



Workplan 2019

Justin Brown

Senior Associate Director

- **2019 studies**
 - Department of Game and Inland Fisheries
 - Office of the State Inspector General
 - Office of the Attorney General



Briefing: December 2019

Department of Game and Inland Fisheries

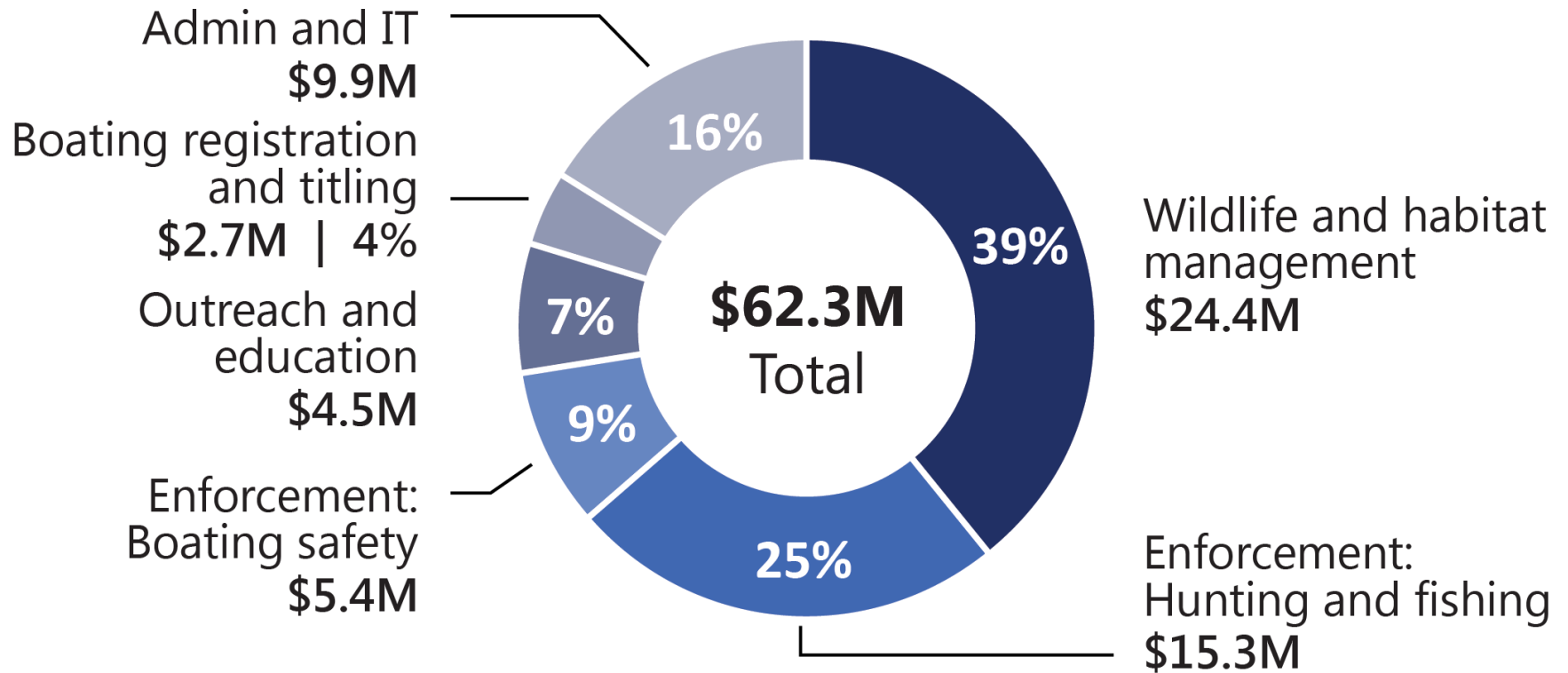
Staff: Justin Brown, Christine Wolfe, Kate Hopkins

Study mandate

- Review the Department of Game and Inland Fisheries
 - determine whether DGIF's revenue sources, including balances retained at year end, are appropriate
 - evaluate the effectiveness of DGIF's customer service and associated technology
 - examine DGIF's land acquisitions
 - examine the authorities and organizational structure of the conservation police force
 - determine efficiency of consolidating DGIF's functions with other agencies' functions

Study mandate: Commission resolution, October 10, 2017

Background



Study issues

- How effectively does DGIF administer licensing and registration, collecting sufficient revenue while encouraging adequate participation?
- How well does DGIF manage and conserve wildlife and land?
- Is DGIF appropriately enforcing relevant laws and regulations, and is the officer force adequately organized and staffed?

