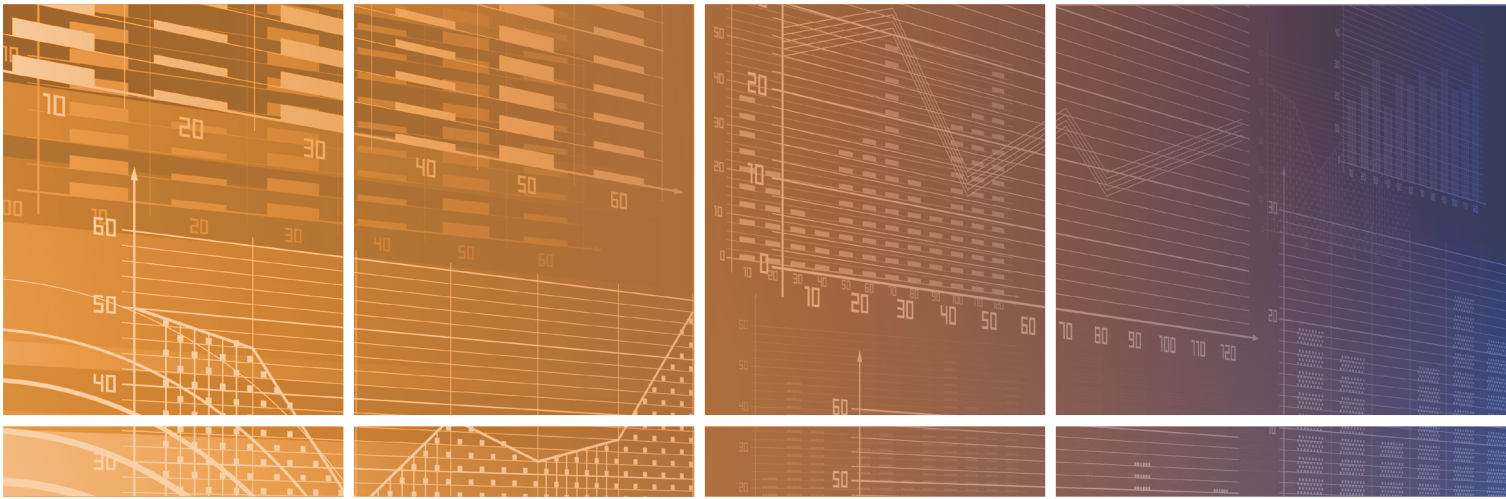


Recommendations for Legislative Action

2020 to 2023



Joint Legislative Audit and Review Commission

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Recommendations for Legislative Action 2020 to 2023

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 is likely to improve the efficiency or effectiveness of a program. JLARC staff also propose policy options rather than making recommendations when the action is a policy judgment best made by elected officials, evidence suggests action could potentially be beneficial, or a report finding could be addressed in multiple ways.

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

Recommendations from 2020 through 2023 are included only if they have not already been implemented through legislation.

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SELF-SUFFICIENCY PROGRAMS & CHILD CARE

Virginia's Self-Sufficiency Programs and the Availability and Affordability of Child Care, 2023

RECOMMENDATIONS

Coordination of local departments of social services and career centers ► The General Assembly may wish to consider amending § 63.2-610 of the Code of Virginia to require that each local department of social services develop and enter into a memorandum of understanding with its local workforce development board concerning how the entities will coordinate to deliver workforce development activities to Virginia Initiative for Education and Work and SNAP Education and Training clients. (Recommendation 2)

Co-locating Virginia Career Works staff at local social services departments ► The General Assembly may wish to consider including language in the Appropriation Act to dedicate a portion of the federal Workforce Innovation and Opportunity Act funding reserved by the governor for statewide workforce development initiatives to facilitate the co-location of Virginia Career Works staff at local departments of social services on a part-time basis. (Recommendation 4)

Interdisciplinary team to develop long-term service plans for clients ► The General Assembly may wish to consider including language in the Appropriation Act to direct the secretary of health and human resources and the secretary of labor to design and implement a pilot program for testing an alternative assessment and planning process for Virginia Initiative for Education and Work (VIEW) clients that uses an interdisciplinary team of program and service providers to develop long-term service plans for clients that encourage progress toward self-sufficiency during and after the clients' participation in VIEW. (Recommendation 9)

Financial incentives for participation in education and training programs ► The General Assembly may wish to consider including language in the Appropriation Act to direct the Virginia Department of Social Services to establish a pilot program to assess whether the use of financial incentives would positively impact clients' participation in education and training programs. (Recommendation 10)

Federal grant program for TANF outcomes ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Social Services to pursue participation in the outcome-based performance measure pilot program authorized under the Fiscal Responsibility Act of 2023 and to provide quarterly updates to the Virginia Board of Social Services regarding the process for applying for and implementing a pilot program through this federal opportunity. (Recommendation 13)

Paying Child Care Subsidy vendor payments based on enrollment ► The General Assembly may wish to consider including language in the Appropriation Act that requires the Virginia Department of Education (VDOE) to issue payments to Child Care Subsidy Program vendors based on authorized enrollment, subject to the attendance threshold established by the Virginia Department of Education, on an ongoing basis. (Recommendation 15)

Limiting work search eligibility for child care subsidy ► The General Assembly may wish to consider including language in the Appropriation Act that limits the amount of time families are eligible for the Child Care Subsidy Program while the parents or guardians search for work on a full-time basis to 90 days per job loss occurrence. (Recommendation 17)

POLICY OPTION

Staff typically propose policy options rather than make recommendations when (i) the action is a policy judgment best made by elected officials—especially the General Assembly, (ii) evidence suggests action could potentially be beneficial, or (iii) a report finding could be addressed in multiple ways.

Requiring localities to offer SNAP E&T ► The General Assembly could amend § 63.2 of the Code of Virginia to require each local department of social services to offer SNAP Employment and Training. (Option 1)

K-12 EDUCATION

Virginia's K-12 Funding Formula, 2023

Technical SOQ adjustments ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act directing the following technical adjustments to the Standards of Quality (SOQ) formula and compensation supplement calculations: (i) include all division central office positions in the SOQ formula, (ii) apply the cost of competing adjustment to facility and transportation staff salaries in the SOQ formula, (iii) remove the cap on adjustments to non-personal cost assumptions in the benchmarking process in the SOQ formula, and (iv) account for cost of facilities staff salaries in compensation supplement calculations. (Recommendation 1 – near term)

New SOQ staffing ratios ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to develop and propose a new set of fixed and prevailing staffing ratios for the Standards of Quality formula, in consultation with school divisions and the Board of Education, which should accurately reflect how divisions are staffed and be simpler, easier to apply, and comprehensive. (Recommendation 2 – long term)

New SOQ staffing ratios ► The General Assembly may wish to consider amending the Code of Virginia and Appropriation Act to establish Standards of Quality staffing ratios developed by the Virginia Department of Education, in consultation with school divisions and the Board of Education, that accurately reflect how divisions are staffed. (Recommendation 3 – long term)

Eliminating recession-era SOQ formula changes ► The General Assembly may wish to consider including language in the Appropriation Act that directs the following changes to the Standards of Quality formula: (i) eliminate the support cap, (ii) re-instate the non-personal cost categories removed in FY09 and FY10, and (iii) re-instate the federal fund deduction methodology used prior to FY09. (Recommendation 4 – near term)

Updating salary cost assumptions used in rebenchmarking ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to update the cost assumptions for school division employee salaries used in the biennial Standards of Quality rebenchmarking process to better reflect current salaries paid by school divisions. (Recommendation 5 – long term)

SOQ salary assumptions ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to calculate salary and other Standards of Quality formula cost assumptions using the division average, rather than the linear weighted average. (Recommendation 6 – near term)

Local composite index calculations ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to change the local composite index to be calculated using a three-year average of the most recently available data, rather than a single year of data every other year. (Recommendation 7 – near term)

Adding At-Risk Add-On program to the SOQs ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to designate the At-Risk Add-On program as a Standards of Quality funding program, in recognition that the funding is essential for providing Virginia K–12 students with a quality education. (Recommendation 8 – near term)

At-risk program funding calculations ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to direct use of the federally approved Identified Student Percentage measure to calculate funding for all at-risk programs that currently rely on the outdated free lunch estimates. (Recommendation 9 – near term)

Consolidating at-risk programs ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to consolidate the At-Risk Add-On program and Prevention, Intervention, Remediation program and create a new At-Risk Program under the Standards of Quality. Funding for the new At-Risk Program would be allocated based on each school division's weighted Identified Student Percentage, and 60 percent of funding would be distributed to divisions using a flat per student rate and 40 percent would be distributed using a variable rate based on the concentration of poverty in each school division. (Recommendation 10 – near term)

Special education staffing needs ► The General Assembly may wish to consider including language in the Appropriation Act requiring the Virginia Department of Education to work with school division staff and experts as needed to develop new special education staffing needs estimates based on a review of current ones and report its findings to the Board of Education, the House Committee on Education, and the Senate Committee on Education and Health. (Recommendation 11 – near term)

Replacing cost of competing adjustment ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to replace the current cost of competing adjustment with a more accurate adjustment based on a Virginia cost of labor index that better accounts for differing labor costs across school divisions in calculating compensation funding through the Standards of Quality formula. (Recommendation 12 – long term)

Economies of scale adjustment for small divisions ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act directing that the Standards of Quality formula include an economies of scale adjustment to provide additional funding to divisions with fewer than 2,000 students. (Recommendation 13 – long term)

Using SOQ formula to guide but not determine budget decisions ► The General Assembly may wish to consider amending the Code of Virginia to state that it shall consider the funding amounts calculated by the Standards of Quality (SOQ) formula when determining the amount of funding needed to maintain an educational program meeting the prescribed SOQs, but shall not be obligated to appropriate the amounts calculated by the formula. (Recommendation 14)

Directing staffing ratios authority to BOE ► If the Code of Virginia is amended to establish that the funding amounts calculated by the Standards of Quality formula serve only as a guide for needed funding, the General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to eliminate current SOQ staffing standards and direct the Board of Education to establish all staffing ratios used in the SOQ formula. (Recommendation 15)

