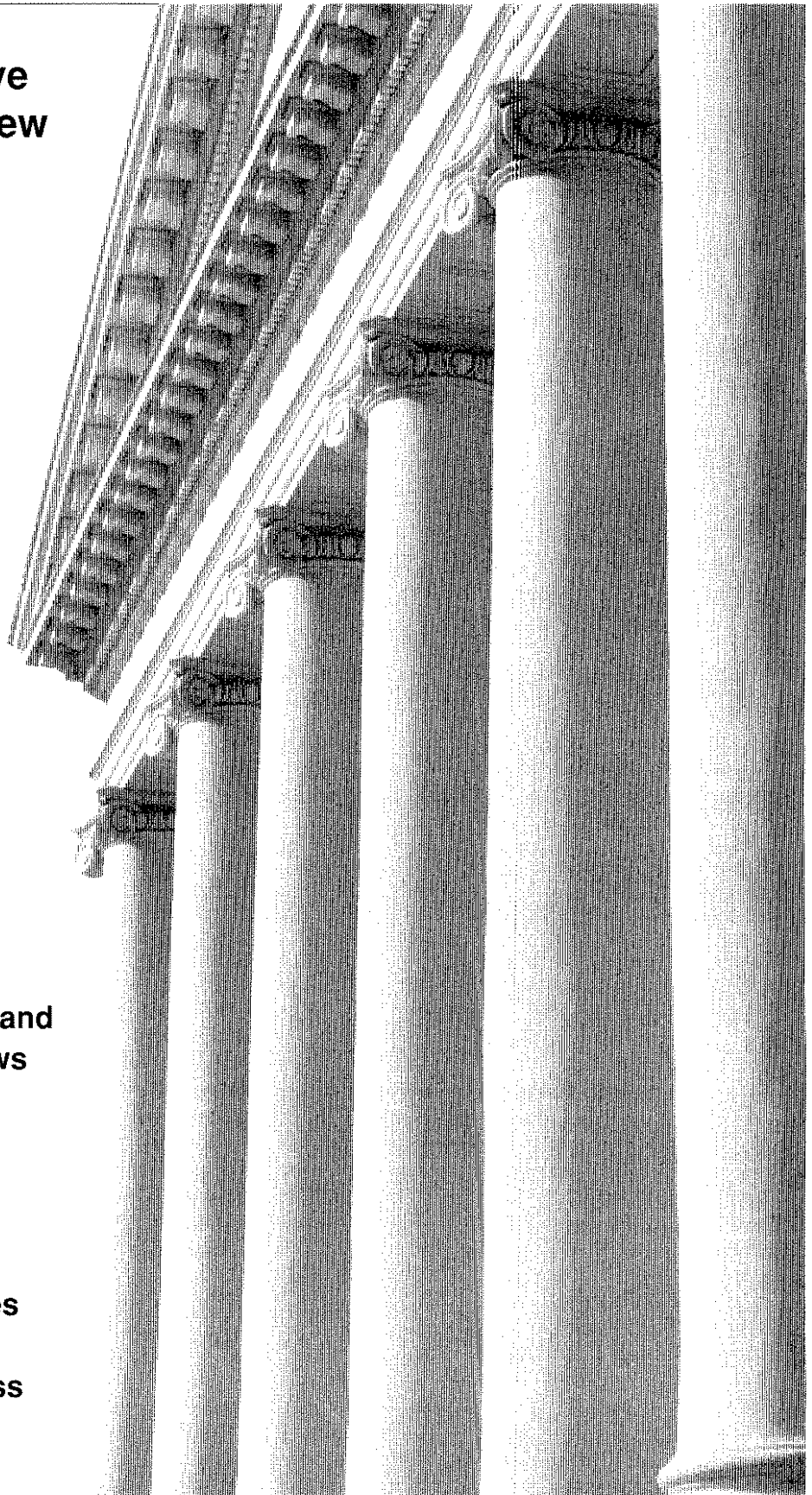


**Joint Legislative  
Audit and Review  
Commission**

**1991  
REPORT  
TO THE  
GENERAL  
ASSEMBLY**

- ☐ Recent Agency and  
Program Reviews
- ☐ Study Update:  
Child Day Care
- ☐ Status of  
Previous Studies
- ☐ Work in Progress



