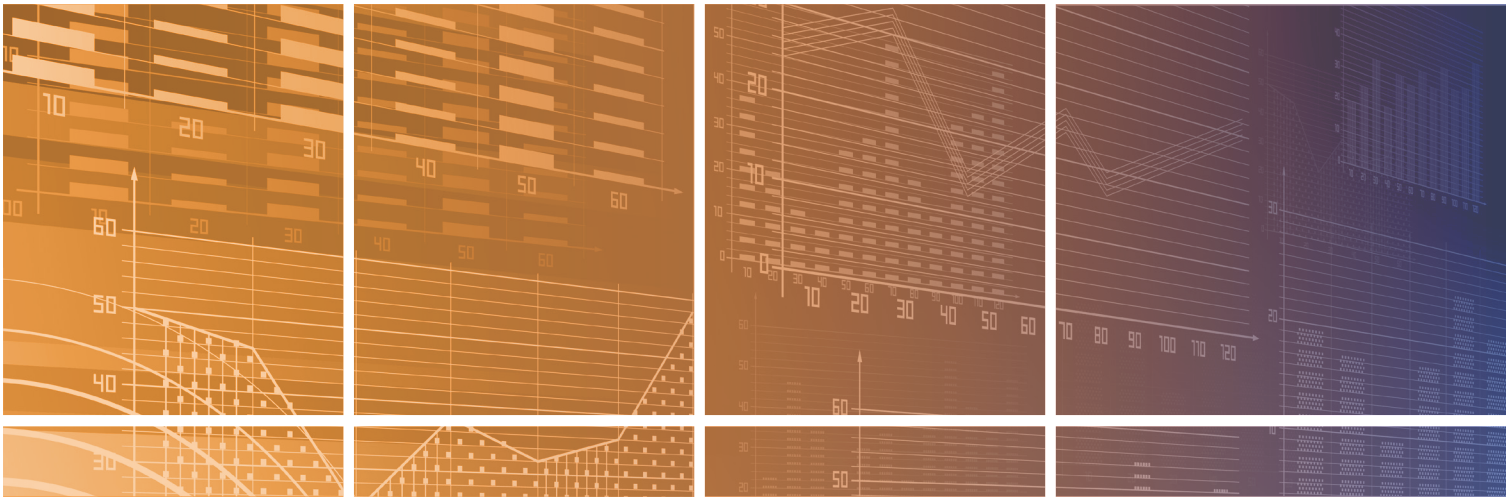


# Recommendations for Legislative Action

2016 to 2019



## **Joint Legislative Audit and Review Commission**

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Hal E. Greer

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## Recommendations for Legislative Action 2016 to 2019

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JLARC is the oversight agency of the Virginia General Assembly, established to evaluate the operations and performance of state agencies and programs.

When mandating a new study, the General Assembly routinely directs JLARC staff to incorporate recommendations in its reports to the Commission. Recommendations are sometimes directed to the General Assembly, when legislative action may improve the efficiency or effectiveness of a program.

Before each legislative session, JLARC staff review the reports from the past four years and present a list of recommendations to Commission members, for the purpose of assisting them as they prepare legislation.

New legislative recommendations from 2019 reports that have been presented through October are listed first. Recommendations from 2016 through 2018 are included only if they have not already been implemented through legislation.



# OFFICE OF THE STATE INSPECTOR GENERAL

## *Operation and Performance of the Office of the State Inspector General, 2019*

**Investigating serious administrative violations ►** The General Assembly may wish to consider amending § 2.2-309.B of the Code of Virginia to require that the Office of the State Inspector General directly investigate the state's most serious allegations of administrative violations and only refer allegations for investigation to other agencies that (i) are below a dollar threshold (to be developed by the inspector general); (ii) would not reflect poorly on agency leadership if proven true; and (iii) appear relatively straightforward to investigate. (Recommendation 4)

**Investigations at agencies without internal audit divisions ►** The General Assembly may wish to consider including language in the Appropriation Act directing the Office of the State Inspector General to discontinue its practice of referring allegations for investigation to agencies without internal audit divisions and directly investigate these allegations. (Recommendation 5)

**Investigating waste, fraud, and abuse in higher education ►** The General Assembly may wish to consider repealing § 2.2-309.B of the Code of Virginia so that OSIG will have full discretion to investigate all serious allegations of waste, fraud, or abuse at public institutions of higher education. (Recommendation 7)