Ensuring fixed staffing ratios reflect actual practices ► The General Assembly may wish to consider amending the Code of Virginia to direct the Virginia Department of Education (VDOE) to biennially calculate, compare, and report on differences between the fixed staffing ratios in the SOQ formula and actual ratios in Virginia school divisions, so that fixed ratios can be regularly adjusted as needed. VDOE should report its findings to the Board of Education. (Recommendation 16)

SOQ IT application ► The General Assembly may wish to consider including funding in the Appropriation Act for the Virginia Department of Education to begin procuring a modern and more usable Standards of Quality funding information technology application. (Recommendation 17)

School division financial reporting system ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to work with school division finance directors to study the feasibility of implementing a secure, web-based reporting system for annual school reports. (Recommendation 18)

Modernizing IT application and financial reporting system ► The Virginia Department of Education should submit to the Department of Planning and Budget a decision package for modernizing its Standards of Quality funding information technology application and school division financial reporting system to be considered for the governor's introduced budget. The decision package should explain and itemize the cost of any consultants, procurements and additional full-time or contracted staff that are expected to be needed to modernize these systems. (Recommendation 19)

VDOE Office of Budget coordinator position ► The General Assembly may wish to consider including funding in the Appropriation Act for the Virginia Department of Education to create a position in the Office of Budget responsible for providing technical information and support to school division finance directors regarding (i) the annual financial reporting process and requirements and (ii) data critical for school division budgeting purposes, such as expected and actual amounts of state SOQ and non-SOQ funding. (Recommendation 20)

POLICY OPTIONS

Bringing Virginia teacher salaries to national average ► The General Assembly could develop and implement a funding plan to increase compensation supplements as needed to achieve the statutory goal of Virginia teacher salaries being at or above the national average. (Option 1)

Local composite index population weighting ► The General Assembly could amend the Code of Virginia and include language in the Appropriation Act directing that a locality's student enrollment and general population be equally weighted in the calculation of the local composite index for Standards of Quality funding, rather than weighting student enrollment two-thirds and the general population one-third. (Option 2)

Replacing LCI with a revenue composite index ► The General Assembly could amend the Code of Virginia and include language in the Appropriation Act directing the replacement of the local composite index with a revenue capacity index. (Option 3)

Student-based SOQ formula ► The General Assembly could amend the Code of Virginia to replace the entire staffing-based SOQ formula with a new student-based formula that is based on actual average school division expenditures. (Option 4)

Student-based formulas for special education and English language learners ► The General Assembly could amend the Code of Virginia to replace the current SOQ formula calculations for special education and English as a Second Language, including any associated calculations for benefits and payroll taxes under other SOQ accounts, with student-based funding calculations that are based on actual average school division expenditures. (Option 5)

K–12 TEACHER PIPELINE

Virginia's K-12 Teacher Pipeline, 2023

RECOMMENDATIONS

Teacher apprenticeship programs ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to report (i) which higher education institutions and school divisions have been approved to have apprentice programs, (ii) when they expect to begin preparing prospective teachers, (iii) how many individuals are expected to be prepared through each program annually, and (iv) how each program will be funded. The report should be submitted to the Board of Education and House Education and Senate Education and Health committees by June 30, 2024. (Recommendation 1)

Replacing or eliminating Virginia Communications and Literacy Assessment ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Board of Education to either (i) replace the Virginia Communications and Literacy Assessment with a nationally recognized teacher licensure test that is more relevant for assessing prospective teachers or (ii) eliminate the Virginia Communications and Literacy Assessment as a requirement for a full 10-year renewable Virginia teaching license. (Recommendation 2)

Waiver for Virginia Communications and Literacy Assessment ► The General Assembly may wish to consider amending the Code of Virginia to create a waiver through which the Board of Education shall issue a full 10-year renewable Virginia teaching license to qualified individuals attending approved higher education teacher preparation programs who have not passed the Virginia Communication and Literacy Assessment but meet established criteria. (Recommendation 3)

Increasing funding for Virginia Teaching Scholarship Loan Program ► The General Assembly may wish to consider including language and funding in the Appropriation Act to increase the annual funding for the Virginia Teaching Scholarship Loan Program. (Recommendation 5)

Collecting teacher preparation program outcomes data ► The General Assembly may wish to consider including language and funding in the Appropriation Act directing the Virginia Department of Education to (i) hire a contractor to develop a database that can store and maintain teacher information; (ii) regularly collect information on the teacher preparation pathway, licensure status, place of employment, indicators of instructional quality, and public K–12 teaching tenure for each teacher who is prepared in Virginia; and (iii) share such information about these teachers with the Virginia preparation programs from which they graduated. (Recommendation 9)

Sharing teacher preparation program outcomes ► The General Assembly may wish to consider amending the Code of Virginia to direct the Virginia Department of Education to biennially report on the preparedness and tenure of teachers prepared through each of Virginia's teacher preparation pathways and programs and recommend improvements to specific preparation pathways and programs as needed. The report should be submitted to the Board of Education and House Education and Senate Education and Health committees by November 1 every other year. (Recommendation 10)

POLICY OPTIONS

Classroom management course for provisionally licensed teachers ► The General Assembly could include language and funding in the Appropriation Act to create a pilot program for provisionally licensed teachers to complete a curriculum and instruction course or classroom and behavior management course by the end of their first semester as a teacher of record at no cost. (Option 1)

Increasing number of teacher residencies ► The General Assembly could include language and funding in the Appropriation Act for the Virginia Department of Education to increase funding for teacher residency programs to help cover the cost of preparation for additional teacher residents. (Option 2)

Covering teacher assessment costs ► The General Assembly could include language and funding in the Appropriation Act to provide state general funds for the Competitive Grant for Praxis and Virginia Licensure and Certification Assessment program. (Option 3)

Stipends during student teaching ► The General Assembly could include language and funding in the Appropriation Act to provide state general funds for the Paid Internship Scholarship for Aspiring Virginia Educators program. (Option 4)

Target mentor programs ► The General Assembly could include language and funding in the Appropriation Act directing the Virginia Department of Education to administer a three-year pilot program that provides targeted mentorship assistance to divisions with high teacher vacancies using mentors trained and coordinated by Virginia higher education institutions. (Option 5)

PANDEMIC IMPACT ON K–12 EDUCATION

Pandemic Impact on K–12 Education, 2022

RECOMMENDATIONS

Hiring additional instructional assistants ► The General Assembly may wish to consider including language and funding in the Appropriation Act to provide additional, temporary funding for a subset of schools accredited with conditions to hire more instructional assistants to (i) help teachers provide small group and individualized instruction necessitated by widening academic needs within classrooms, (ii) help teachers manage challenging student behaviors within classrooms, and (iii) reduce teacher workloads. (Recommendation 5)

Teacher retention bonuses for divisions with increased turnover ► The General Assembly may wish to consider including language and funding in the Appropriation Act to provide the state share of funding to divisions that experienced an increase in teacher turnover during the pandemic to be used for providing retention bonuses for teachers. Retention bonuses should be structured to maximize the financial incentive for teachers to remain in their position. (Recommendation 6)

Tuition assistance for provisionally licensed teachers ► The General Assembly may wish to consider including language and funding in the Appropriation Act to provide the state share of funding for teacher tuition assistance to divisions that experienced an increase in the number of provisionally licensed teachers during the pandemic to help provisionally licensed teachers in those divisions become fully licensed. (Recommendation 7)

POLICY OPTIONS

Training and technical assistance on student behavior ► The General Assembly could include language and funding in the Appropriation Act for Virginia Tiered Systems of Supports to provide training and technical assistance to help staff at more schools better address disruptive classroom behavior. (Option 1)

Partnerships between school divisions and community providers ► The General Assembly could include language in the Appropriation Act directing the Virginia Department of Education to collect and report information from school divisions about existing and potential partnerships between school divisions and mental health providers, including the partner organization, type of partnership, scope, cost, and funding source. (Option 2)

Partnerships between school divisions and community providers ► The General Assembly could include language and funding in the Appropriation Act to help develop and support existing partnerships between school divisions and mental health providers to provide enhanced mental health services to students. (Option 3)

Teacher signing bonuses ► The General Assembly could include language and funding in the Appropriation Act to provide the state share of funding for one-time signing bonuses to be offered to teachers who agree to accept employment with a school division that has experienced an increase in teacher vacancies during the pandemic. (Option 4)

POTENTIAL USES FOR DEFINED BENEFIT 529 SURPLUS FUNDS

Defined Benefit 529 Surplus Funds, 2022

Removing DB529 fund surplus funds ► The General Assembly may wish to consider directing in statute the removal of actuarial surplus funds from the Defined Benefit 529 fund 1) in annual increments over a period of at least five years, and 2) up to an amount that would maintain an annual funded status of at least 125 percent for the Legacy Prepaid529 and Tuition Track Portfolio programs through FY44 based on the Virginia529 board's approved investment return and tuition increase assumptions. (Recommendation 1)

Independent committee to approve surplus withdrawals ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 (DB529) fund in statute, it may wish to consider establishing an independent standing committee that includes members with investment and actuarial expertise to review each planned annual withdrawal using updated actuarial and liquidity modeling and approve each annual withdrawal. Following the planned withdrawals of surplus funds, the General Assembly should direct that the independent standing committee have ongoing responsibility to evaluate the actuarial surplus of the DB529 fund at least every two years for the purpose of determining whether additional surplus funds can be removed subject to maintaining a funded status of at least 125 percent and ensuring adequate fund liquidity. (Recommendation 2)

Establishing account holder refunds as a permitted use of DB529 surplus funds ► If the General Assembly directs the removal of actuarial surplus funds from the Defined

Benefit 529 fund to return surplus funds to Legacy Prepaid529 account holders, it may wish to consider amending the Code of Virginia to provide clear statutory authority and direction to Virginia529 that surplus funds can be used to provide refunds to account holders. (Recommendation 3)