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Public Accounts**

***Director***

**Philip A. Leone**

September 9, 1991

**To the Honorable Members  
of the Virginia General Assembly  
State Capitol  
Richmond, Virginia**



My Dear Colleagues:

As Chairman of the Joint Legislative Audit and Review Commission, I am pleased to transmit to you JLARC's 1991 Report to the General Assembly. The statutes which created and empowered the Commission also required this biennial report, as a means of updating the full Assembly on JLARC's work. Herein you will find an explanation of our role, summaries of our recent studies, status reports on our previous reports, and previews of ongoing and future projects.

Even a casual examination of this document should reveal one thing with certainty: we've been busy! During the past two years, 15 separate study efforts have been completed, and 22 reports have been distributed to the General Assembly. Six new projects have been initiated, most of which are already well under way.

I find much to be proud of in the work of the Commission and its staff. We have not shrunk from the kinds of issues that have significant "human" consequences — issues such as child day care, workers' and crime victim's compensation, homes for adults, low-income housing, indigent hospitalization, and the funding of educational standards of quality. Neither have we neglected the fiscal side of our work. Several of our recent studies pertain specifically to Virginia's revenue shortfall. And in these difficult economic times, I'm happy to report that our studies are continuing the fine tradition of saving the Commonwealth money while improving services to her citizens.

In looking back, there is one strong note of sadness in the Commission's work — the passing from us of Senator John C. Buchanan, who was serving as Chairman at the time of his death. Senator Buchanan served with the Commission for eleven years, and his absence is acutely felt.

The Commission and its staff continue to receive national recognition for their outstanding research accomplishments. In August 1991, the National Conference of State Legislatures gave JLARC its "Excellence in Research Design and Method" award -- JLARC's fifth award since 1973.

It should be remembered that JLARC's primary role has been, and will continue to be, providing timely and objective information for the General Assembly to consider and act upon. Therefore, every member of the House and Senate can take a full share of credit for the successes which this report documents. And I speak for the entire Commission when I thank all members for their continuing good faith, cooperation, and support in our oversight efforts.

Respectfully Yours,

A handwritten signature in dark ink, reading "Ford C. Quillen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ford C. Quillen

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Delegate Quillen  
Chairman



Senator DuVal  
Vice Chairman



Senator Andrews



Delegate Ball



Delegate Callahan



Delegate DeBoer

# JLARC's PURPOSE AND ROLE

## The Commission

The Joint Legislative Audit and Review Commission (JLARC) is an oversight agency for the Virginia General Assembly. It was established in 1973 to review and evaluate the operations and performance of State agencies, programs, and functions.

The Commission is composed of nine members of the House of Delegates, of whom at least five also serve on the House Appropriations Committee, and five members of the Senate, of whom two also serve on the Senate Finance Committee. Delegates are appointed by the Speaker of the House, and Senators by the Privileges and Elections Committee. The chairman is elected by a majority of Commission members, and traditionally the chairmanship has rotated every two years between the House and Senate. The Auditor of Public Accounts is a non-voting, ex-officio member.

The Commission has a full-time staff. A staff director is appointed by the Commission and confirmed by the General Assembly for a six-year term of office.

## The Statutory Mandate

The duties of the Commission and the nature of its studies are specified in Sections 30-56 through 30-63 of the *Code of Virginia*. Report findings and recommendations are to be submitted to the agencies concerned, the Governor, and the General Assembly. These reports are to address:

- ☐ areas in which functions of State agencies are duplicative, overlap, fail to accomplish legislative objectives, or for any other reason should be redefined or redistributed,
- ☐ ways in which agencies may operate more economically and efficiently,
- ☐ ways in which agencies can provide better services to the State and to the people.