**Oversight of behavioral health ►** The General Assembly may wish to consider amending § 2.2-309.1 of the Code of Virginia to more clearly establish that the primary goal of the Office of the State Inspector General's oversight of the Department of Behavioral Health and Developmental Services and community-based providers is to identify system-level issues that affect quality of care and safety across facilities or providers and recommend solutions to address them. (Recommendation 10)

**Oversight of behavioral health ►** The General Assembly may wish to consider including language in the Appropriation Act to direct the Office of the State Inspector General (OSIG) to develop and implement a plan to conduct system-level oversight of the quality of care and safety across Department of Behavioral Health and Developmental Services facilities and community-based providers. The plan should set forth the primary oversight activities that OSIG plans to undertake, as well as the number of additional staff positions and types of expertise necessary to carry out these activities. OSIG should submit the plan to the House Appropriations and Health, Welfare and Institutions Committees, and the Senate Finance and Education and Health Committees no later than June 30, 2020. (Recommendation 11)

**Improving performance audits** ► The General Assembly may wish to consider including language in the Appropriation Act directing the Office of the State Inspector General (OSIG) to conduct only two performance audits annually in FY21–24. Each year one audit topic should be chosen by the chief of staff in consultation with the governor’s cabinet and one audit topic should be chosen by OSIG. (Recommendation 12)

## **LOCAL AND REGIONAL JAILS**

### ***State Oversight of Local and Regional Jails, 2019***

**Publishing summaries of death reviews** ► The General Assembly may wish to consider amending § 53.1-5.5 of the Code of Virginia to require the Board of Corrections to annually develop and make publically available a report summarizing death review results, notable trends across death reviews, and potential policy changes that would help reduce the number of inmates that die in jail custody. (Recommendation 2)

**Transferring inspection staff to BOC** ► The General Assembly may wish to consider including language in the Appropriation Act transferring current Department of Corrections jail inspection staff positions—and the funding to employ them—to the Board of Corrections. (Recommendation 8)

**Director of jail oversight** ► The General Assembly may wish to consider amending § 53.1 of the Code of Virginia to grant the Board of Corrections authority to hire a director of state jail oversight to manage its jail inspection and jail inmate death reviews as part of a cohesive state jail oversight program. (Recommendation 9)

**Director of jail oversight** ► The General Assembly may wish to consider including language and adequate funding in the Appropriation Act to fund a director of state jail oversight position reporting to the Board of Corrections. (Recommendation 10)

**Renaming BOC** ► The General Assembly may wish to consider amending § 53.1 of the Code of Virginia, and other sections as necessary, to rename the Board of Corrections to more accurately reflect its primary responsibilities for oversight of local and regional jails. (Recommendation 12)

# BEHAVIORAL HEALTH

## *Implementation of STEP-VA, 2019*

**STEP-VA administration funding** ► The General Assembly may wish to consider including language in the Appropriation Act allowing the Department of Behavioral Health and Developmental Services (DBHDS) to use a portion of future STEP-VA funding for STEP-VA oversight and administration functions at DBHDS. (Recommendation 5)

**Extending implementation deadline** ► The General Assembly may wish to consider amending clause 3 of Chapter 607 of the 2017 Acts of Assembly to require community services boards to initiate the provision of all STEP-VA services by July 1, 2022. (Recommendation 8)

**STEP-VA planning and funding** ► The General Assembly may wish to consider including language in the Appropriation Act (i) directing the Department of Behavioral Health and Developmental Services (DBHDS) to submit requirements, performance measures, and funding allocation plans for each of the remaining steps of STEP-VA to the staff and chairs of the House Appropriations and Senate Finance committees, the Secretary of Health and Human Resources, and the Secretary of Finance, and (ii) directing the Department of Accounts to withhold appropriated funds for each of the remaining steps of STEP-VA until DBHDS and the community services boards demonstrate that planning is complete, including requirements, performance measures, and funding allocation plans. (Recommendation 10)

## *CSB Funding, 2019*

**OPTION Funding allocation strategy** ► The General Assembly could consider including language in the Appropriation Act (i) establishing specific objectives for the extent to which funding that the Department of Behavioral Health and Developmental Services (DBHDS) allocates to community services boards (CSBs) should support consistent services statewide versus services that address each community's needs and (ii) directing DBHDS, in collaboration with the CSBs, to develop and submit a proposed funding allocation strategy to meet these objectives to the Joint Subcommittee on Mental Health Services in the Twenty-First Century. (Option 1)