Study issues (continued)

- How effectively has DGIF leadership and the Board of Game and Inland Fisheries managed the agency's employees and operations?
- Could any DGIF functions be consolidated with other state agencies?

Research activities

- Analyze DGIF revenue and spending, staffing, and law enforcement actions
- Interview DGIF staff and stakeholder groups
- Survey DGIF staff, licensees & registrants, and members of the Board of Game and Inland Fisheries
- Compare DGIF to other Virginia agencies with similar responsibilities, and to DGIFs in other states



Briefing: September 2019

Office of the State Inspector General

Staff: Jamie Bitz, Sarah Berday-Sacks

Study mandate

- Review the Office of the State Inspector General (OSIG)
 - role and authority in inspecting and investigating incidents in jails and other state facilities where individuals are held
 - role in performance evaluations of state agencies
 - adequacy of staffing levels and expertise
 - performance, management, and stability
 - effectiveness, efficiency, and independence of centralized OSIG

Study mandate: Commission resolution, October 10, 2017

Background

- OSIG was established during the 2011 Session
 - Consolidated inspector general function from four agencies
 - Assumed responsibility for investigating allegations of waste, fraud, and abuse
 - Granted new authority to conduct performance audits of state agencies
- Virginia is one of 13 states with a centralized OSIG
- OSIG employs about 35 staff and is appropriated ≈\$6.8 million annually

Background

- OSIG oversight authority varies by type of facility

Facility type	Statutory authority
State facilities	<ul style="list-style-type: none">Inspect facilities annuallyInspect quality of behavioral health servicesReview / comment on DBHDS critical incident data / reports
State prisons	<ul style="list-style-type: none">Inspect licensed mental health treatment unitsReview / comment on DOC critical incident data / reports
State juvenile correctional facilities	<ul style="list-style-type: none">Review / comment on DJJ critical incident data / reports
Local and regional jails	<ul style="list-style-type: none">Inspect licensed mental health treatment providers <p><i>*No legal authority for jail operations and security</i></p>

Study issues

- How effectively is OSIG fulfilling its oversight responsibilities related to state-operated facilities?
- Should OSIG be given different responsibilities for jail oversight?
- How effective is OSIG's performance audit program?
- How effective is OSIG's process to investigate allegations of waste, fraud, and abuse?
- How effectively and efficiently does OSIG manage the agency and its staff?

Research activities

- Analyze OSIG performance audits, investigation reports, and inspection reports
- Interview OSIG staff and other agency staff
- Survey OSIG staff, and agencies and other key users of OSIG performance audits
- Compare OSIG to OSIGs in other states
- Observe Board of Corrections jail death investigation review meetings