Plan for returning money to account holders ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund to return surplus funds to Legacy Prepaid529 account holders, it may wish to consider requiring Virginia529 to develop a plan for returning surplus funds to account holders. Virginia529 should provide the plan to the House Appropriations Committee, the Senate Finance and Appropriations Committee, and the Joint Legislative Audit and Review Commission prior to implementing it. (Recommendation 4)

Establishing higher education access and affordability programs as a permitted use of DB529 funds ► Establishing If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 (DB529) fund to provide funding for higher education access and affordability programs, it may wish to consider amending §23.1-701.C of the Code of Virginia to specify funding for higher education access and affordability programs as an allowable use of surplus funds derived from administrative fee proceeds allocated by Virginia529 to the DB529 fund. (Recommendation 5)

Legal immunity for Virginia529 board to disburse DB529 surplus funds ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund to provide funding for higher education programs, it may wish to consider amending §23.1-701.D of the Code of Virginia to provide Virginia529 board members with immunity from legal liability for disbursing surplus funds. (Recommendation 6)

Dedicated fund for higher education access and affordability ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund and designates funds for higher education access and affordability, it may wish to consider establishing in statute a dedicated fund for the purpose of annually allocating surplus funds to meet higher education access and affordability needs. (Recommendation 7)

Giving SCHEV authority to allocate access and affordability funds ► If the General Assembly directs the creation of a dedicated higher education fund with actuarial surplus funds from the Defined Benefit 529 fund, it may wish to consider (i) authorizing in statute the types of access and affordability programs that could receive allocations of dedicated fund assets, (ii) giving the State Council of Higher Education for Virginia (SCHEV) responsibility for making allocations of fund assets within those statutory guidelines, and (iii) directing SCHEV to establish an advisory committee to advise the council on making allocations of dedicated fund assets that comprises individuals with higher education experience and includes a representative of the Virginia Community College System and

a representative of Virginia's historically black colleges and universities.
(Recommendation 8)

Managing dedicated funds ► If the General Assembly directs the creation of a dedicated higher education fund with actuarial surplus funds from the Defined Benefit 529 (DB529) fund, it may wish to consider directing Virginia529 to manage the investment of fund assets together with DB529 funds but to account for them separately.
(Recommendation 9)

POLICY OPTIONS

Designating surplus fund uses ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund, it could designate 60 percent of removed surplus funds to be returned to Legacy Prepaid529 account holders and 40 percent of removed surplus funds to support higher education access and affordability programs. (Option 1)

Returning funds to account holders: beneficiaries who attend schools with below-average tuition ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund and designates funds for Legacy Prepaid529 account holders, it could direct Virginia529 to return funds to account holders whose beneficiary attended, attends, or will attend a higher education institution with tuition that is less than the weighted average tuition at the time of attendance. (Option 2)

Returning funds to account holders: repricing Legacy Prepaid529 contracts ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund and designates funds for Legacy Prepaid529 account holders, it could direct Virginia529 to return funds to account holders whose contract price was higher than the weighted average tuition (WAT) for the difference between the contract price paid and WAT at the time. (Option 3)

Returning funds to account holders: same refund for all Legacy Prepaid529 contracts ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund and designates funds for Legacy Prepaid529 account holders, it could direct Virginia529 to return to all account holders the same refund for each of the Prepaid529 contracts they purchased. (Option 4)

Returning funds to account holders: Giving Virginia529 board discretion on how to return funds ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund and designates funds for Legacy Prepaid529 account holders, it could give the Virginia529 board discretion to determine how best to return funds to account holders. (Option 5)

Access and affordability options: Grants for students with high financial need ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund and designates funds for higher education access and affordability, it could use the funds to provide additional grants for high financial need or at-risk students. (Option 6)

Access and affordability options: progression bonuses ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund and designates funds for higher education access and affordability, it could use the funds to pilot a new state financial aid progression bonus program that requires public higher education institutions to provide bonuses of at least \$1,200 to students who re-enroll for their sophomore, junior, and senior years. (Option 7)

Access and affordability options: grants for students facing financial emergencies ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund and designates funds for higher education access and affordability, it could use the funds to establish a state emergency financial aid program that provides public higher education institutions with grant funding for students who are facing a financial emergency that puts them at risk of dropping out. (Option 8)

Access and affordability options: support services for at-risk students ► If the General Assembly directs the removal of actuarial surplus funds from the Defined Benefit 529 fund and designates funds for higher education access and affordability, the State Council of Higher Education for Virginia could conduct a review to estimate the need for additional support services for at-risk high school and postsecondary students and the annual cost of providing these services. (Option 9)

Dedicated fund for access and affordability ► The General Assembly could direct Virginia529 to allocate future net administrative fee proceeds to a dedicated fund for higher education access and affordability. The allocation of net fee proceeds could be contingent on the Defined Benefit 529 fund having a funded status of at least 125 percent and having adequate liquidity to meet projected cash flow needs. (Option 10)

GAMING REGULATION

Oversight and Administration of Gaming in the Commonwealth, 2022

RECOMMENDATIONS

Designating Virginia Lottery as state's central gaming agency ► The General Assembly may wish to consider amending §58.1-4003 of the Code of Virginia to designate the Virginia Lottery as the state's central gaming agency and rename the agency Virginia Lottery and Gaming. (Recommendation 1)

Establishing a state gaming policy office ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Lottery to establish a gaming policy office that will monitor new developments, trends, technologies, and types of gaming as well as unregulated forms of gaming and provide research and policy support to policymakers on issues related to gaming regulation. (Recommendation 2)

Improving historical horse racing (HHR) licensing ► The General Assembly may wish to consider amending the Code of Virginia to require the agency responsible for regulating historical horse racing (HHR) to promulgate regulations for licensing the HHR operator, suppliers, and employees that incorporate established best practices for the licensure of casinos. Regulations should, at a minimum 1) subject individuals with the most control over HHR operations, including facilities' managers, to the most scrutiny, including personal, financial, and criminal background investigations; 2) require the regulatory agency to conduct thorough criminal, financial, and personal background investigations and verify information provided in licensure applications; and 3) require the HHR operator to meet certain conditions before receiving a license to open a facility. (Recommendation 3)

HHR licensure fees ► The General Assembly may wish to consider amending the Code of Virginia to (i) require that licensing fees for historical horse racing (HHR) be sufficient to defray the regulatory costs of licensure and be consistent with the risks and potential profit associated with HHR and (ii) give the agency regulating HHR up to one year to license the HHR operator. (Recommendation 4)

Improving HHR regulations ► The General Assembly may wish to consider amending the Code of Virginia to require the agency responsible for regulating historical horse racing (HHR) to promulgate regulations to ensure proper operations at HHR facilities and effectively minimize risks. At a minimum, regulations should require the regulatory agency to 1) establish internal control requirements for day-to-day operations of HHR facilities, 2) require the operator to submit an annual independent financial audit, including the management letter, 3) conduct regular, formal inspections of HHR facilities to identify and remedy any noncompliance, and 4) establish mechanisms that can be used for enforcing regulations. (Recommendation 5)

Effective HHR oversight policies ► The General Assembly may wish to consider amending the Code of Virginia to direct the agency responsible for regulating historical horse racing (HHR) to develop internal policies for ensuring the HHR operator's compliance with all applicable laws and regulations. At a minimum, the agency should establish (i) procedures for inspecting HHR facilities, observing operations and wagering at the facilities, and documenting any noncompliance; (ii) the aspects of operations and facilities to be inspected and observed and what constitutes a satisfactory inspection, (iii) procedures for routine financial and operational audits, and (iv) the frequency with which compliance activities will be conducted. (Recommendation 6)

HHR participation in statewide problem gambling initiatives ► The General Assembly may wish to consider amending the Code of Virginia to direct the agency that is responsible for regulating historical horse racing to develop policies detailing how it will participate in statewide efforts to prevent and treat problem gambling. (Recommendation 7)

Transferring HHR regulation to lottery ► The General Assembly may wish to consider amending Chapter 40 of Title 58.1 of the Code of Virginia to remove responsibility for regulating historical horse race wagering (HHR) from the Virginia Racing Commission and Chapter 29 of Title 59.1 of the Code of Virginia to assign regulatory responsibility for HHR to the Virginia Lottery. (Recommendation 8)

Adding a Virginia Racing Commission member to the lottery board ► If the Virginia Lottery is given responsibility for regulating historical horse racing, the General Assembly may wish to consider amending §58.1-4004 of the Code of Virginia to add one position to the Lottery Board that will be filled by a member of the Virginia Racing Commission who will serve as a voting ex officio member. (Recommendation 9)

Reiterating purpose of HHR ► If the Virginia Lottery is given responsibility for regulating historical horse racing, the General Assembly may wish to include language in the Virginia Lottery's section of the Appropriation Act stating that historical horse racing has been authorized for the purpose of providing support and funding to Virginia's horse racing industry. (Recommendation 10)

Requiring HHR operators to first obtain live racing license ► If the Virginia Lottery is given responsibility for regulating historical horse racing, the General Assembly may wish to consider amending §59.1-375 of the Code of Virginia to require that the historical horse racing operator have an active significant infrastructure limited license from the Virginia Racing Commission to be eligible to obtain a license from the Virginia Lottery to conduct historical horse racing. (Recommendation 11)

Moving regulation of charitable gaming to lottery ► The General Assembly may wish to consider amending §18.2-340.15 of the Code of Virginia to move authority for regulating charitable gaming from the Virginia Department of Agriculture and Consumer Services to the Virginia Lottery. (Recommendation 12)

Charitable Gaming Board becoming an advisory board ► If the Virginia Lottery Board is given responsibility to regulate charitable gaming, the General Assembly may wish to consider amending §2.2-2455 and §2.2-2456 of the Code of Virginia to establish the Charitable Gaming Board as an advisory board to the Virginia Lottery with responsibility for advising the Lottery on the conduct of charitable gaming. (Recommendation 13)

Adding a charitable gaming representative to the Virginia Lottery Board ► If the Virginia Lottery Board is given responsibility to regulate charitable gaming, the General Assembly may wish to consider amending §58.1-4004 of the Code of Virginia to direct that a position be established on the Lottery Board to be filled by a member of the Charitable Gaming Board who would serve as a voting ex officio member. (Recommendation 14)