## STATE IT INFRASTRUCTURE SERVICES

### *VITA's Transition to a Multi-Supplier Service Model, 2019*

**Confirming agency IT service consumption estimates** ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Information Technologies Agency to submit IT infrastructure service consumption estimates to agencies for validation each year prior to submitting rate information to the Department of Planning and Budget for approval. (Recommendation 10)

**Providing preliminary IT rates to agencies** ► The General Assembly may wish to consider amending § 2.2-2013 of the Code of Virginia to require the Virginia Information Technologies Agency to release a preliminary rate schedule to agencies upon the submission of the governor's budget each year. The rate schedule should be for the upcoming fiscal year. (Recommendation 11)

**Staffing assessment** ► The General Assembly may wish to consider requiring the Virginia Information Technologies Agency (VITA) to conduct a comprehensive assessment of whether VITA is structured and staffed effectively to operate a multi-supplier IT infrastructure model. Results of the assessment should indicate whether VITA requires any additional structural changes and whether VITA needs to fill, create, or remove any staff positions across the agency. VITA should provide the assessment results to members of the Joint Legislative Audit and Review Commission, Senate Finance Committee, and House Appropriations Committee by July 1, 2020. (Recommendation 12)



# ECONOMIC DEVELOPMENT INCENTIVES

## *Data Center and Manufacturing Incentives, 2019*

**Data centers in distressed areas ►** The General Assembly may wish to consider amending § 58.1-609.3 of the Code of Virginia to further reduce or remove the minimum job creation requirement of the sales and use tax exemption for data centers locating in a distressed area or an enterprise zone. (Recommendation 1)

**Data center work group ►** The General Assembly may wish to consider including language in the Appropriation Act directing the Secretary of Finance to convene a work group consisting of the Secretaries of Transportation, Commerce and Trade, and Administration; the staff directors of the House Appropriations Committee and Senate Finance Committee, or their designee; and other relevant agency stakeholders to conduct a data center industry study to examine actions that could be taken to maintain the state's competitive position to attract data centers and examine whether the opportunity exists to reduce the level of the exemption without adversely affecting industry growth. (Recommendation 2)

**Impact of data center exemption ►** The General Assembly may wish to amend § 58.1-609.3 of the Code of Virginia to require that (1) all data centers using the data center sales and use exemption be required to submit an annual report including their employment level, capital investment, and tax benefit to the Virginia Economic Development Partnership (VEDP) and (2) the Department of Taxation (TAX), in consultation with VEDP, publish an annual report on the data center exemption which should include, at a minimum, aggregate information on qualifying expenses that were exempt from the retail sales and use tax and the total value of the tax benefit. (Recommendation 3)

**Incorporating local strategy with custom grants ►** The General Assembly may wish to consider amending § 30-312 of the Code of Virginia to require that information on how custom grants align with state and regional target industries and strategic economic development plans be included in the annual report of the Major Employment and Investment Project Approval Commission. (Recommendation 5)

**Green jobs and energy tax credits ►** The General Assembly may wish to consider eliminating the Green Job Creation Tax Credit and the Biodiesel and Green Diesel Fuel Producers Tax Credit. (Recommendation 8)

**OPTION Pollution control exemption ►** The General Assembly could amend § 58.1-609.3 or § 58.1-3660 of the Code of Virginia to clarify that the equipment or facility does not need to be constructed before certification can be granted for purposes of claiming the Pollution Control Equipment and Facilities Sales Tax Exemption. (Option 1)

## *Workforce and Small Business Incentives, 2018*

**Workforce and small business incentives ►** The General Assembly may wish to consider amending the Code of Virginia to increase the minimum wage requirements for the Virginia Jobs Investment Program and the Small Business Jobs Grant. (Recommendation 1)

**Small business incentives ►** The General Assembly may wish to consider amending § 2.2-1616 of the Code of Virginia to direct the Virginia Small Business Financing Authority (VSBFA) to develop and use a scoring system to (i) award the Small Business Investment Grant and (ii) set the reimbursement rate for each award. The scoring system should be based on project characteristics and other criteria as determined by VSBFA. (Recommendation 6)

**OPTION Small business incentives ►** The General Assembly could consolidate the Small Business Jobs Grant into the Virginia Jobs Investment Program administered by the Virginia Economic Development Partnership. (Option 1)

**OPTION Small business incentives ►** The General Assembly could amend § 2.2-1616 of the Code of Virginia to (i) make professional investors eligible for Small Business Investment Grant funding and (ii) impose a minimum investment threshold. (Option 2)