The Commission has also been assigned authority to make special studies and reports on the operations and functions of State agencies as it deems appropriate and as may be requested by the General Assembly. In addition, the Commission is authorized to prepare supplemental studies and reports relating to its evaluations. Once each biennium, the Commis-

sion conducts a systematic follow-up of its work. From time to time, usually coinciding with this biennial report, agencies are requested to file "status of action" reports on their efforts to address the Commission's findings and recommendations. Special follow-up studies are required in cases where the Commission has cited waste, extravagance, fraud, or misuse of public funds.

Under authority of Section 2.1-155 of the *Code of Virginia*, the Commission also serves as the point of legislative focus for financial audit reports. The specialized accounting and audit resources of the Office of the Auditor of Public Accounts are available to the Commission. The ability of the Legislature to assess agency performance is enhanced by this combination of program and fiscal reviews.

Section 2.1-196.1 of the *Code* gives JLARC authority to establish new internal service funds and to discontinue those no longer needed. JLARC can also authorize the transfer of excessive retained earnings from internal service funds to the State general fund. To carry out these responsibilities the Commission reviews, on a continuing basis, internal service funds for graphics, systems development, telecommunications, central warehouse, computer services, central garage, building maintenance services in the Capitol area, and State and federal surplus property.

## The Legislative Program Review and Evaluation Act

In 1978, JLARC embarked on a unique approach to oversight under the auspices of the Legislative Program Review and Evaluation Act. The Act provides for periodic review and evaluation of selected topics from among all seven program functions of State government: (1) Individual and Family Services, (2) Education, (3) Transportation, (4) Resource and Economic Development, (5) Administration of Justice, (6) Enterprises, and (7) General Government.

While the principal function of the Evaluation Act is the scheduling of functional area reviews, it also encourages (1) coordination with the standing committees, (2) agency self-studies, and (3) committee hearings on JLARC reports. The Act does not require or restrict standing committee activities in any way.

## Fulfilling the Mandate: The Audit and Review Process

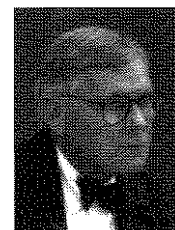
To carry out its oversight responsibilities, JLARC issues several types of legislative reports. Performance reports evaluate the accomplishment of legislative intent and assess whether program expenditures are consistent with appropriations. Operational reports assess agency success in making efficient and effective use of space, personnel, or equipment. Special reports are made on State operations and functions at the direction of the Commission or at the request of the General Assembly. Many



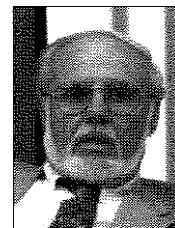
Senator Holland



Delegate Moss



Delegate Murphy



Delegate Parker



Delegate Putney



Delegate Smith



Senator Truban



Senator Walker

Mr. Kucharski, Auditor  
of Public AccountsMr. Leone  
Staff Director**In Memoriam**

Senator John C. Buchanan  
1911-1991



JLARC Member from 1980  
Vice-Chairman, 1988-89  
Chairman, 1990-91

of these special reports require elaborate statistical applications to assess policy and program effectiveness.