BEHAVIORAL HEALTH

CSB Behavioral Health Services, 2022

RECOMMENDATIONS

Better data on CSB consumer outcomes ► The General Assembly may wish to consider including language in the Appropriation Act requiring the Department of Behavioral Health and Developmental Services (DBHDS) to report annually on (i) community service board (CSB) performance in improving the functioning levels of its consumers based on composite and individual item scores from the DLA-20 assessment, or results from another comparable assessment, by CSB, (ii) changes in CSB performance in improving consumer functioning levels over time, by CSB, and (iii) the use of functional assessment data by DBHDS to improve CSB performance to the State Board of Behavioral Health and Developmental Services and the Behavioral Health Commission. (Recommendation 2)

Improved data on CSB workforce ► The General Assembly may wish to consider including language in the Appropriation Act directing the Department of Behavioral Health and Developmental Services to report annually to the State Board of Behavioral Health and Developmental Services and the Behavioral Health Commission on average salaries, turnover, and vacancy rates, by position type, across community services boards. (Recommendation 4)

Restricting state funding for CSB staff salary increases ► The General Assembly may wish to include language in the Appropriation Act directing the Department of Behavioral Health and Developmental Services (DBHDS) to amend community services board (CSB) performance contracts to require that (i) any funding appropriated by the General Assembly to CSBs for staff compensation only be used for staff compensation and (ii) CSBs report annually on any staff compensation actions taken during the prior fiscal year to DBHDS. (Recommendation 5)

Streamlining CSBs' administrative requirements ► The General Assembly may wish to consider including language in the Appropriation Act directing the Department of Behavioral Health and Developmental Services (DBHDS) to (i) identify all current DBHDS requirements related to documentation and reporting of community services board (CSB) behavioral health services; (ii) identify which of these requirements currently apply to work by CSB direct care staff; (iii) identify any DBHDS requirements of direct care staff that are duplicative of or conflict with other DBHDS requirements; (iv) eliminate any requirements that are not essential to ensuring consumers receive effective and timely services or are duplicative or conflicting; and (v) report to the State Board of Behavioral Health and Developmental Services and the Behavioral Health Commission on progress made toward eliminating administrative requirements that are not essential, are duplicative, or are conflicting. (Recommendation 6)

Improving training for preadmission screening clinicians ► The General Assembly may wish to consider including language in the Appropriation Act directing the Department of Behavioral Health and Developmental Services (DBHDS) to contract with one or more higher education institutions to establish training and technical assistance centers to (i) deliver standardized training for preadmission screening clinicians on developing appropriate preadmission screening recommendations, interpreting lab results, and understanding basic medical conditions and (ii) provide technical assistance to preadmission screening clinicians, particularly when quality improvement is deemed necessary by DBHDS. (Recommendation 7)

Eliminating psychiatric bed registry requirement ► The General Assembly may wish to consider amending §37.2-308.1 of the Code of Virginia to repeal the requirement that every state facility, community services board, behavioral health authority, and private inpatient provider licensed by the Department of Behavioral Health and Developmental Services participate in the acute psychiatric bed registry. (Recommendation 12)

Improving CSBs' Medicaid billing ► The General Assembly may wish to consider including language in the Appropriation Act directing the Department of Behavioral Health and Developmental Services to work with the Department of Medical Assistance Services to (i) develop and implement a targeted review process to assess the extent to which community services boards (CSBs) are billing for Medicaid-eligible services they provide, (ii) provide technical assistance and training, in coordination with Medicaid managed care organizations, on appropriate Medicaid billing and claiming practices to relevant CSB staff, and (iii) report the results of these targeted reviews, and any technical assistance or training provided in response, to the House Appropriations and Senate Finance and Appropriations committees no later than December 1, 2023, and annually thereafter. (Recommendation 14)

Standardizing Medicaid reimbursement policies ► The General Assembly may wish to consider including language in the Appropriation Act directing the Department of Medical Assistance Services to (i) work with the managed care organizations (MCOs) to standardize, to the maximum extent practicable, policies, procedures, and requirements that CSBs must follow to receive reimbursement for the cost of Medicaid services they provide, including documentation, training, and credentialing requirements; and (ii) report on the improvements made to MCO policies, procedures, and requirements to the Behavioral Health Commission no later than December 1, 2023. (Recommendation 15)

DUAL ENROLLMENT

The Costs of Virginia's Dual Enrollment Program, 2022

RECOMMENDATIONS

Waiving dual enrollment tuition for economically disadvantaged students ► The General Assembly may wish to consider including language in the Appropriation Act that requires school divisions to provide dual enrollment courses to economically disadvantaged students at no cost by requiring community colleges and school divisions to waive dual enrollment tuition and fee charges for economically disadvantaged students for courses taught on Virginia public high school campuses. (Recommendation 3)

Waiving dual enrollment expenses for economically disadvantaged students ► The General Assembly may wish to consider including language and funding in the Appropriation Act to pay for expenses associated with taking dual enrollment courses, excluding tuition and fees, that are incurred by economically disadvantaged students, including the cost of textbooks and other supplies, and directing the Virginia Department of Education to distribute such funds based on the proportion of economically disadvantaged students participating in dual enrollment in each school division. (Recommendation 4)

Eliminating tuition and fees for non-CTE dual enrollment courses ► The General Assembly may wish to consider including language in the Appropriation Act prohibiting community colleges and school divisions from charging tuition or fees for non-career and technical education dual enrollment courses taught on Virginia public high school campuses as long as their dual enrollment expenses are covered by general fund appropriations. (Recommendation 5)

Appropriating dual enrollment costs in the state budget ► The General Assembly may wish to consider including language in the Appropriation Act under Item 212, Educational and General Programs for the Virginia Community College System, which specifies the amount appropriated for non-career and technical education dual enrollment courses taught on Virginia public high school campuses that is based on community colleges' costs to operate these dual enrollment programs. (Recommendation 6)

Distribution of funds based on dual enrollment expenses ► The General Assembly may wish to consider including language in the Appropriation Act directing the State Board for Community Colleges to develop and implement a process for distributing state general funds to community colleges for their dual enrollment programs based on the dual enrollment program expenses reported by the colleges. (Recommendation 7)

Tracking dual enrollment revenues and expenses ► The General Assembly may wish to consider including language in the Appropriation Act directing community colleges to document and track the amounts and sources of revenues and expenses related to their dual enrollment programs, and report this data by September 1 every two years, starting in 2024 to the State Council of Higher Education for Virginia and the Virginia Community College System. (Recommendation 8)

Assigning SCHEV oversight of dual enrollment program ► The General Assembly may wish to consider amending § 23.1-203 of the Code of Virginia to assign to the State Council of Higher Education for Virginia responsibility for overseeing the state's dual enrollment program, including, but not limited to, (i) overseeing financial reporting by community colleges on their dual enrollment programs; (ii) tracking the extent to which state general fund appropriations continue to sufficiently cover community colleges' dual enrollment expenses; (iii) providing assistance to colleges and school divisions to maximize Passport and Uniform Certificate of General Studies courses offered; (iv) coordinating initiatives to increase the number of dual enrollment teachers across the state; and (v) evaluating the extent to which dual enrollment credits are accepted by Virginia's higher education institutions and recommending improvements and strategies for maximizing dual enrollment course transferability. (Recommendation 9)

POLICY OPTIONS

Bonuses for dual enrollment teachers ► The General Assembly could appropriate funding to the Virginia Department of Education to provide annual bonuses to high school teachers statewide who teach dual enrollment courses. (Option 1)

College staff as dual enrollment teachers ► The General Assembly could appropriate funding to the Virginia Community College System to pay college faculty to teach dual enrollment courses at selected high schools that lack a sufficient number of credentialed teachers in their geographic area. (Option 2)

Adjusting VCCS's base budget to prevent colleges' revenue declines ► The General Assembly could include language and funding in the Appropriation Act to provide an additional \$6.2 million to the Virginia Community College System (VCCS) as an adjustment to VCCS's base budget, and direct VCCS to allocate these funds to each community college to replace the revenue colleges would have received in dual enrollment tuition and fees. (Option 3)

Dual enrollment grant program for school divisions ► The General Assembly could include language and funding in the Appropriation Act to establish and provide funds for a grant program that would provide funds to school divisions that demonstrate a need for financial assistance to maintain a high quality, well-staffed dual enrollment program. (Option 4)

Appropriating funding for community colleges ► The General Assembly could continue to use its current methodology for determining the amount to appropriate to the Virginia Community College System for colleges' Educational and General Programs if it designates a specific amount for dual enrollment under Item 212 of the Appropriation Act. (Option 5)

HIGHER EDUCATION FINANCIAL AID PROGRAMS

Higher Education Financial Aid Grant Programs and Awards, 2022

VGAP requirements: removing full-time and progression ► The General Assembly may wish to consider amending § 23.1-638 of the Code of Virginia to allow in-state undergraduate students who are enrolled in at least six credit hours of academic coursework at public higher education institutions to be eligible to receive pro-rated state financial aid grant awards through the Virginia Guaranteed Assistance Program (VGAP) instead of requiring VGAP recipients to maintain continuous full-time enrollment and progress a class level each year. (Recommendation 1)

Removing VGAP high school GPA requirement ► The General Assembly may wish to consider amending § 23.1-638 of the Code of Virginia to eliminate the requirement that students receiving the Virginia Guaranteed Assistance Program grant have a cumulative high school grade point average of at least 2.5. (Recommendation 2)

Removing VGAP college GPA requirement ► The General Assembly may wish to consider amending § 23.1-638 of the Code of Virginia to require recipients of Virginia Guaranteed Assistance Program grants to meet the satisfactory academic progress requirements set by their public higher education institution instead of requiring all students to have a cumulative college GPA of 2.0 to continue receiving the grant after their first year. (Recommendation 3)

Removing VGAP's requirement to provide progression bonuses ► The General Assembly may wish to consider amending § 23.1-638 of the Code of Virginia to no longer require public higher education institutions to increase students' Virginia Guaranteed Assistance Program grant awards as they progress to higher class levels. (Recommendation 4)