## *Film Incentives, 2017*

**Film incentives ►** If the General Assembly decides to maintain the film incentive program in Virginia, the General Assembly may wish to consider amending the Code of Virginia to repeal § 58.1-439.12:03, which establishes the Motion Picture Production Tax Credit, and to incorporate the tax credit criteria and reimbursement rate provisions into § 2.2-2320, which establishes the Governor's Motion Picture Opportunity Fund. (Recommendation 1)

**OPTION Film incentives ►** The General Assembly could consider eliminating the Motion Picture Production Tax Credit and the Governor's Motion Picture Opportunity Fund. (Option 1)

**OPTION Film incentives ►** The General Assembly could consider maintaining a film incentive program in Virginia and making substantive changes to improve the effectiveness and the economic benefit of the program. (Option 2)

# FOSTER CARE

## *Improving Virginia's Foster Care System, 2018*

**Child health and safety ►** The General Assembly may wish to include language in the Appropriation Act directing the Virginia Department of Social Services to thoroughly review all the information collected through the agency case reviews conducted in 2017 and 2018 by regional staff, re-communicate all serious case-specific or systemic safety-related concerns identified in past reviews to the relevant departments of social services, communicate such concerns to the relevant local boards of social services, and work with local department staff to resolve all identified safety problems. The commissioner should be directed to submit a letter to the House Health, Welfare and Institutions Committee and the Senate Rehabilitation and Social Services Committee certifying that all safety-related concerns identified in the 2017 and 2018 reports have been resolved no later than November 1, 2019. (Recommendation 1)

**More effectively recruiting foster families ►** The General Assembly may wish to include language in the Appropriation Act to direct the Virginia Department of Social Services (VDSS) to (i) determine the amount of funding necessary to implement the statewide strategic plan for recruiting and retaining foster parents; and (ii) identify all possible sources of funding that could be used to support statewide recruitment and retention efforts, including Title IV-E funds, limits on these funding sources, and general fund match requirements. VDSS could be required to submit its findings to the House Appropriations and Senate Finance Committees by November 1, 2019. (Recommendation 10)

**Placing children in a more timely manner ►** The General Assembly may wish to amend § 63.2-1305 of the Code of Virginia to create a state-funded Kinship Guardianship Assistance program that waives the requirement for potential guardians to serve as a licensed foster parents for six consecutive months and limit eligibility for this program to children who are least likely to be placed in a permanent home or who have been in foster care for an extended period of time. (Recommendation 15)

**Placing children in a more timely manner ►** The General Assembly may wish to amend § 16.1-282.1 of the Code of Virginia to require, for all permanency planning hearings after 15 months in foster care in which termination of parental rights (TPR) has not occurred, that the local departments of social services include the reason for not initiating TPR in the petition for the hearing. (Recommendation 17)

**Placing children in a more timely manner ►** The General Assembly may wish to include language in the Appropriation Act directing the Supreme Court of Virginia to evaluate the feasibility, costs, and effectiveness of the following options to expedite the appeals process for termination of parental rights (TPR) cases: (i) designate juvenile and domestic relations courts as courts of record for TPR hearings and send appeals directly to the court of appeals; (ii) originate TPR hearings in circuit courts; (iii) shorten the 90-day deadline for circuit courts to hold TPR hearings; (iv) establish a deadline for the court of appeals to hold TPR hearings; and (v) any other options that could expedite the appeals process for TPR cases. The executive secretary of the Supreme Court of Virginia should submit the results of this evaluation to the House and Senate Courts of Justice Committees; the House Health, Welfare and Institutions Committee; and the Senate Rehabilitation and Social Services Committee by November 1, 2020. (Chapter 4) (Recommendation 18)

**Ensuring effective casework ►** The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Social Services (VDSS) to review the feasibility and costs of establishing a standard for supervisory spans of control within Virginia's foster care system. VDSS should report its findings to the House Appropriations and Senate Finance Committees no later than November 1, 2020. (Recommendation 27)

## **INMATE HEALTH CARE**

### ***Spending on Inmate Health Care, 2018***

**Reimbursement rates ►** The General Assembly may wish to include language in the Appropriation Act directing the Virginia Department of Corrections (VADOC) to design a pilot project that would test the feasibility and assess the impact of using lower rates, potentially based on Medicare rates, for physician and outpatient services. VADOC should submit the pilot project design to the House Appropriations and Senate Finance Committees, and implement the pilot project no later than 2021. (Recommendation 1)