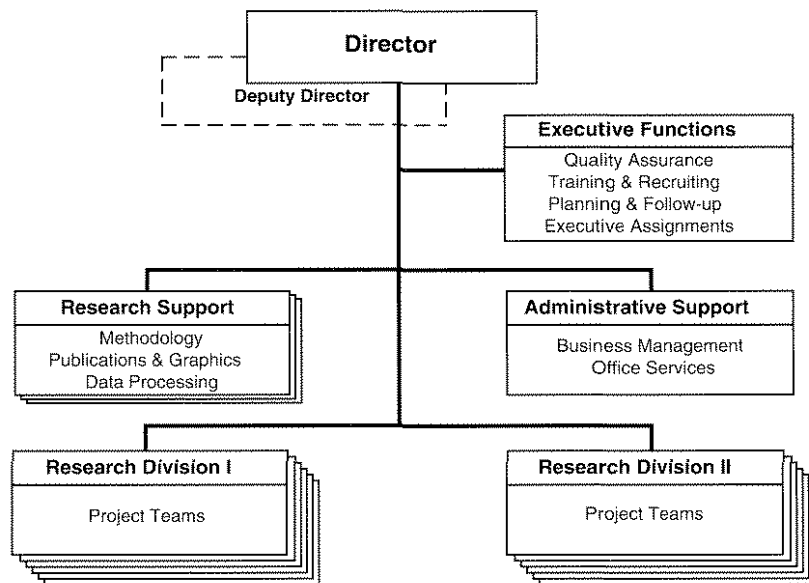
To date, JLARC has issued 128 reports, which are annotated in the last section of this publication. Six projects are currently in progress. In addition, numerous letter reports have been prepared on specific topics of interest to the Commission.

A JLARC study begins when the Legislature identifies a topic for review. The Commission authorizes project initiation, and the project is assigned to a staff team. A workplan is then prepared which documents the research approach to be used.

After the team completes its research, it prepares a report which is reviewed internally and subjected to quality assurance standards. Subsequently, an exposure draft is distributed to appropriate agencies for their review and comment. A revised exposure draft, which also contains agency comments, is reported to the Commission.

The Commission or one of its subcommittees reviews the report, indicates any additional legislative concerns, and authorizes publication of the study as a legislative document. The printed report is distributed to all General Assembly members, the Governor, and other interested parties.

## How JLARC Functions



The JLARC staff director is responsible for preparing the budget, hiring personnel, managing research, and long-range planning.

The staff is organized into two research divisions, each headed by a division chief, and three support functions. Project teams, typically ranging from two to four people, are assigned to the divisions for administrative and research supervision. Team leaders have responsibility for managing projects and directing teams on a day-to-day basis. The teams are supported by specialists in research methods, computer applications, and publications services.

## The JLARC Staff

The varied education, training, and professional experience of the research staff are important to the Commission. Among the fields represented by undergraduate and graduate education are business administration, economics, education, English, philosophy, planning, political science, policy analysis, psychology, public administration, and urban systems. Most members of the research staff have graduate degrees.

Staff titles reflect formal education, training, and experience at JLARC. The titles are assistant, associate, senior associate, senior, principal, and chief analyst. Promotions are based on merit. Salaries are competitive with those of similar types of executive and legislative employment, and each staff member participates in State-supported benefit programs.

Professional development is encouraged through membership in relevant associations. Training is carried out through on-campus credit instruction in fields related to the work of the Commission, and through in-service training programs. Emphasis is placed on enhancing communication, team management, and technical skills.

JLARC is housed on the 11th floor of the General Assembly Building, adjacent to the State Capitol. The close proximity of the other legislative staffs and support services encourages communication and contributes to JLARC's research efforts.

## Localities Recently Visited by JLARC Staff

During the past biennium, the studies undertaken by JLARC necessitated various kinds of on-site research in many parts of the Commonwealth. The list below is a compilation of the localities actually visited by JLARC staff over the last two years. Not included are numerous other localities contacted by mail or telephone to answer research questions, participate in surveys, etc.