Creating a progression bonus pilot program ► If the General Assembly wishes to maintain a progression bonus, it may wish to consider amending § 23.1-638 of the Code of Virginia to pilot a new state financial aid progression bonus program that requires public higher education institutions to provide a minimum increase of \$1,200 in additional state financial aid grant funding to students who re-enroll for their sophomore, junior, and senior years. (Recommendation 5)

Removing "last dollar" policy for state grants ► The General Assembly may wish to consider amending § 23.1-601 of the Code of Virginia to require public higher education institutions to calculate per-student state financial aid grant awards after subtracting per-student federal Pell grant awards. (Recommendation 6)

Replace VGAP with Virginia Commonwealth Award Program ► The General Assembly may wish to consider amending § 23.1-636 of the Code of Virginia to eliminate the Virginia Guaranteed Assistance Program and establish the Virginia Commonwealth Award Program as the state's primary need-based state financial aid grant program. (Recommendation 7)

Board approval of state financial aid grant funding allocations ► The General Assembly may wish to consider amending Chapter 2 of § 23.1 of the Code of Virginia to require members of the State Council of Higher Education for Virginia (SCHEV) to approve changes to SCHEV staff's methodology used to determine recommended state financial aid grant funding allocations to public higher education institutions. (Recommendation 10)

Reporting key metrics of state financial aid grant funding ► The General Assembly may wish to consider amending § 23.1-601 of the Code of Virginia to require staff from the State Council of Higher Education for Virginia (SCHEV) to annually review and report to SCHEV council members key financial aid metrics for students, by expected family contribution bracket or the federal metric that replaces it, including: (i) the number of in-state undergraduate students attending public institutions; (ii) the aggregate and average amount of student financial need toward tuition and fees addressed using state financial aid grants; and (iii) the aggregate and average amount of unmet student financial need toward tuition and fees after all financial aid grants are awarded, and use this information as the basis for recommending to SCHEV council members changes to the state's approach to financial aid grant funding or student grant eligibility requirements, as needed. (Recommendation 11)

Prioritizing grants for students with the greatest financial need ► The General Assembly may wish to consider amending § 23.1-601 of the Code of Virginia to establish additional parameters for state financial aid grant awards that ensure public higher education institutions are prioritizing state grant funding to students with the most financial need. (Recommendation 12)

POLICY OPTIONS

Endowment funding in student financial aid calculations ► The General Assembly could amend § 23.1-101 of the Code of Virginia to allow financial aid funded through endowments at public higher education institutions to be factored into state financial aid grant funding decisions. (Option 1)

Uniform financial aid awarding schedule ► The General Assembly could amend § 23.1-601 of the Code of Virginia to direct the State Council of Higher Education for Virginia (SCHEV) to design and implement a uniform financial aid awarding schedule, to be approved by SCHEV council members, for awarding grants through the Virginia Guaranteed Assistance Program and the Virginia Commonwealth Award Program, which would prioritize grant awards to those students with the greatest financial need. (Option 2)

State financial aid grants for students at HBCUs ► If the General Assembly implements a statewide financial aid awarding schedule, it could require the State Council of Higher Education for Virginia to allocate to Norfolk State University and Virginia State University at least as much state financial aid funding as was allocated to these institutions in the academic year preceding the implementation of the statewide schedule. (Option 3)

Limiting state financial aid grants to neediest students ► The General Assembly could amend § 23.1-601 of the Code of Virginia to direct the State Council of Higher Education for Virginia to restrict public higher education institutions from awarding grants through the Virginia Guaranteed Assistance Program and the Virginia Commonwealth Award Program to less needy students, as measured by expected family contribution or another financial metric. (Option 4)

Grant funding for students facing financial emergencies need ► The General Assembly could include language in the Appropriation Act directing the State Council of Higher Education for Virginia to design and pilot a state emergency financial aid program that provides public higher education institutions with grant funding for students with financial need who are facing a financial emergency that puts them at risk of dropping out. (Option 5)

INCOME TAX

Options to Make Virginia's Individual Income Tax More Progressive, 2022

POLICY OPTIONS

Increasing progressivity by reducing taxes primarily on low income filers

Increasing portion of EITC that is refundable ► The General Assembly could reduce effective tax rates of low income filers by increasing the amount of the earned income credit that is refundable from 75% to 100%. (Option 1)

Reducing filing threshold ► The General Assembly could reduce effective tax rates of low, lower-middle, and middle income filers by increasing the filing thresholds from \$11,950 to \$27,180 for single filers and \$23,900 to \$54,360 for joint filers. (Option 2)

Increasing progressivity by reducing taxes primarily on lower-middle and middle income filers

Adjusting tax brackets to account for inflation ► The General Assembly could reduce effective tax rates of lower-middle and middle income filers by adjusting income brackets to account for inflation since brackets were last updated in 1990. (Option 3)

Adjusting tax brackets to account for inflation and adopting new rates ► The General Assembly could reduce effective tax rates of lower-middle and middle income filers by (i) adopting new tax rates of 1%, 2%, 4.5%, and 6.5%, and (ii) applying each rate to the existing four bracket structure updated to account for inflation since brackets were last updated in 1990. (Option 4)

Adopting new rates and tax brackets based on income distribution ► The General Assembly could reduce effective tax rates of lower-middle and middle income filers by (i) adopting new tax rates of 1%, 1.5%, 3.5%, 5.5%, 6.5%, and 7.5%, and (ii) applying each rate to a new six bracket structure based on the current income distribution. (Option 5)

Increasing personal exemptions ► The General Assembly could reduce effective tax rates, in particular for lower-middle and middle income families, by increasing the personal exemption for a filer, their spouse, and each dependent from \$930 to \$2,000. (Option 6)

Increasing standard deduction ► The General Assembly could reduce effective tax rates of lower-middle and middle income filers by increasing the standard deduction to the federal amounts (\$8,000 to \$12,950 for single filers and \$16,000 to \$25,900 for joint filers). (Option 7)

Increasing progressivity by raising taxes on higher income filers

Creating new income brackets for higher income filers ► The General Assembly could increase effective tax rates of higher income filers by creating a (i) new \$100,000 to \$1 million income bracket with a tax rate of 6% and (ii) new more than \$1,000,000 income bracket with a tax rate of 6.75%. (Option 8)

Creating new income bracket for higher income filers ► The General Assembly could increase effective tax rates of higher income filers by creating a new \$600,000 or more income bracket with a tax rate of 7%. (Option 9)

Creating new income bracket for higher income filers ► The General Assembly could increase effective tax rates of higher income filers by creating a new \$600,000 or more income bracket with a tax rate of 9%. (Option 10)

Creating new income bracket for higher income filers ► The General Assembly could increase effective tax rates of higher income filers by creating a new more than \$1,000,000 income bracket with a tax rate of 10%. (Option 11)

Maintaining progressivity over time

Indexing income brackets to inflation ► The General Assembly could preserve the progressivity of the individual income tax over time by indexing income brackets to inflation. (Option 12)

JUVENILE JUSTICE

Virginia's Juvenile Justice System, 2021

RECOMMENDATIONS

Compensation for court-appointed attorneys for juveniles ► The General Assembly may wish to consider amending § 19.2-163 of the Code of Virginia to increase the maximum compensation for court-appointed attorneys in juvenile delinquency cases. (Recommendation 1)

Training for court-appointed counsel serving juveniles ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Indigent Defense Commission (VIDC) to develop a plan to strengthen training requirements for court-appointed counsel in juvenile delinquency cases that also identifies additional staff resources needed to implement the strengthened requirements. (Recommendation 2)

New training requirements for court-appointed counsel serving juveniles ► The General Assembly may wish to consider amending § 19.2-163.03 of the Code of Virginia to strengthen training requirements for certification of court-appointed attorneys in juvenile delinquency cases, based on the requirements proposed by the Virginia Indigent Defense Commission. (Recommendation 3)

Ensuring timely circuit court hearings for juveniles ► The General Assembly may wish to consider amending § 16.1-269.6 of the Code of Virginia to specify a timeframe, such as 45 calendar days, in which juvenile delinquency cases must be adjudicated in circuit court, provided that the time limitation may be extended for good cause or when a jury trial is requested. (Recommendation 4)

Credit for time served in juvenile detention while awaiting circuit court trial ► The General Assembly may wish to consider amending the Code of Virginia to allow juveniles who are not sentenced to an adult correctional facility to receive credit for time spent in juvenile detention while awaiting trial in circuit court. (Recommendation 5)

Bias training for law enforcement interacting with juveniles ► The General Assembly may wish to consider amending § 9.1-102 of the Code of Virginia to require the Department of Criminal Justice Services to amend its training standards for law enforcement to address implicit bias, cultural diversity, and protective responses specifically when interacting with juveniles. (Recommendation 6)

Training requirements for juvenile detention center staff ► The General Assembly may wish to consider including language in the Appropriation Act directing the Board of Juvenile Justice to promulgate regulations that establish specific training requirements for front line staff of juvenile detention centers needed to effectively support youth in rehabilitative programs, including post-dispositional programs and community placement programs. (Recommendation 18)

Assessing rehabilitative programs at juvenile detention centers ► The General Assembly may wish to consider amending §66-3.2 of the Code of Virginia to authorize the Department of Juvenile Justice to regularly conduct quality assurance reviews of juvenile detention centers' post-dispositional rehabilitative programs and provide technical assistance as needed to ensure the centers meet statutory and regulatory requirements. (Recommendation 19)

On-site monitoring reviews of juvenile detention centers' educational programs ► The General Assembly may wish to consider including language in the Appropriation Act (i) directing the Virginia Department of Education (VDOE) to reinstate its onsite monitoring reviews of the educational programs at juvenile detention centers; improve its collection of student outcomes data; and report annually on the effectiveness and quality of programs for youth in detention centers to the Senate Education and Health and the House Education committees; and (ii) establishing and funding an additional staff position at VDOE to assist with these oversight responsibilities. (Recommendation 20)

Extended school year at juvenile detention centers ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to develop a plan to implement an extended school year model that provides structured summer programming in juvenile detention centers and estimate any additional appropriations required. (Recommendation 21)