Briefing: November 2019

Office of the Attorney General

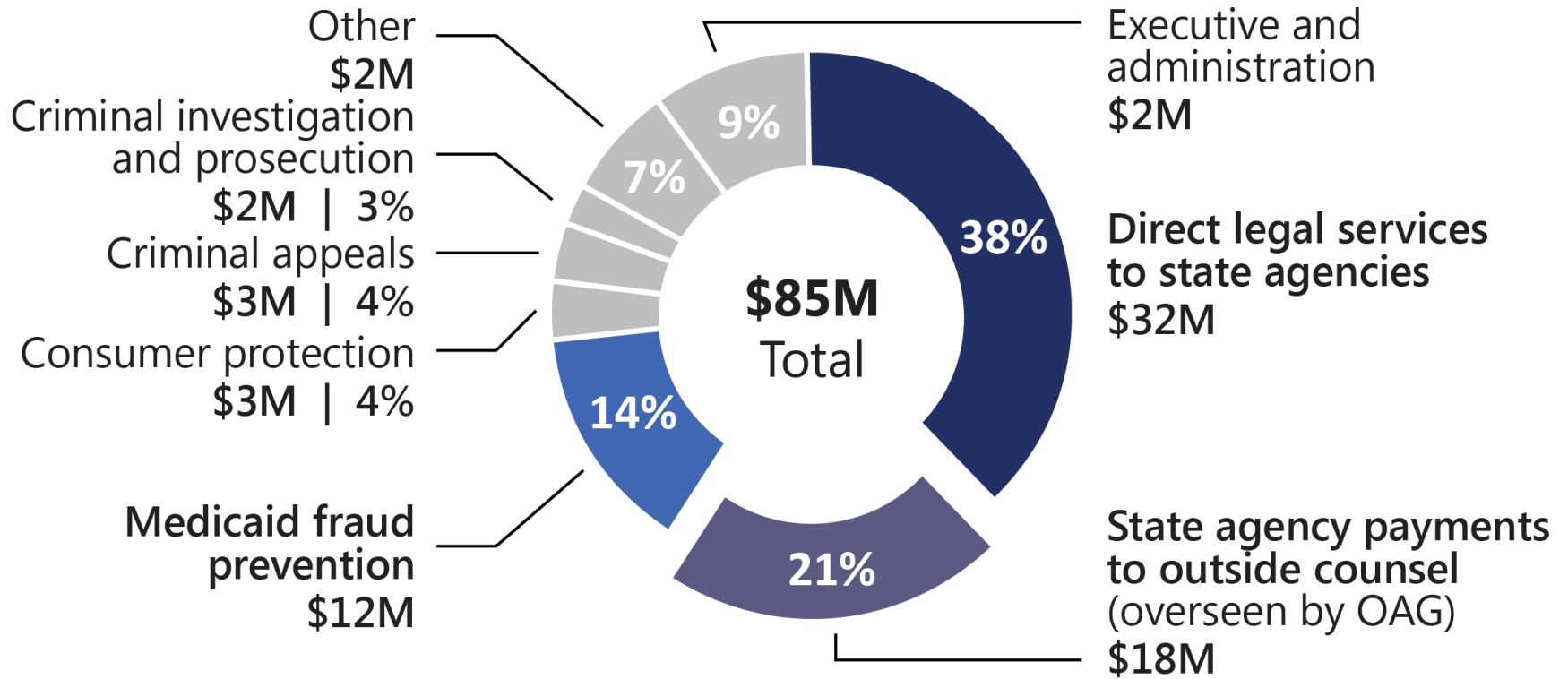
Staff: Mark Gribbin, Maria Garnett, Ellie Rigby

Study mandate

- Review the Office of the Attorney General (OAG)
 - allocation and expenditure of forfeiture and other non-general funds
 - process for the retention of private attorneys and special counsel
 - quality of legal services provided
 - performance of the Medicaid Fraud Control Unit and how it compares with other states

Study mandate: Commission resolution, October 10, 2017

Background



Study issues

- How well is the OAG managing agency relationships and providing legal services according to industry standards?
- How well does the OAG ensure outside counsel are retained when necessary and that they provide competent and affordable services?
- How effectively does the Medicaid Fraud Control Unit recover funds, deter fraud, and prevent elder abuse?
- How effectively is OAG managed, financed, and organized?

Note: Study issues developed by JLARC staff incorporate OAG staff feedback on Commission study resolution.

Research activities

- Analyze OAG billing, revenue, and spending; staffing; and Medicaid Fraud Control activities
- Interview OAG staff and state agency staff
- Survey OAG staff and state agency staff
- Compare OAG legal services to American / Virginia Bar Association standards, and to OAGs in other states

Tracey Smith

Associate Director

- **2019 studies**
 - Workers' compensation
 - Implementation of STEP-VA
 - CSB funding allocations
 - Medicaid expansion
 - Gaming in the Commonwealth



Briefing: December 2019

Review of workers' compensation

Staff: Drew Dickinson, Danielle Childress, Brittany Utz

Study mandate

- Review operations and performance of the workers' compensation system
 - whether claims are processed promptly and fairly
 - whether dispute resolution process is timely, effective, and equitable
 - whether measures to minimize fraud and abuse are appropriate
 - assess appropriateness of disease presumptions, compare them with other states, and assess fairness of evidence required for claiming/rebutting them

Study mandate: Commission resolution, December 10, 2018.

Background

- Virginia workers receive partial wage replacement and medical coverage for job-related injuries and diseases
- Diseases are compensable under the Workers' Compensation Act under certain conditions
- Certain diseases and occupations are presumed in statute to have a causal connection
- Several new disease presumptions considered by General Assembly in 2019
- Enactment of legislation delayed for JLARC report

Study issues

- Does the Virginia Workers' Compensation Commission (VWC) efficiently and effectively resolve disputes between employers and employees?
- Are Virginia's current disease presumptions appropriate?
- Are requirements for claiming/rebutting disease presumptions reasonable?
- Is the state taking adequate steps to minimize the risk of fraud and abuse and to coordinate benefits?