Abingdon	Coeburn	Independence	Richmond
Accomack County	Covington	Keysville	Richmond County
Albermarle County	Craigsville	Kilmarnock	Roanoke
Alberta	Culpeper	Lee County	Roanoke County
Alexandria	Culpeper County	Locust Grove	Rockingham County
Alleghany County	Danville	Luray	Rose Hill
Amelia County	Dickenson County	Lynchburg	Scott County
Annandale	Dublin	Manassas	South Boston
Arlington	Elkton	Marion	Southampton
Augusta	Fairfax City	Maurertown	St. Paul
Augusta County	Fairfax County	Meadowview	Stafford
Bedford	Farmville	Mecklenburg	Staunton
Big Stone Gap	Fincastle	Melfa	Stephens
Blacksburg	Fluvanna	Middletown	Stuart's Draft
Bland	Franklin	Moneta	Suffolk
Bracey	Frederick County	New Church	Tappahannock
Bristol	Fredericksburg	Newport News	Troy
Capron	Front Royal	Norfolk	Verona
Caroline	Gate City	Northern Neck	Virginia Beach
Castlewood	Glenns	Norton	Walters
Charles City County	Goochland County	Nottoway County	Warsaw
Charlottesville	Halifax	Pennington Gap	Waynesboro
Chesapeake	Hampton	Petersburg	Weyers Cave
Chester	Harrisonburg	Portsmouth	Williamsburg
Chesterfield County	Haynesville	Powhatan	Winchester
Clear Brook	Haysi	Radford	Wise
Clifton Forge	Henrico County	Reston	Wise County
Clintwood	Herndon	Richlands	Wytheville



## Objectives of Legislative Oversight

**An Informed Legislature:** Oversight studies help inform citizen legislators about agencies, programs, and activities. A primary objective for JLARC is to gather, evaluate, and report information and make recommendations that can be used in legislative decisionmaking. Reports provide information that may be useful to legislators during deliberation on legislation, during committee hearings, and in responding to constituent questions or requests for assistance.

Oversight reports are also valuable as a long-term memory of program information, and may be useful to legislators and agency administrators as reference materials.

**Program and Agency Savings:** Program cost savings are frequently the product of legislative oversight studies, and are usually the most visible of all possible outcomes. Savings directly related to JLARC studies total about \$192 million to date. Harder to pinpoint, but just as important, are the opportunities for savings which may result from the implementation of recommended efficiencies or adoption of program alternatives. The amount of potential savings depends on the extent to which changes are made. In some instances, changes may result in more spending to achieve greater effectiveness.

**Compliance with Legislative Intent:** Writing and enacting legislation is the law-making function of the General Assembly. This establishes legislative intent. The oversight function helps ensure that laws are being carried out as the Legislature intended. In some cases, intent may not have been clearly understood by program administrators; in other cases, statements of intent may have been ignored. In those instances where legislative intent is not explicit in statute, an oversight study can assess and report to the General Assembly on how an agency has decided to implement its mission.

**Improved Efficiency and Effectiveness:** JLARC is required by statute to make recommendations on ways State agencies may achieve greater efficiency and effectiveness in their operations. Achieving efficiency means finding ways to accomplish the same tasks at reduced cost; achieving effectiveness means finding ways to better accomplish program and agency objectives. Significant changes have been made in program efficiency and effectiveness in response to oversight reports and recommendations. The fact that a regular program of legislative oversight exists also stimulates agency self-evaluation, which may bring about improved operations.

## Staff Follow-Up Activities

Staff work on a JLARC project rarely ends with the publication of the final report. Follow-up activities and briefings to various legislative, executive, and public entities are often necessary. Further, JLARC staff are frequently asked to participate on task forces and committees studying or implementing report recommendations. Currently, JLARC staff are participating in the following groups:

- ☐ Homes for Adults Task Force
- ☐ Governor's Technical Task Force on Education Funding
- ☐ SJR 30 Transportation Policy Task Force
- ☐ SJR 188 Transportation Trust Fund Allocation Task Force
- ☐ Vehicle Cost Responsibility Steering Committee
- ☐ Family Day Care Homes *Ad Hoc* Committee