Oversight of Community Placement Programs ► The General Assembly may wish to consider including language in the Appropriation Act to (i) create and fund a position at the Department of Juvenile Justice to manage and oversee use of community placement programs and (ii) require management and oversight to include ongoing review of community placement programs and recidivism rates and a process to hold programs accountable for low performance. The Department of Juvenile Justice should be required to report annually to the Senate Rehabilitation and Social Services and House Health, Welfare, and Institutions committees on the performance of the community placement programs. (Recommendation 27)

Sealing and expunging juvenile court records ► The General Assembly may wish to consider amending § 16.1-306 of the Code of Virginia to (i) establish a process to allow records for certain less serious, non-violent felony equivalent offenses of youth adjudicated delinquent in juvenile and domestic relations district court to be automatically sealed after a period of years specified by the General Assembly up to age 29, and then subsequently expunged; (ii) determine the types of offenses eligible for sealing; and (iii) establish other necessary eligibility criteria. (Recommendation 29)

Cost effective staffing at juvenile detention centers ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education (VDOE) to determine the extent to which each juvenile detention center currently implements or could further implement cost-effective staffing methods. VDOE should be directed to work with the Virginia Department of Planning and Budget to determine the potential cost savings and feasibility of implementing each method and propose specific actions along with the estimated cost savings to the secretary of finance. (Recommendation 30)

POLICY OPTIONS

Ensuring public defenders provide quality representation to youth ► The General Assembly could amend § 19.2-163.01 of the Code of Virginia to require the Virginia Indigent Defense Commission to evaluate the legal services provided to juveniles by public defenders on a biennial basis, to ensure youth are receiving quality representation. Along with conducting the evaluation, VIDC could be required to develop and implement a plan to address any identified gaps in the quality of legal representation provided by juvenile public defenders. (Option 1)

Improving court data on youth legal representation ► The General Assembly could include language in the Appropriation Act directing the Office of the Executive Secretary of the Virginia Supreme Court (OES) to ensure juvenile and domestic relations and circuit court clerks consistently record attorney type for juvenile delinquency cases in their case management systems. OES could be required to report this information annually to the Virginia Indigent Defense Commission. (Option 2)

Creating regional juvenile public defender offices ► The General Assembly could include language in the Appropriation Act directing the Virginia Indigent Defense Commission to develop a plan to establish a state-operated system of regional juvenile public defender offices, including the additional staffing and resources that would be required, and to submit this plan to the House Appropriations and Senate Finance and Appropriations committees. (Option 3)

Considering time served in disposition decisions ► The General Assembly could amend § 16.1-278.8 of the Code of Virginia to require juvenile and domestic relations district court judges to consider any time youth have spent in detention prior to their adjudication when making disposition decisions. (Option 4)

Bias and cultural competency training for juvenile justice system attorneys and judges ► The General Assembly could include language in the Appropriation Act directing the secretary of public safety and homeland security to convene a workgroup, including representatives from the Office of the Executive Secretary of the Virginia Supreme Court, the Virginia Indigent Defense Commission, the Department of Juvenile Justice, and the Department of Criminal Justice Services, to develop and make available an implicit bias and cultural competency training specifically tailored to the roles and responsibilities of attorneys and judges within the juvenile justice system. (Option 5)

Improving vocational training in juvenile detention centers ► The General Assembly could include language in the Appropriation Act directing the Virginia Department of Education to convene a workgroup that includes personnel from Virginia's juvenile detention centers, the Department of Juvenile Justice, the Department for Aging and Rehabilitative Services, the Virginia Community College System, and local workforce investment boards to assess the adequacy of current training, certification, and placement assistance services available in juvenile detention centers and identify opportunities to expand service offerings. (Option 6)

Reducing waiting period to seal records of juveniles tried in circuit court ► The General Assembly could amend Chapter 23.2 of the Code of Virginia to reduce the waiting period to seal juvenile criminal records maintained by circuit courts for eligible offenses under current law. (Option 8)

Automatically sealing juvenile records in circuit courts ► The General Assembly could amend Chapter 23.2 of the Code of Virginia to automatically seal juvenile records maintained by circuit courts for eligible offenses under current law, rather than require a petition to be filed requesting the records be sealed. (Option 9)

Encouraging regionally operated juvenile detention centers ► The General Assembly could consider establishing a two-tiered reimbursement rate in the Appropriation Act for the construction and operation of juvenile detention centers. Juvenile detention centers that are operated regionally could receive higher reimbursement rates than those operated by a single jurisdiction. (Option 10)

Lower funding for underused juvenile detention centers ► The General Assembly could consider including language in the Appropriation Act directing the Department of Juvenile Justice and the Virginia Department of Education to provide lower funding for juvenile detention centers that are consistently operating under a certain capacity, such as 50 percent, and are located within a certain distance, such as a 45-minute drive, of other facilities that are also operating under capacity. (Option 11)

Identifying juvenile detention facilities for closure or consolidation ► The General Assembly could consider including language in the Appropriation Act directing the Department of Juvenile Justice (DJJ) to implement a process to identify specific juvenile detention centers that should be closed or consolidated to better align facility capacities with regional needs. DJJ could be directed to report to the General Assembly on the results of the process and specific facilities identified for closure or consolidation. (Option 12)

Specialization of juvenile detention centers ► The General Assembly could consider including language in the Appropriation Act directing the Department of Juvenile Justice to evaluate the costs, benefits, and feasibility of transitioning juvenile detention centers to either specialize in (i) short-term detention or (ii) longer-term rehabilitative programming. The Virginia Department of Education could be required to develop a plan to align the educational programming to meet the different needs of youth in the two types of facilities. (Option 13)

AFFORDABLE HOUSING

Affordable Housing in Virginia, 2021

Annual report on Virginia Housing's affordable housing spending ► The General Assembly may wish to consider amending §36-55.51 of the Code of Virginia to require the Virginia Housing Development Authority to submit an annual report to the chairs of the Senate Finance and Appropriations Committee, House Appropriations Committee, and Virginia Housing Commission describing: i) Virginia Housing's annual contributions to the Resources Enabling Affordable Community Housing (REACH) program and the annual fund balance (or any future program that reinvests Virginia Housing's net earnings into affordable housing initiatives); ii) amount of REACH funds spent in the fiscal year by broad purpose; and iii) the outputs and outcomes associated with those and prior REACH expenditures, as measured through its REACH performance measures. This report should be submitted at the end of each fiscal year. (Recommendation 5)

Reserving housing units for low income households in Virginia Housing's economically mixed projects ► The General Assembly may wish to consider modifying §36-55.30:2 of the Code of Virginia to specify that, in economically mixed projects financed by the Virginia Housing Development Authority, at least 20 percent of units shall be reserved for low income households, and reserved units must be affordable to households earning 80 percent and below area median income. (Recommendation 9)

Supporting community land trusts ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Housing and Community Development to study options for providing additional support to community land trusts to establish additional affordable housing and develop a plan that does so. The plan should be submitted to the chairs of House Committee on General Laws, Senate Committee on General Laws and Technology, and Virginia Housing Commission. (Recommendation 12)

Promoting zoning policies that encourage affordable housing ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Housing and Community Development to evaluate different approaches to structuring, administering, and funding an incentive program to provide additional state funding for infrastructure improvements to localities that adopt zoning policies designed to facilitate the development of affordable housing. The report should include recommendations for implementing an incentive program and should be submitted to the House Committee on Counties, Cities, and Towns; the Senate Local Government Committee; and the Virginia Housing Commission no later than November 1, 2024. (Recommendation 18)

POLICY OPTIONS

Preventing local restrictions on 3-D printed or modular constructed homes ► The General Assembly could amend the Code of Virginia to prevent localities from 1) restricting 3-D printed or modular constructed homes from being built on residential land or 2) restricting the construction of 3-D printed or modular constructed homes in certain residential zones. (Option 1)

Expansion of mandatory affordable dwelling unit ordinances ► The General Assembly could amend §15.2-2304 of the Code of Virginia to expand the localities that have the authority to adopt mandatory affordable dwelling unit ordinances to include all localities that have population growth rates, median home sales prices, and median gross rents in the top quartile of the state, and require that the Department of Housing and Community Development update the list of qualifying localities with the release of each new decennial census. The amended statute could also provide that any locality that receives authority would not have that authority revoked if the locality is no longer in the top quartile of the state for the characteristics listed above. (Option 2)

UNEMPLOYMENT INSURANCE

Operations and Performance of the Virginia Employment Commission, 2021

POLICY OPTIONS

State call center augmentation contracts ► The General Assembly could include language in the Appropriation Act directing the Department of General Services (DGS) and the Virginia Information Technologies Agency (VITA) to assess agencies' need for call center staff augmentation and ensure that contractual solutions to meet those needs are in place. (Option 1)

Tying UI benefits levels to an economic metric ► The General Assembly could amend section § 60.2-602 of the Code of Virginia to modify the unemployment insurance benefits formula to automatically adjust unemployment insurance benefit amounts annually based on a statewide economic metric. (Option 4)

One-time increase in UI benefits amounts ► The General Assembly could amend section § 60.2-602 of the Code of Virginia to modify the unemployment insurance benefits formula to enact a one-time increase in the maximum unemployment insurance benefit amount. (Option 5)

UI benefits dependent allowance ► The General Assembly could amend section § 60.2-602 of the Code of Virginia to modify the unemployment insurance benefit formula to create a dependent allowance that is tied to an economic metric or calculated as a portion of the individual's weekly benefit amount. (Option 6)

Increasing UI taxable wage base ► The General Assembly could amend § 60.2-229 of the Code of Virginia to increase the unemployment insurance taxable wage base. (Option 8)

Increasing minimum UI employer tax rate ► The General Assembly could amend § 60.2-531 of the Code of Virginia to increase the minimum base unemployment insurance tax rate for all employers, to a new rate between 0.01 percent and 0.07 percent. (Option 9)

Increasing maximum base UI employer tax rate ► The General Assembly could amend § 60.2-531 of the Code of Virginia to increase the maximum base unemployment insurance tax rate. (Option 10)