Research activities

- Collaborate with epidemiologists/occupational health experts for review of disease presumptions
- Analysis of workers' compensation claims data
- Review of workers' compensation case decisions
- Interviews with VWC, DHRM, and VRS staff, employee stakeholder groups (e.g. firefighters), employer and insurer stakeholder groups, attorneys
- Interviews with workers' compensation officials and experts in other states
- Survey of workers' compensation attorneys or claimants



Briefing: June 2019

Implementation of STEP-VA

Staff: Jeff Lunardi, Kate Agnelli, Tess Hinteregger

Study mandate

- Review the implementation of “STEP-VA” by DBHDS and the CSBs
 - evaluate progress toward providing same-day access to behavioral health clinical assessments and reducing wait times for services (step 1)
 - evaluate progress toward providing primary care screening (step 2)
 - evaluate planning for future phases

STEP-VA: System Transformation Excellence and Performance

DBHDS: Department of Behavioral Health and Developmental Services

CSB: Community Services Board

Background

- STEP-VA was enacted in 2017 to improve access, consistency, quality, and accountability of community-based behavioral health services at Virginia's 40 CSBs
- State investing over \$60M between FY18 and FY20
- All CSBs will begin to implement the same nine steps in phases by July 1, 2021

Study issues

- To what extent has the initial implementation of STEP-VA been effective at enabling CSBs to meet the program's goals?
- Does DBHDS have adequate plans in place to support effective implementation of STEP-VA?
- Is funding for STEP-VA based on relevant factors and being used as intended?

Research activities

- Site visits to CSBs and interviews with directors and staff
- Survey of CSBs
- Interviews with DBHDS staff
- Interviews with other states and subject matter experts
- Review of planning and needs assessment documents