## Recent Savings to the Commonwealth Resulting from Legislative Oversight

### Department of Workers' Compensation:

Fine collections from stricter enforcement of  
employers' and insurers' industrial accident-reporting  
responsibilities, and from alternative dispute resolution -----\$32,000

### Capitol Police:

Discontinuance of security services at a Richmond  
military installation (annual savings) -----\$127,000

### Constitutional Officers:

Potential savings from recommendation  
regarding State processing of income tax returns heretofore processed  
by Commissioners of Revenue (biennial savings) -----\$6,400,000

### State Agency Publications:

Executive branch savings reported for  
the 1990-92 biennium -----\$13,000,000

**Total new savings (since the previous *Report to the General Assembly*) -----\$19,559,000**

## Recent JLARC Items of Note

8



### **Exemption from the FOI Act**

House Bill 1307 enacted by the 1991 General Assembly exempts from the Freedom of Information Act the investigative notes, correspondence, information furnished in confidence, and other information provided and produced by JLARC and the Auditor of Public Accounts.



### **Virginia and JLARC Get High Marks**

An article in the May 1991 issue of *Financial World* ranked the states in terms of the skill and efficiency with which they are run. Virginia was ranked 4th best in the country, and two of the "pluses" mentioned can be attributed to JLARC. The article praised Virginia for its "excellent legislative audit process," and also mentioned the proposed "rainy day fund" which grew out of a JLARC study (see page 26).



### **JLARC Study Receives NCSL Award**

The Legislative Program Evaluation Society of the National Conference of State Legislatures gave JLARC its 1991 award for "Excellence in Research Design and Method." The award was made for the Commission's report, *Technical Review: Staffing Standards for the Funding of Sheriffs* (see summary beginning on page 17). The award was announced at the Conference's annual meeting in Orlando, Florida. This is the Commission's fifth national award.



### **New Analytical Tool Available for JLARC Research**

A new automated system, the Geographic Evaluation and Oversight System (GEOS) was recently added to JLARC's computer resources. This new tool is based on the computerized geographic system used during redistricting, but will be expanded to include data on local fiscal condition, State and federal aid to localities, funding formulas, and evaluation of statewide programs such as social services, health, and transportation. The GEOS will be used by JLARC research teams for analysis of statewide data on Virginia's local governments and State agencies. Statewide data bases are now being developed for use with GEOS, and the system is supporting two current projects -- (1) intergovernmental mandates and services delivery, and (2) the study of Virginia's Medicaid program and indigent care.



### **JLARC Cited as Model for Education Oversight**

The spring 1991 issue of *Educational Evaluation and Policy Analysis* included an article on accountability mechanisms for state education reform. The article examines several organizational alternatives that could be used to improve state governance of education. JLARC is cited as an exemplary model for legislative oversight. The article favorably describes JLARC's status within the legislature and notes that the keys to a successful JLARC-type approach are strong legislative leadership, strong legislative support, and strong staff.

## RECENT AGENCY AND PROGRAM REVIEWS

### **Security Staffing in the Capitol Area**

Most security services in the Capitol Square area are provided by the Capitol Police force. However, in the State areas surrounding the Capitol, security is also provided by the Department of General Services (DGS) and by in-house police or security operations in some agencies. In addition, several agencies have security contracts with private vendors. All told, agencies spend about \$10 million annually for security services.

At the request of a member of the General Assembly, subsequently approved by the Commission Chairman, JLARC staff undertook an assessment of the various means of providing security in the Capitol area. All Richmond agencies were surveyed about their security arrangements, satisfaction with services, and costs. All Capitol Police and DGS posts were visited and examined, as were many in-house and contract security posts in State agencies. Alternative security arrangements were also explored, including those in other states.