SURFACE TRANSPORTATION

Transportation Infrastructure and Funding, 2021

RECOMMENDATIONS

Mileage-based user fees for in-state miles driven ► The General Assembly may wish to consider amending § 46.2-773 of the Code of Virginia to clarify that program fees can be charged for all miles driven by participants or for only miles driven in Virginia, and that both options can be made available to participants. (Recommendation 2)

Funding bridge rehabilitations ► The General Assembly may wish to consider amending § 33.2-369 of the Code of Virginia to improve bridge safety and reduce long-term costs by allowing the State of Good Repair program to fund bridges that are in fair condition, specifically those that have a general condition rating less than or equal to 5.0. (Recommendation 4)

Ensuring State of Good Repair program funds greatest needs ► The General Assembly may wish to consider amending § 33.2-369 of the Code of Virginia to allow the State of Good Repair (SGR) program to fund more of the estimated bridge and pavement repair needs in construction districts by (i) eliminating the 17.5 percent cap and 5.5 percent floor on the proportion of SGR funding that a district can be allocated or (ii) raising the cap on the proportion of SGR funding that a district can be allocated to 20 percent but maintaining the 5.5 percent floor. (Recommendation 5)

Codifying Hampton Roads Transportation Fund project criteria ► The General Assembly may wish to consider amending § 33.2-2600 of the Code of Virginia to require that projects considered for funding through the Hampton Roads Transportation Fund be evaluated and prioritized based on objective and quantifiable benefits and costs. (Recommendation 9)

POLICY OPTIONS

Regional surcharges for highway use and mileage-based user fees ► The General Assembly could establish regional surcharges in the Code of Virginia for the highway use fee and mileage-based user fee. (Option 1)

Highway use fee for heavy, fuel-efficient vehicles ► The General Assembly could amend § 46.2-772 et seq. and § 58.1-2701 of the Code of Virginia to assess a highway use fee on (i) fuel efficient and electric vehicles weighing from 10,000 pounds to 26,000 pounds, and (ii) electric vehicles over 26,000 pounds. Fees could be scaled to vehicle weight. (Option 2)

Distribution of maintenance program funds ► The General Assembly could consider amending § 33.2-319 of the Code of Virginia to modify how maintenance payment program funds are distributed to cities and towns by (i) eliminating the current funding formula and directing the CTB to develop and approve a new formula that better accounts for the different drivers of maintenance costs; (ii) eliminating the current funding formula and directing the CTB to award funds based on an assessment of pavement and bridge conditions in each locality; or (iii) directing the CTB to develop an approach for directing additional funding to localities that have a high proportion of pavements and bridges in poor condition and have relatively high indicators of fiscal stress. (Option 3)

GUARDIANSHIP AND CONSERVATORSHIP

Improving Virginia's Adult Guardian and Conservator System, 2021

RECOMMENDATIONS

Including more information on prospective guardians in court reports ► The General Assembly may wish to consider amending § 64.2-2003 of the Code of Virginia to require that guardian ad litem reports to the court include i) the size of the prospective guardian's current guardianship caseload, ii) whether the prospective guardian employs representatives to manage day-to-day tasks of guardianship, (iii) the travel time between the prospective guardian's residence or place of business and the expected residence of the adult under consideration for guardianship, iv) whether the prospective guardian works as a professional guardian on a full-time basis, and v) whether the guardian is named as an alleged perpetrator in any substantiated Adult Protective Services complaint. (Recommendation 2)

Suitability of prospective guardians in GAL reports ► The General Assembly may wish to consider amending § 64.2-2003 of the Code of Virginia to require that guardians ad litem include in their reports an assessment of suitability and propriety of all individuals interested in serving as a guardian for the adult who is the subject of the petition. (Recommendation 4)

Requiring training for private guardians ► The General Assembly may wish to consider amending Title 64.2 of the Code of Virginia to require any individual who is named as a private guardian, and staff who perform duties on their behalf, to undergo guardianship training developed by the Department for Aging and Rehabilitative Services within four months of appointment and give local departments of social services responsibility for verifying compliance with the training requirement. (Recommendation 19)

Private guardianship responsibilities for DARS ► The General Assembly may wish to consider amending Title 51.1, Chapter 14, Article 6 of the Code of Virginia to grant new responsibilities to the Department for Aging and Rehabilitative Services to strengthen the accountability and quality of the private guardian system. These new responsibilities should include: providing information about Adult Protective Services complaints against prospective guardians to guardians ad litem as part of the guardianship court hearing process; providing and/or coordinating training to private guardians and local department of social services staff; facilitating additional monitoring of private guardians through

independent care visits; improving guardianship data tracking and quality control; and creating and administering a private guardian complaint process. (Recommendation 24)

Changes in circumstances or conditions of adults under guardianship ► The General Assembly may wish to consider amending § 64.2-2019 of the Code of Virginia to require the guardian to notify designated contacts, as specified by the court, of certain changes in the condition or circumstances of an adult under guardianship, including a change to the adult's primary residence, a temporary change in living location, admission to a hospital or hospice care, and death, as well as provide them with a copy of the annual guardianship report each year at the time it is submitted to the local department of social services. (Recommendation 31)

Prohibiting guardians from "self-dealing" ► The General Assembly may wish to consider amending § 64.2-2009 of the Code of Virginia to (i) define self-dealing, at a minimum, to include using the estate of an adult under guardianship or conservatorship to complete a sale or transaction with the guardian or conservator, their spouse, agent, attorney, or business with which they have a financial interest; (ii) prohibit self-dealing by a guardian or conservator unless court approval is first obtained or the sale or transaction was entered into before the guardian or conservator was appointed; and (iii) make voidable by the court any sale or transaction that constitutes self-dealing. (Recommendation 32)

Assessing demand for public guardianship ► The General Assembly may wish to consider including one-time funding in the Appropriation Act for the Department for Aging and Rehabilitative Services (DARS) to hire a third party to study the need for expanding the capacity of the state's public guardianship program in total and by region; to assess the actual cost of providing expanded public guardianship services (personnel, overhead, etc.); and to assess the additional cost of providing equal funding to all provider organizations for the same types of public guardianship slots. (Recommendation 35)

Requiring conservator training ► The General Assembly may wish to consider amending § 64.2-2021 of the Code of Virginia to require conservators to complete state-provided training within four months of their court appointment, and consider amending Title 64.2, Chapter 12 of the Code of Virginia, to assign commissioners of accounts responsibility for verifying compliance with training requirements for conservators under their supervision. (Recommendation 38)

Ensuring accuracy of initial inventory of adults under conservatorship ► The General Assembly may wish to consider amending Title 64.2, Chapter 12 of the Code of Virginia to require conservators to (i) notify family members and other interested parties, who are specified in the initial petition for conservatorship, that an initial inventory of assets will be submitted, and (ii) provide copies of the initial inventory to notified parties, if requested, and inform these parties that they may raise any concerns about the accuracy and completeness of the inventory with the commissioner of accounts overseeing the conservator. (Recommendation 39)

Including adults' assets and income in guardian ad litem reports ► The General Assembly may wish to consider amending § 64.2-2003 of the Code of Virginia to require guardians ad litem to include in their report to the court all assets and income of adults under consideration for guardianship that they identify when determining the amount of surety on a conservator's bond. (Recommendation 40)

Including adults' assets and income in court orders ► The General Assembly may wish to consider amending § 64.2-2009 of the Code of Virginia to require the court order appointing a conservator to include a list of the financial resources of the adult being placed under conservatorship to the extent known as identified in the petition for conservatorship and the guardian ad litem report. (Recommendation 41)

ECONOMIC DEVELOPMENT INCENTIVES

Location and Expansion Incentives, 2023

RECOMMENDATIONS

Eliminating the Major Eligible Employer Grant Program ► The General Assembly may wish to consider eliminating the Major Eligible Employer Grant Program. (Recommendation 1)

Allowing expiration of New Company Incentive Program ► The General Assembly may wish to consider allowing the New Company Incentive Program to expire on January 1, 2025. (Recommendation 2)

Timing of grant payouts ► The General Assembly may wish to consider amending § 2.2-5101 and § 2.2-5102.1 of the Code of Virginia to allow payouts for the Virginia Investment Performance Grant and the Virginia Economic Development Incentive Grant to be paid out beginning in the first year after performance. (Recommendation 3)

Wage requirement for the Virginia Investment Performance Grant ► The General Assembly may wish to consider amending § 2.2-5101 of the Code of Virginia to require that projects seeking grants from the Virginia Investment Performance Grant be required to pay at least the prevailing average wage when job creation is included in the Virginia Economic Development Partnership's award determination. (Recommendation 4)

Improvements to the Major Business Facility Job Tax Credit ► The General Assembly may wish to consider amending § 58.1-439 of the Code of Virginia to (i) require that businesses eligible for the Major Business Facility Job Tax Credit be export-base (basic) employers and pay wages that meet or exceed a certain wage threshold, and (ii) adopt an annual program cap or annual per taxpayer cap. (Recommendation 5)

Improvements to the Major Business Facility Job Tax Credit ► The General Assembly may wish to consider amending § 58.1-439 of the Code of Virginia to require that the Virginia Economic Development Partnership approve Major Business Facility Job Tax Credit applications, ensure that tax credit recipients are compliant with maintaining the incentivized jobs, and determine when recapture or reduction of tax credit amounts is warranted. (Recommendation 6)

Expiration of the Major Business Facility Job Tax Credit ► If the recommendation to improve the Major Business Facility Job Tax Credit is not adopted, the General Assembly may wish to consider allowing the tax credit to expire on June 30, 2025. (Recommendation 7)

Wage threshold for the Agricultural and Forestry Industries Development Fund Facility Grant ► The General Assembly may wish to consider amending § 3.2-305 of the Code of Virginia to require that guidelines for the Agriculture and Forestry Industries Development Fund Facility Grant include a wage threshold for jobs created as part of the grant project. (Recommendation 9)

Eliminating the Farm Wineries and Vineyards Tax Credit ► The General Assembly may wish to consider eliminating the Farm Wineries and Vineyards Tax Credit. (Recommendation 12)

Eliminating the Collaborative Development Performance Grant ► The General Assembly may wish to consider eliminating the Collaborative Economic Development Performance grant. (Recommendation 13)