**Enhanced academic partnerships ►** The General Assembly may wish to include language in the Appropriation Act directing the Virginia Department of Corrections and the VCU Health Authority to undertake a pilot project to provide clinical pharmacy services to a specific population of inmates. (Recommendation 3)

**OPTION Reducing number of inmates requiring health care ►** The General Assembly could amend Title 53.1 of the Code of Virginia to allow inmates to petition the Virginia Parole Board for conditional release based on serious illness. (Option 1)

## ELECTIONS ADMINISTRATION

### *Operations and Performance of Virginia's Department of Elections, 2018*

**State oversight of elections** ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Elections (ELECT) to develop and implement a plan to provide greater oversight of local elections administration. The plan should detail strategies ELECT will use to (i) identify and assess major risks to election integrity and (ii) conduct activities to provide greater confidence that these risks are being mitigated. ELECT should submit its plan to the House and Senate Privileges and Elections Committees by July 1, 2019. (Recommendation 14)

**Nonpartisan, professional agency leadership** ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Elections (ELECT) to create a permanent, full-time position of director of operations subject to the Virginia Personnel Act (§ 2.2-2900 et seq.). The position should be responsible for managing day-to-day operations at ELECT and ensuring (i) fulfillment of the agency's mission and responsibilities; (ii) compliance with state and federal elections laws and regulations; and (iii) compliance with ELECT's business, administrative, and financial policies. (Recommendation 19)

**Nonpartisan, professional agency leadership** ► The General Assembly may wish to consider amending § 2.2-2905 of the Code of Virginia to eliminate the appointed positions of chief deputy commissioner and confidential policy advisor for the Virginia Department of Elections. (Recommendation 20)

**OPTION Voter registration** ► The General Assembly could amend the Code of Virginia to assign the Department of Elections exclusive authority to add and remove voters from the state's voter registration list. (Option 1)

## PROFESSIONAL AND OCCUPATIONAL REGULATIONS

### *Operations and Performance of DPOR, 2018*

**Regulation of occupations** ► The General Assembly may wish to consider amending the Code of Virginia to eliminate the occupational regulation of common interest community managers, opticians, and residential energy analysts and firms. (Recommendation 1)

**Regulation of occupations** ► The General Assembly may wish to consider eliminating regulation of natural gas automobile mechanics and technicians by repealing §§ 54.1-2355 through 54.1-2358 of the Code of Virginia. (Recommendation 4)

**Verification of license applications ►** The General Assembly may wish to consider amending the Code of Virginia to give the Department of Professional and Occupational Regulation authority to request and receive criminal record name searches as part of the review of individuals for initial licensure for any of the occupations that it regulates. (Recommendation 10)

## **EARLY CHILDHOOD DEVELOPMENT PROGRAMS**

### ***Improving Virginia's Early Childhood Development Programs, 2017***

**Information about at-risk children ►** The General Assembly may wish to consider including language in the Appropriation Act to direct the Virginia Department of Health, with the assistance of the Departments of Social Services, Behavioral Health and Developmental Services, Education, and the University of Virginia, to develop a plan to improve the state's information on at-risk children and families. The plan should be submitted to the House Appropriations and Senate Finance Committees by July 1, 2019. (Recommendation 2)

**Home visiting programs ►** The General Assembly may wish to consider including language in the Appropriation Act to direct the Department of Behavioral Health and Developmental Services, Department of Health, and Department of Social Services to transform Project LINK into an evidence-based, well-designed, consistently implemented home visiting program to improve child development outcomes by reducing maternal substance abuse. The General Assembly may wish to consider appropriating sufficient funding. (Recommendation 3)

**Home visiting programs ►** The General Assembly may wish to consider including language in the Appropriation Act to direct Early Impact Virginia to identify potential additional sources of funding for Virginia's voluntary home visiting programs. The assessment should consider other states' approaches and funding sources, including but not limited to Medicaid, Temporary Assistance for Needy Families, lottery funds, and other dedicated sources of revenue. The assessment should consider the effect on funding stability and the advantages and disadvantages of each potential revenue source identified. Early Impact Virginia should report its findings and recommendations to the House Appropriations and Senate Finance Committees by July 1, 2019. (Recommendation 5)