The study revealed that although most agencies needed security services, the type and level of such services varied widely. Yet there was no overall State policy guiding agencies in determining risk or selecting appropriate services. While the services of private firms were found to be the least expensive, agencies were generally less satisfied with these services. Security levels were found to be adequate and the number of Capitol police generally appropriate. Based on the agency survey and post observations, however, several improvements to the system were recommended:

- ☐ Several study recommendations called for the Capitol Police to take a more proactive role in communicating to

agencies the nature of available services, developing agency-specific security plans, and working with appropriate agencies to protect antiquities, art, and cultural items. In response, the Division of Capitol Police has recently distributed to State agencies a booklet describing its security services. With the assistance of the State Police, the Capitol Police have also developed emergency contingency plans for the Governor's Mansion. In addition, with assistance from DGS and the Virginia State Library and Archives, the Capitol Police have developed procedures for protecting art and antiquities. These procedures have been submitted to the Legislative Support Commission.

- ❑ The study recommended that the need for all security posts be evaluated based on criteria to be developed by the Legislative Support Commission. Subsequently, Capitol Police services at the National Guard Armory were discontinued. Savings of \$127,282 per fiscal year have been accomplished by reducing the force's employment level by five positions.
- ❑ The study recommended the creation of a task force to assess general security risks and design model policies. Such a task force was formed by the Secretary of Administration in 1989. It was recently reconstituted with the intent of developing coordinated policies.

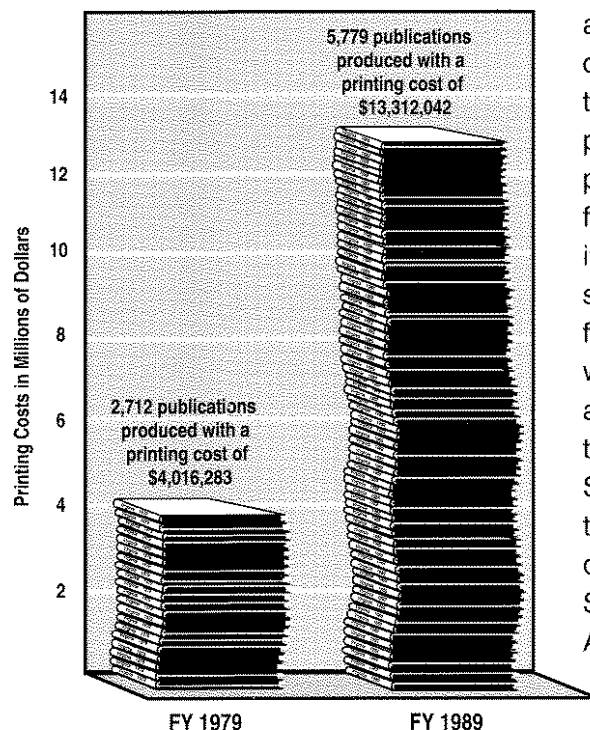
## Publication Practices of Virginia State Agencies

In 1982, JLARC reviewed State agency publications and public relations activities. In 1989, staff were directed to conduct a follow-up of the publications portion of the earlier study. The 1989 study found conditions generally similar to those existing in 1982: the majority of agency publications appeared to be produced in an appropriate and reasonable fashion. Exceptions still existed, however. Many agencies were producing publications using costly paper and multi-color printing. Overall, it appeared that the State was spending more money than necessary on publications.

In addition, the follow-up review found that publication expenditures and the number of State publications had increased sharply over the past several years. Publication expenditures had increased at a higher rate than the State operating budget over the same period — a cause for concern, especially in light of the State's revenue situation.

The review found a lack of agency compliance with State publication guidelines. Agencies seldom conducted assessments to analyze the need for their publications. Some agencies were not utilizing the Office of Graphic Communications as required for design services. Distribution practices identified in the *Code of Virginia* were not being adequately followed, resulting in unnecessary costs. And many agencies had no process in place to gather agency-wide cost information on their own publications.

### Comparison of Number and Costs of State Publications, FY79 to FY89



publications. JLARC made recommendations to better define which publications should be sent to the statewide depository system and to clarify agency reporting requirements. The study also encouraged greater attention to paper recycling efforts in State government.