Briefing: June 2019

CSB funding allocations

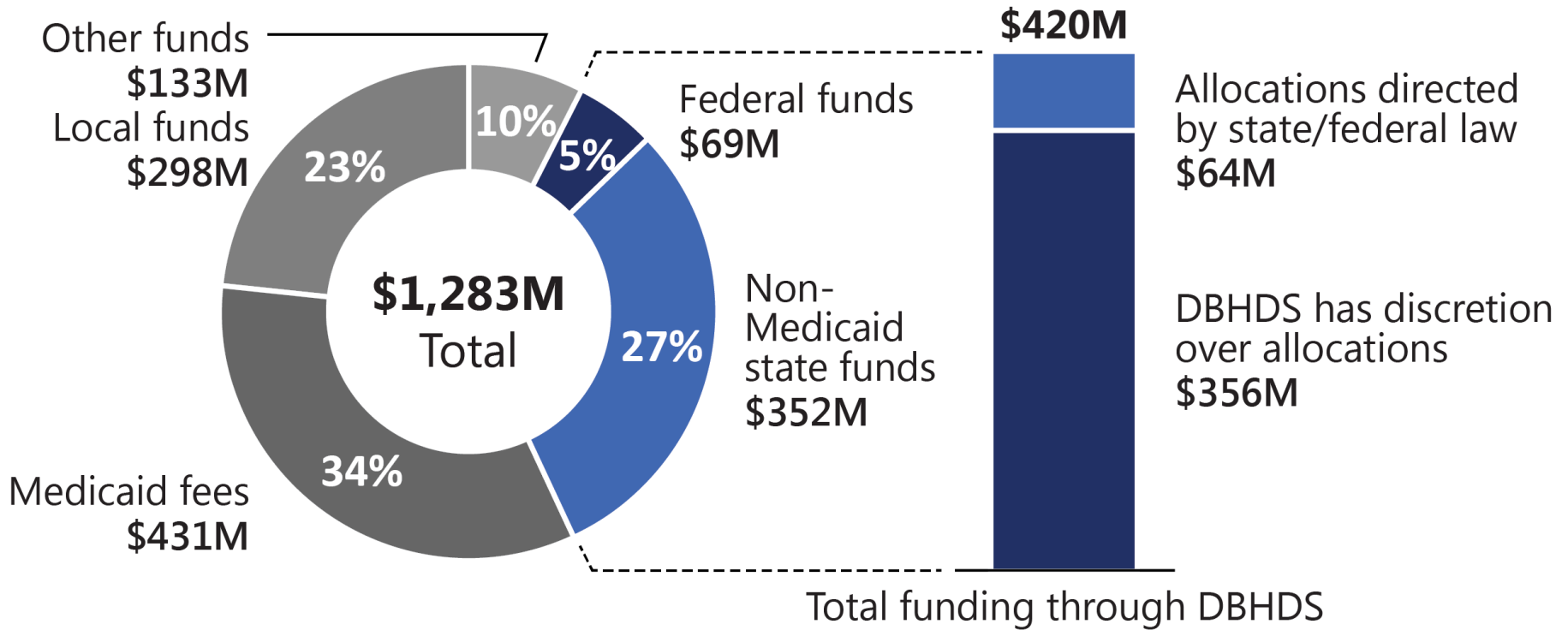
Staff: Jeff Lunardi, Tess Hinteregger

Study mandate

- Specify the amounts and funding sources of CSBs and evaluate state funding allocation
 - develop an inventory of funding sources and amounts
 - describe criteria used to determine allocation of funds
 - describe alternative models for funding behavioral health services based on other states and other public services
 - describe potential impacts of adopting alternative funding models

Study resolution: Requested by the Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century and approved by JLARC December 10, 2018.

Background



Study issues

- How much funding does each CSB receive and what criteria are used to determine funding amounts?
- How do funding models for other state behavioral health systems and other state/local programs in Virginia compare to DBHDS funding models?
- How would alternative funding models impact the funding allocations across CSBs?
- What considerations or criteria should be applied when evaluating alternative funding models for CSBs?

Research activities

- Analysis of DBHDS data on funding received by CSBs
- Survey of CSBs
- Interviews with DBHDS staff
- Interviews with other states and subject matter experts
- Interviews with staff at other relevant state agencies



Briefing: Fall 2019

Implementation of Medicaid expansion

Staff: Jeff Lunardi, Kate Agnelli, Tess Hinteregger

Study mandate

- Review the implementation of Medicaid expansion in Virginia
 - update on costs and savings associated with expansion
 - evaluate ability of local DSS offices and state systems to determine eligibility and monitor COMPASS waiver requirements
 - evaluate capacity of workforce programs to prioritize and serve Medicaid recipients
 - evaluate capacity of providers to accept Medicaid recipients

Study mandate: Commission approval of HHR Unit workplan, October 14, 2018

COMPASS: Creating Opportunities for Medicaid Participants to Achieve Self-Sufficiency

Background

- 2018 Appropriations Act authorized DMAS to
 - expand Virginia's Medicaid program
 - pursue federal authority to implement three reforms, through what is now called the COMPASS waiver
- Medicaid expansion started on January 1, 2019
 - Expected to more than 300K new recipients, at a cost of \$2.4B in non-general funds in FY20
 - Funded through federal reimbursement and hospital tax

Study issues

- Does Virginia have adequate policies, staffing, and procedures to determine eligibility accurately and efficiently?
- What strategies can Virginia use to increase access to providers in underserved areas?
- Is Virginia developing an appropriate plan to implement new Medicaid program requirements as directed by the 2018 Appropriation Act?
- How does enrollment and spending in the first six months of Medicaid expansion compare with projections?

Research activities

- Analysis of DMAS data on enrollment and spending
- Analysis of VDSS workload and eligibility determination data
- Interviews with staff at VDSS, LDSS, DMAS, workforce agencies, managed care organizations
- Interviews with other states and reviews of other states' Medicaid expansion policies, including waivers



Briefing: November 2019

Gaming in the Commonwealth

Staff: Joe McMahon, Stefanie Papps, Erik Beecroft

Study mandate

- Evaluate potential expanded gaming in Virginia
 - examine current and potential governance, regulatory, and administrative structures
 - review casino gaming laws in other states
 - estimate potential fiscal and economic impact
 - assess impacts on the Virginia Lottery
 - assess impacts on thoroughbred racing, breeding, and related agribusiness industries

Study mandate: SB 1126 (2019) and Item 31 #3c in the 2019 Appropriation Act

Background

- VA currently permits lottery, horse racing wagering, and charitable gaming
- 24 states permitted commercial casino operations
 - Includes VA's border states of MD and WV
- Sports wagering no longer prohibited by federal law, following 2018 U.S. Supreme Court decision

JLARC study team will focus on implementation considerations

- For potential expanded gaming, study team will identify considerations and approaches to
 - governance, regulation, and administration
 - prevention and mitigation of social costs
 - other key policy considerations identified during research
- Will examine approaches in other states

JLARC will collaborate with a national consultant

- Contracted with The Innovation Group
- Several expanded gaming scenarios to be analyzed for optimizing state/local fiscal and economic impacts
 - Casinos, sports wagering, online gaming
 - Various locations and tax structures
- Impact on lottery revenues and horse racing industry
- Effective governance, regulation, and administration*

*Subcontracting with Regulatory Management Counselors, P.C.