**Special education ►** The General Assembly may wish to consider amending § 2.2-5304 and § 22.1-214 of the Code of Virginia to require the Department of Behavioral Health and Developmental Services and Virginia Department of Education to develop and implement a plan to (i) ensure all Early Intervention and Early Childhood Special Education practitioners receive initial and ongoing training on the programs' scoring processes; (ii) regularly assess the validity of ratings through systematic and documented analyses; and (iii) use results of these analyses to improve technical assistance and systematically target assistance to programs that need it. (Recommendation 16)

**Special education ►** The General Assembly may wish to consider amending § 22.1-214 of the Code of Virginia to direct the Virginia Department of Education to develop and implement a process to regularly and systematically collect information about the use of evidence-based practices in local Early Childhood Special Education programs. The Virginia Department of Education should use this information, together with data on inclusion and outcomes, to identify low-performing local programs and systematically target technical assistance to those in need of assistance. (Recommendation 17)

**Special education ►** The General Assembly may wish to consider including language in the Appropriation Act to direct the Secretary of Education and the Secretary of Health and Human Resources to convene a working group to (i) identify and assess the key barriers to serving Early Childhood Special Education participants in inclusive settings and (ii) develop a plan to increase the percentage of Early Childhood Special Education participants served in inclusive settings. Members of the working group should include state agency administrators of early learning programs, including the Virginia Preschool Initiative, Virginia Preschool Initiative Plus, Child Care Subsidy Program, and the Virginia Head Start State Collaboration Office. The working group should include representatives of other stakeholder groups, as appropriate. The findings of the workgroup should be submitted in a written report to the House Committee on Education, House Appropriations Committee, Senate Committee on Education and Health, and Senate Finance Committee by November 1, 2019. (Recommendation 18)

**OPTION Kindergarten readiness ►** The General Assembly could include language in the Appropriation Act to direct the University of Virginia's Center for Advanced Study of Teaching and Learning to incorporate a research-based assessment of physical and motor skills in the Virginia Kindergarten Readiness Program assessment. The General Assembly could appropriate sufficient funding. (Option 2)

**OPTION Preschool curriculum ►** The General Assembly could include language in the Appropriation Act to direct the University of Virginia’s Center for Advanced Study of Teaching and Learning (UVA CASTL) to design and implement a two-year pilot of a comprehensive research-based curriculum for the Virginia Preschool Initiative (VPI). The goal would be to offer the curriculum to localities free of charge. UVA CASTL could submit a report to the House Appropriations and Senate Finance Committees on the (i) results of the pilot and (ii) feasibility and costs to the state of offering the curriculum to VPI providers statewide. The General Assembly could appropriate sufficient funding. (Option 3)

**OPTION Child care subsidy ►** The General Assembly could include language in the Appropriation Act to direct the Virginia Department of Social Services to establish and administer a pilot program to provide higher child care subsidy reimbursement rates for providers that demonstrate higher-quality care. The General Assembly could provide the Department of Social Services with additional funding for the pilot. The Virginia Department of Social Services should submit a report on the results of the pilot, along with options to modify and expand it, to the House Appropriations and Senate Finance Committees. (Option 4)

**OPTION Child care tax deduction ►** The General Assembly could repeal § 58.1-322.03(3) of the Code of Virginia to eliminate the Virginia Child Care and Dependent Expenses Deduction. Available revenue could then be used to (i) fund improvements to state-supported early childhood development programs and (ii) serve additional families through effective voluntary home visiting programs and subsidize care for children 12 months or younger currently on the Child Care Subsidy Program waiting list. (Option 5)

## **STATE EMPLOYEE COMPENSATION**

### ***Total Compensation for State Employees, 2017***

**Systematic, proactive approach to compensation ►** The General Assembly may wish to consider including language in the Appropriation Act requiring the Department of Human Resource Management to conduct analysis on the effect of salary increases from the previous two biennial budgets on recruitment and retention of state employees. Analysis should focus on job roles with previously-identified recruitment and retention challenges and the effect of salary increases, or lack thereof, on recruitment and retention. This information should be included in a biennial report to the governor and the House Appropriations and Senate Finance committees at the end of August prior to the first year of every new biennial budget. (Recommendation 6)



**Performance-based pay** ► The General Assembly may wish to consider including language in the Appropriation Act (i) directing the Department of Human Resource Management (DHRM) to establish guidelines for performance-based pay models and (ii) allowing agencies to implement performance-based pay models within the guidelines established by DHRM. (Recommendation 8)

