "either non-existent, or inconsistent as well as scattered among agencies"; and

WHEREAS, no effort to track such information in a central database has been completed; and

WHEREAS, according to a 2011 National Conference of State Legislatures report, Virginia spent more than \$229 million in federal, state, and grant funding on "early care" programs, including child care, the Virginia Preschool Initiative, home visiting programs, and other programs, notably mental health programs; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Legislative Audit and Review Commission be directed to study specific early childhood development programs, prenatal to age five, in the Commonwealth in order for the General Assembly to determine the best strategy for future early childhood development investments.

In conducting its study, the Joint Legislative Audit and Review Commission (JLARC) shall:

1. To the greatest extent possible, focus on early childhood development programs that are currently supported with state assistance, including but not limited to early childhood development programs that also receive federal funds, the Virginia Preschool Initiative, locally based programs that receive federal child care and Title I assistance, family support and home visiting programs, and quality improvement models such as the Virginia Star Quality Initiative;
2. Include a listing of the lead agency, a description and the objectives of the program, an identification of the target audience, and a catalog of the types and amounts of funding for each early childhood program studied;
3. Identify eligibility requirements and characteristics of populations that each program serves;
4. Assess program design, implementation, and measurement of outcomes;
5. Assess program outcomes, including effectiveness and cost-effectiveness;
6. Assess alignment of programs with kindergarten readiness;
7. Identify best practices in the Commonwealth and other states for program design, implementation, and outcome measurement;
8. Review other aspects of each program as deemed appropriate; and
9. Provide options for improving early childhood development programs in the Commonwealth.

Technical assistance shall be provided to the Joint Legislative Audit and Review Commission by appropriate state agencies. The Joint Legislative Audit and Review Commission shall have access to individual-level records of all early childhood development programs, including all education, health, and support programs. To assist JLARC in its work, local school boards shall provide standardized test

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result data and other information to JLARC, and school board personnel shall meet with the staff of JLARC, upon request, to discuss program implementation and effectiveness so that JLARC may satisfy the requirements of this resolution. All agencies of the Commonwealth shall provide assistance to JLARC for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings for the first year by November 30, 2016, and for the second year by November 30, 2017, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether JLARC intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.



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