JLARC will assess potential fiscal and economic impacts of commercial casinos

- Accuracy of fiscal and economic impact analysis requires modeling specific localities for casinos
- JLARC staff and consultant will
 - assess the potential impacts of a casino in the **five localities** prescribed in SB 1126 (2019)
 - assess the impacts of a casino in **other localities within those same regions**
 - include Northern Virginia in the analysis

Study issues

- How should gaming be governed, regulated, and administered, if it is expanded in Virginia?
- What are the estimated fiscal impacts of expanded gaming in Virginia?
- What expanded gaming approaches could optimize fiscal impacts and other economic benefits?
- What other policy considerations should inform decisions about whether and how to expand gaming?

Research activities

- Consultant analyses
- Interviews with staff at the Virginia Lottery, Charitable Gaming, Virginia Racing Commission, other state agencies
- Interviews with officials in other states
- Interviews with subject matter experts
- Reviews of statutes and regulations, as well as other relevant policy documents, from other states
- Literature review

Kimberly Sarte

Associate Director

- Ongoing evaluation and oversight
 - Evaluation of economic development incentives
 - Oversight of VRS, Virginia529, VITA, and Cardinal
- Fiscal analysis
 - Annual reports
 - Fiscal impact reviews



Briefings: June and December 2019

Ongoing Evaluation of Economic Development Incentives

Staff: Ellen Miller

Report on effectiveness of data center and manufacturing incentives (June 2019)

- **Tax exemptions** – data center, semiconductor manufacturers, semiconductor wafers, pollution control equipment and facilities
- **Custom grants** for semiconductor manufacturers
- **Tax credits** – recyclable materials processing equipment, biodiesel and green diesel fuels producers, green job creation
- **Special tax apportionment formulas** – single sales apportionment for manufacturers and for data centers

Annual economic development incentives report (December 2019)

- Spending for all incentives
- Performance of completed projects receiving grants



Briefings: Ongoing in 2019

Ongoing Oversight: VRS, Virginia529, VITA, and Cardinal

Staff: Kimberly Sarte, Lauren Axselle, Nick Galvin

Virginia Retirement System

- Oversight reports (July and December)
- Update from VRS director and chief investment officer (July)
- VRS Legislator Guide (February 2020)
- Attend meetings of the board and advisory committees (year-round)

Virginia529

- Update from Virginia529 chief executive officer and investment director (July)
- Virginia529 Legislator Guide (February 2020)
- Attend meetings of the board and advisory committees (year-round)



Briefing: October 2019

Virginia Information Technologies Agency

Staff: Lauren Axselle, Nick Galvin

Study mandate

- Review Virginia Information Technologies Agency's (VITA) new IT infrastructure model, including
 - Procurements, contract management, and transparency of rates charged to agencies
 - Governance structure