## COMMUNITY COLLEGES

### *Operations and Performance of the Virginia Community College System, 2017*

**Dual enrollment** ► The General Assembly may wish to include language in the Appropriation Act to require the state's public four-year institutions of education to report, for dual enrollment students, (i) the total number of dual enrollment credits on students' transcripts, (ii) the total number of those credits that were accepted for credit by the institutions, and (iii) whether the credits were applied to elective requirements, program requirements, or other requirements. This information should be reported to the State Council of Higher Education for Virginia (SCHEV) and the Virginia Community College System (VCCS) at the end of the 2017-18 academic year and in subsequent years as necessary to help improve the quality of dual enrollment courses and the state's dual enrollment policies. VCCS and SCHEV should use this information to identify dual enrollment courses that are not routinely accepted for credit. (Recommendation 7)

## WATER RESOURCES

### *Effectiveness of Virginia's Water Resource Planning and Management, 2016*

**Water withdrawal reporting** ► The General Assembly may wish to consider amending § 62.1-44.38 of the Code of Virginia to (i) clarify that reporting water withdrawal information would not alter the status of existing exemptions from permitting under the Virginia Water Protection program and (ii) authorize the State Water Control Board to impose a civil penalty for failure to report water withdrawal information (as required under § 62.1-44.38) on users of water from the river and stream segments at greatest risk of shortfall. (Recommendation 5)

**Regional water planning** ► The General Assembly may wish to consider amending § 62.1-44.38:1 of the Code of Virginia to require the State Water Control Board to designate regional water planning areas based on (i) primary source of water, (ii) local jurisdictional boundaries, (iii) geographic proximity, (iv) existing regional groups that have already developed water resource plans, (v) existing regional entities, and (vi) other appropriate factors. (Recommendation 6)

**Regional water planning** ► The General Assembly may wish to consider amending § 62.1-44.38:1 of the Code of Virginia to direct the State Water Control Board to require regional water planning groups to (i) evaluate potential projects using standardized criteria developed by the Board; (ii) identify a workable and cost-effective water supply strategy; and (iii) decide on a course of action to address the region's water supply needs. (Recommendation 8)

**Regional water planning** ► The General Assembly may wish to consider amending § 62.1-44.38:1 of the Code of Virginia to require that, when regional water plans are completed, the Virginia Department of Environmental Quality report to the State Water Commission on the extent to which each regional plan (i) identifies a workable and cost-effective water supply strategy and (ii) reflects adequate regional cooperation. (Recommendation 9)

**State water plan** ► The General Assembly may wish to consider amending § 62.1-44.38:1 of the Code of Virginia to require the Virginia Department of Environmental Quality to use the state water plan to clearly articulate how the state will (i) facilitate regional planning and (ii) provide planning, policy, and technical assistance to each region, differentiated according to each region's sustainability problems, existing resources, and other factors. (Recommendation 10)

**Regional water planning** ► The General Assembly may wish to include language in the Appropriation Act directing the Virginia Department of Environmental Quality to assess and report on additional resources needed to facilitate regional planning and provide differentiated regional assistance. The report should be submitted to the State Water Commission, House Appropriations, and Senate Finance Committees no later than July 1, 2017. (Recommendation 11)

**Water permitting** ► The General Assembly may wish to consider amending the Groundwater Management Act (§§ 62.1-254 through 62.1-270 of the Code of Virginia) to require that the State Water Control Board issue permits for groundwater withdrawals for non-human consumptive uses only after meeting permit requests for human consumptive needs. (Recommendation 12)

**Water permitting** ► The General Assembly may wish to consider amending the Groundwater Management Act (§§ 62.1-254 through 62.1-270 of the Code of Virginia) to require that the State Water Control Board reduce permitted withdrawal amounts for non-human consumptive use as necessary to provide permit capacity to meet human consumptive needs. (Recommendation 13)

**Water permitting** ► The General Assembly may wish to consider amending the Groundwater Management Act (§§ 62.1-254 through 62.1-270 of the Code of Virginia) to establish a limit on the proportion of overall permitted withdrawal capacity to be granted to an individual permit holder in the coastal aquifer. (Recommendation 14)

**Water permitting ►** The General Assembly may wish to consider including language in the Appropriation Act directing the State Water Control Board to create an advisory panel to recommend amendments to § 62.1-44.15:20 of the Code of Virginia that would clarify (i) the conditions under which grandfathered users of surface water would be required to obtain a Virginia Water Protection permit and (ii) the criteria to be used to determine the amount of surface water to be permitted to grandfathered users. (Recommendation 19)