Science and Technology Incentives, 2022

RECOMMENDATIONS

Prioritizing R&D tax credits for small companies ► The General Assembly may wish to consider prioritizing Virginia's research and development tax credits for smaller companies by amending §§ 58.1-439.12:08 and 58.1-439.12:11 of the Code of Virginia to either (i) reallocate a portion of the Major Research and Development Tax Credit to the Research and Development Expenses Tax Credit cap or (ii) combine the two credits and give smaller companies priority for awards. (Recommendation 1)

Step-rate reimbursement for major R&D tax credit ► The General Assembly may wish to consider amending § 58.1-439.12:11 of the Code of Virginia to adopt a step-rate reimbursement structure for the Major Research and Development Tax Credit. (Recommendation 2)

Company-level cap for major R&D tax credit ► The General Assembly may wish to consider amending § 58.1-439.12:11 of the Code of Virginia to adopt an annual company-level cap for the Major Research and Development Tax Credit. (Recommendation 3)

Incentivizing R&D partnerships with higher education institutions ► The General Assembly may wish to consider amending § 58.1-439.12:11 of the Code of Virginia to prioritize research conducted with Virginia higher education institutions for the Major Research and Development Tax Credit by providing a higher company level cap for awards for such research. (Recommendation 4)

Eliminating angel investor tax credit ► The General Assembly may wish to consider eliminating the Qualified Equity and Subordinated Debt Investments Tax Credit by repealing § 58.1-339.4 of the Code of Virginia. (Recommendation 5)

Not renewing long-term capital gains and venture capital subtractions ► The General Assembly may wish to consider not renewing the investment periods for the (i) long-term capital gains subtraction, which ended June 30, 2020, and (ii) venture capital subtraction, which will end December 31, 2023. (Recommendation 6)

Eliminating Zero G Zero income tax subtractions ► The General Assembly may wish to consider amending §§ 58.1-322 and 58.1-402 of the Code of Virginia to eliminate the Zero G Zero Tax income tax subtractions after the current contract to resupply the International Space Station expires. (Recommendation 7)

Additional information in Virginia Commercial Space Flight Authority annual report ► The General Assembly may wish to consider amending § 2.2-2213 of the Code of Virginia to require the Virginia Commercial Space Flight Authority to include in its annual report a summary of (i) its six-year strategic plan, (ii) how available state funds have been spent to achieve the strategic plan goals to date, and (iii) the extent to which the strategic plan goals have been achieved to date. (Recommendation 8)

Trade and Transportation Incentives, 2021

Eliminating railroad rolling stock exemption ► The General Assembly may wish to consider eliminating the railroad rolling stock exemption. (Recommendation 1)

Restricting eligibility for aircraft parts, engines, and supplies exemption ► If the General Assembly extends the expiration of the aircraft parts, engines, and supplies exemption, it may wish to consider amending § 58.1-609.10 of the Code of Virginia to restrict eligibility of the exemption to certified Federal Aviation Administration repair facilities in the state or maintenance, repair, and overhaul facilities that employ a minimum number of workers. (Recommendation 2)

Targeting port incentives to export cargo ► The General Assembly may wish to consider amending sections §§ 58.1-439.12:06, 58.1-439.12:10, and 62.1-132.3:2 of the Code of Virginia to better target the International Trade Facility Tax Credit, Port Volume Increase Tax Credit, and Port of Virginia Economic and Infrastructure Development Grant, respectively, to export cargo. (Recommendation 4)

POLICY OPTION

Eliminating airline common carrier exemption ► The General Assembly could consider eliminating the airline common carrier exemption (Option 1).

Infrastructure and Regional Incentives, 2020

RECOMMENDATIONS

Real Property Investment Grant eligibility ► If the General Assembly decides to maintain the Real Property Investment Grant, it may wish to consider amending § 59.1-548 of the Code of Virginia to restrict awards to projects in higher multiplier, export-base industries or to projects that would contribute to community revitalization. (Recommendation 4)

Road access grant program administration ► The General Assembly may wish to consider amending § 33.2-1509 of the Code of Virginia to remove the requirement for the Virginia Economic Development Partnership to consult with the Department of Small Business and Supplier Diversity to determine if projects seeking an award from the Economic Development Access Program are basic employers. (Recommendation 16)

POLICY OPTIONS

Eliminating the Real Property Investment Grant ► The General Assembly could consider eliminating the Real Property Investment Grant by repealing § 59.1-548 of the Code of Virginia. (Option 1)

Criteria for recapturing road and rail access program grant awards ► The General Assembly could consider amending the Code of Virginia to require that job creation performance be one of the factors considered to determine if grant awards from the Economic Development Access Program and Rail Industrial Access Program should be recaptured. (Option 3)

CHILDREN'S SERVICES ACT

Children's Services Act and Private Special Education Day School Costs, 2020

RECOMMENDATIONS

Funding services to prevent more restrictive school placements ► The General Assembly may wish to consider amending §2.2-5211 and §2.2-5212 of the Code of Virginia to allow the use of state funds currently reserved for children requiring placement in a private special education day school for services delivered to students with disabilities in public schools if the public school's individualized education program team has determined that the services may prevent a more restrictive placement. (Recommendation 4)

Transferring private special education day school funding to VDOE ► The General Assembly may wish to consider including language in the Appropriation Act, and amending the Code of Virginia as appropriate, to direct the transfer of funds currently reserved for children requiring an educational placement in a private special education day school or residential facility to the Virginia Department of Education (VDOE). The language should also direct the VDOE to develop a detailed plan to administer this funding that (i) funds services for students with the most severe disabilities who are at-risk of or in an out-of-school placement; (ii) ensures that funds are equally accessible to all school divisions; and (iii) minimizes the fiscal impact of the new funding policy on localities. (Recommendation 5)

Referring children to the local CSA program ► The General Assembly may wish to consider amending §22.1-217 of the Code of Virginia to require the Virginia Department of Education (VDOE) to direct that individualized education program (IEP) teams (i) identify any children with disabilities who may need additional services outside of the school setting and (ii) refer them to the local family assessment and planning team. (Recommendation 6)

Expanding CSA program to serve more youth ► The General Assembly may wish to consider amending the Code of Virginia to (i) require all local CSA programs to serve children who meet criteria established by the Office of Children's Services and the State Executive Council for the "non-mandated" eligibility category, (ii) require that services for these children be paid for with both state CSA funds set aside each year by the State Executive Council from the CSA pool of funds and local government matching funds, and (iii) maintain the provision that makes these funds non-sum sufficient. (Recommendation 11)

Grant fund to address gaps in children's services ► The General Assembly may wish to consider including language in the Appropriation Act directing the State Executive Council (SEC) to form a committee composed of selected SEC members, State and Local Advisory Team members, and Office of Children's Services staff to assess the feasibility and efficacy of initiating an SEC-administered competitive grant fund to fill gaps in children's services (Recommendation 12)

MARIJUANA LEGALIZATION

Key Considerations for Marijuana Legalization, 2020

Many recommendations related to legalizing marijuana were implemented by the 2021 General Assembly, including those related to creating a regulated market for commercial sales. The legislation establishing a regulated market for commercial marijuana sales was not re-enacted by the 2022 General Assembly, rendering these recommendations unimplemented again. Given the unusual circumstance and to limit confusion, no recommendations from the 2020 JLARC report are shown here. Please contact JLARC staff for information about these recommendations.

K-12 EDUCATION

Operations and Performance of the Virginia Department of Education, 2020

RECOMMENDATION

Including school improvement program in Code ► The General Assembly may wish to consider amending § 22.1-23 of the Code of Virginia to direct the superintendent of public instruction to (i) develop and implement an effective school improvement program, (ii) identify measures to evaluate the effectiveness of the services the Office of School Quality provides to school divisions, (iii) evaluate and make changes as needed to ensure effectiveness, and (iv) annually report to the Board of Education. (Recommendation 10)

POLICY OPTION

Support for teacher recruitment and retention ► The General Assembly could amend § 22.1-9 of the Code of Virginia to require that the Board of Education include (i) one member with expertise or experience in local government leadership or policymaking, (ii) one member with expertise or experience in career and technical education, and (iii) one member with expertise or experience in early childhood education. (Option 5)

ASSISTANCE FOR SMALL AND MINORITY-OWNED BUSINESSES

Operations and Performance of the Department of Small Business and Supplier Diversity, 2020

POLICY OPTIONS – VIRGINIA’S SMALL BUSINESS DEFINITION

Note: JLARC staff reviewed and analyzed several options for the General Assembly to consider if it wants to change Virginia’s small business definition. The options are listed below and detailed in Chapter 5 of the report.

- ▶ The General Assembly could amend §2.2-4310 and §2.2-1604 of the Code of Virginia to change the small business definition to businesses that have no more than 250 employees and gross receipts of no more than \$10 million. (Option 5)
- ▶ The General Assembly could amend §2.2-4310 and §2.2-1604 of the Code of Virginia to change the small business definition by reducing the number of employees and gross receipts that a business may have to qualify as a small business. (Option 6)
- ▶ The General Assembly could amend §2.2-4310 and §2.2-1604 of the Code of Virginia to direct that a small business definition be developed for each industry, with thresholds for number of employees or gross receipts, or both, that are based on the size characteristics of Virginia businesses in that industry. (Option 7)
- ▶ The General Assembly could amend §2.2-4310 and §2.2-1604 of the Code of Virginia to direct that a small business definition be developed that is set at 50 percent of the federal small business definition for each industry. (Option 8)
- ▶ The General Assembly could amend §2.2-4310 and §2.2-1604 of the Code of Virginia to direct that a small business definition be developed for groupings of industries based on size and types of goods and services state agencies purchase. (Option 9)

POLICY OPTION

Workgroup to review procurement preferences and small business definition ▶ The General Assembly could consider authorizing in the Appropriation Act an executive branch workgroup to consider whether and how to adjust the (i) state’s procurement preferences for businesses (including women and minority ownership if the disparity study concludes doing so may be permissible), and (ii) state’s definition of small business. (Option 10)



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