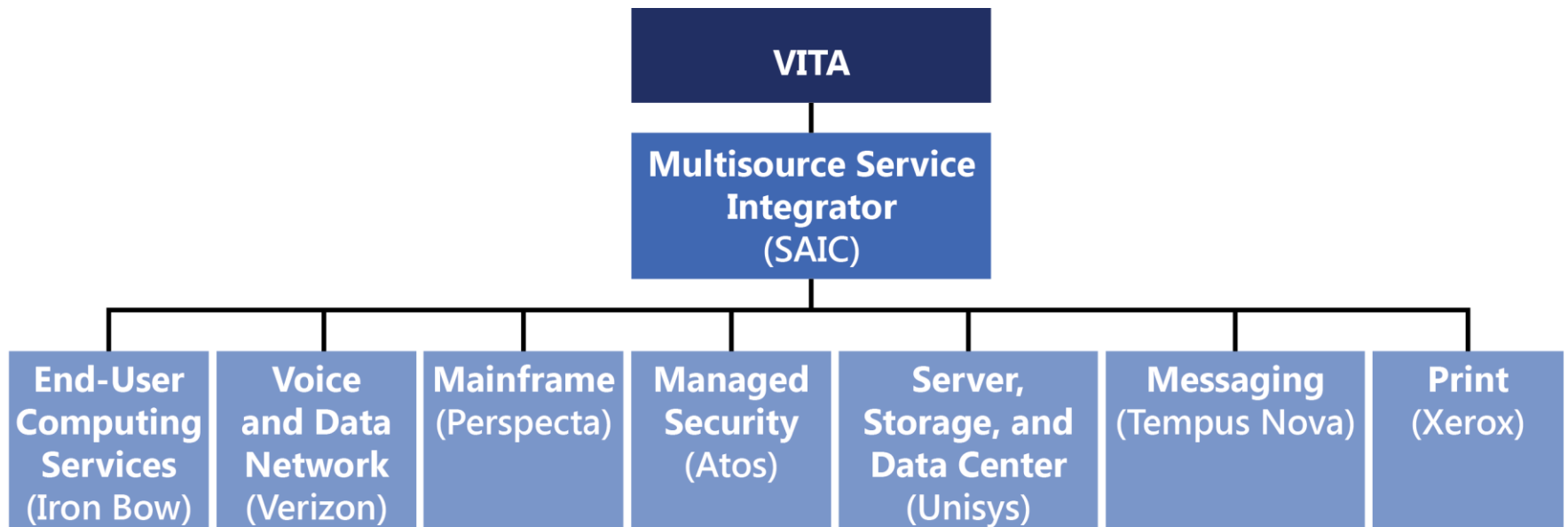
Study mandate: Motion approved by Commission, December 11, 2018

Background

- VITA is responsible for the IT infrastructure of over 60 executive branch agencies
- VITA employs nearly 200 staff and is appropriated ≈\$400 million annually
- VITA's IT infrastructure model and governance structure have undergone recent changes

Background

- VITA recently transitioned to a new IT infrastructure model with multiple suppliers and an integrator



Study issues

- Does VITA's new IT infrastructure model ensure the state receives high-quality, secure, and cost-effective central IT goods and services?
- Does VITA's current IT governance structure ensure effective oversight of the state's IT services?

Research activities

- Interview VITA staff, stakeholders, and IT experts
- Survey state agency heads and IT representatives
- Hire consultant to review VITA's IT infrastructure contracts
- Compare practices with industry standards and other states
- Analyze staffing, performance, and cost data

New oversight: Cardinal

- 2019 Appropriation Act requires oversight of
 - Procurements and contracts
 - Development, implementation, performance, and costs
 - Viability of technology
 - Governance
 - Security
- Update on status and planned expansions (December)



Briefings: Ongoing in 2019

Fiscal Analysis

Staff: Kimberly Sarte, Justin Brown, Ellen Miller

Annual reports

- Review of State Spending (October)
- State Spending on K-12 Standards of Quality (December)
- Virginia Compared to Other States (January 2020)

Fiscal impact reviews

- Second opinions on the fiscal impact of proposed legislation (2020 session)
- Fiscal impact reviews of executive orders issued by governor (as requested)

NOTE: Reviews must be requested by committee chairs.

Proposed meeting schedule for 2019

JUNE 17 Implementation of STEP-VA
CSB funding allocations
Data center and
manufacturing incentives

JULY VRS
Virginia529

AUGUST *No meeting*

SEPTEMBER Office of the State Inspector
General
Medicaid expansion

OCTOBER VITA
Medicaid expansion
State spending report

NOVEMBER Office of the Attorney
General
Gaming in the
Commonwealth
Unimplemented JLARC
recommendations

DECEMBER Workers' compensation
Department of Game and
Inland Fisheries
Medicaid expansion
Cardinal
Economic development
incentives report
VRS oversight report
State spending report: SOQ

Study topic selection

- 5 studies authorized but not yet begun
 - Virginia Employment Commission
 - Department of Small Business and Supplier Diversity
 - Special education
 - Department of Education central office
 - Virginia court system
- 2 HHR unit studies authorized but not yet begun
 - Comprehensive Services Act
 - Child Protective Services

Topic selection subcommittee meeting (proposed)

- September meeting?
 - Prioritize sequence of previously authorized studies
 - Consider new study requests