**Water permitting ►** The General Assembly may wish to consider including language in the Appropriation Act directing the State Water Control Board to create an advisory panel to clarify whether and how the definition of safe yield should be changed in the Virginia Administrative Code. (Recommendation 20)

**Regional water planning ►** The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Environmental Quality to develop a proposal for providing additional water planning assistance, to include (i) planning and policy guidance for projects with cross-jurisdictional impact and (ii) technical assistance for localities that lack technical resources and expertise in project identification, planning, and construction. The proposal, which should include an assessment of the feasibility of and resources needed to perform this new function, should be submitted to the State Water Commission and House Appropriations and Senate Finance Committees no later than July 1, 2017. (Recommendation 21)

**Regional water planning ►** The General Assembly may wish to consider including language in the Appropriation Act directing the State Water Commission to evaluate the establishment of a fund to provide (i) incentives for regional collaboration in water planning and (ii) financing for regional water projects. (Recommendation 22)

**OPTION Water permitting ►** The General Assembly could amend the Code of Virginia to establish statutory authority for a user fee for water withdrawn from the coastal aquifer. (Option 1)

**OPTION Water permitting ►** The General Assembly could amend the Code of Virginia to establish statutory authority for a priority system to award groundwater withdrawal permits to industrial users likely to have the greatest economic benefit. (Option 2)

# STATE CONTRACTING

## *Development and Management of State Contracts in Virginia, 2016*

**Small business preference** The General Assembly may wish to include language in the Appropriation Act directing the Department of General Services and the Department of Small Business and Supplier Diversity to collect data on awards made through competitive negotiations. The departments should use the data to evaluate the impact of the small business criterion on agencies' use of certified small businesses, as well as on procurement more broadly, to determine whether the 20 percent criterion weight requirement should be adjusted or eliminated. (Recommendation 4)

**High-risk contracts** ► The General Assembly may wish to include language in the Appropriation Act directing the Department of General Services (DGS) and the Virginia Information Technologies Agency (VITA) to (i) develop a comprehensive training program on the effective administration of contracts and (ii) modify their statewide procurement policy manuals to require the training for all agency staff who have primary responsibility for administering contracts identified as high risk. The language should direct DGS and VITA to develop an estimate of the cost of administering the program. (Recommendation 18)

# VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

## *Management & Accountability of the VEDP, 2016*

**State economic development board** ► The General Assembly may wish to consider amending the Code of Virginia to establish a Board of Economic Development, whose purpose is to provide ongoing and systematic planning, advice, and direction for the state's economic development system to improve coordination of activities and its efficiency and effectiveness. Membership of the Board of Economic Development should include a representative from each of the secretariats responsible for agencies with economic development programs, at least one member of the House of Delegates, at least one member of the Senate, one director of a local economic development organization, and one director of a regional economic development organization. The Board of Economic Development should be a policy board, as defined in § 2.2-2100, and have full-time, independent staff for the purposes of executing its responsibilities. (Recommendation 28)

**State economic development board** ► The General Assembly may wish to consider including language in the Appropriation Act to fund a full-time, independent staff for the purposes of supporting the Board of Economic Development in fulfilling its responsibilities. The Department of Planning and Budget should assist in determining the number of staff necessary to provide this support. (Recommendation 29)

**State economic development board ►** The General Assembly may wish to consider including language in the Appropriation Act to direct state agencies to collaborate with the Board of Economic Development to develop and define standard categories of economic development program activities to use when tracking economic development program expenditures and reporting these expenditures to the Board of Economic Development. The General Assembly may wish to consider amending the Code of Virginia to require state agencies and encourage regional and local entities to adopt these categories. (Recommendation 30)

**State economic development board ►** The General Assembly may wish to consider amending the Code of Virginia to establish a State, Regional, and Local Advisory Team tasked with advising the Board of Economic Development on opportunities to improve the coordination, efficiency, and effectiveness of the state's economic development system. The State, Regional, and Local Advisory Team should provide advice to the Board of Economic Development on how to adapt economic development strategies to reflect changes in Virginia's regions and industries. The Advisory Team should be appointed by the Board of Economic Development and include the directors of state agencies engaged in economic development (minimum of 6), directors of regional economic development organizations (minimum of 4), directors of local economic development organizations (minimum of 4), and representatives of the business community (minimum of 4). One regional and one local director should also be appointed to the Board of Economic Development. (Recommendation 31)







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