One study recommendation called on the Governor's Secretaries, as part of "Project Streamline" to undertake assessments of their agencies' publication needs and practices. Shortly after the release of the JLARC report, the Governor directed the Secretary of Administration to conduct such a study. In accordance with the JLARC recommendation, one goal of the study was to have agencies identify specific and immediate opportunities for publication savings. The major recommendations of the executive study parallel those of the JLARC review. The savings reported from the implementation of both studies for the 1990-92 biennium amounted to over \$13 million.

The Secretary of Administration formed several task forces under the auspices of "Project Streamline" which address study

The study noted that although the Division of Purchases and Supply had increased training opportunities for agency procurement personnel and clarified and strengthened its printing guidelines since the 1982 report, further improvement was needed to increase agency awareness of these guidelines. Several recommendations were also directed to the Virginia State Library and Archives, which has important oversight responsibilities related to agency

#### A note on JLARC publications:

The publications study revealed that some agencies had made their publications functions more efficient and economical through the use of desktop publishing technology, and that others could also benefit from this approach.

All JLARC reports (including this one), briefings, and surveys are produced using an in-house desktop publishing system. By linking the publishing system to an already existing word-processing system, JLARC was able to increase efficiency to the point where the number of clerical staff could be reduced. Equally important, the flexibility of the desktop publishing system has significantly decreased project turnaround time and improved report graphics and presentations. In survey work, the ability to produce more professional-looking question and answer forms has had a positive impact on response rates.

Recently, JLARC staff contributed an article to an NCSL Evaluation Section newsletter describing the desktop publishing system and its advantages. A number of JLARC's peer organizations requested additional information.

It should also be noted that JLARC's research reports are printed in one color only, through a State contract under the auspices of the Division of Legislative Automated Systems.

concerns. Most recommendations aimed at the Department of General Services and the Virginia State Library and Archives have been implemented, either as part of "Project Streamline," or as independent agency responses. Several agencies whose publications were reviewed as part of the JLARC study have also taken independent actions to control costs. For example, the State Comptroller's office reports a 28% savings on its latest annual report compared to the previous year.

Currently, agency guidelines are being improved and disseminated, publication training is being expanded, and oversight is being strengthened. As agency-level awareness of the need to contain publication costs increases, savings to the State should also increase.

## Review of the Virginia Department of Workers' Compensation

JLARC's 1990 report on the Department of Worker's Compensation (DWC) completed a three-part series on the independent agencies of State government, which was directed by the 1985 Appropriation Act. Previous reports focused on the State Corporation Commission and on the crime victim's compensation program, which is also administered by DWC (see "Status of Previous JLARC Studies").

DWC is headed by a three-member Industrial Commission. The department is primarily responsible for administering and resolving claims under the Workers' Compensation Act, which benefits employers and employees by providing compensation for injured workers without assigning fault. DWC is also responsible for adjudicating claims arising under the birth-related neurological injuries compensation program.

The study concluded that Virginia appears to be in satisfactory condition regarding workers' compensation rates. Further, active competition among insurance companies to write policies indicates that Virginia's system is healthy. However, numerous areas were found where changes to statutes or DWC management practices would strengthen the system.

Many of the report recommendations were implemented, after review by the Code Commission, through recodification of Virginia's Compensation Act. Emphasis was placed upon clarifying the act through precise, user-friendly language. Among the statutory changes that were based on JLARC recommendations are the following:

- ❑ The computation of the statewide average weekly wage was revised to exclude federal employees.
- ❑ *Code of Virginia* language was modified to specify types of vocational rehabilitation services provided under the act.
- ❑ Limitations to the Uninsured Employer's Fund balance were revised to conform the fund to current needs. Further, the Attorney General was required to collect from uninsured employers the amounts paid from this fund to injured workers .
- ❑ The DWC was authorized to recover expenses incurred under the Birth-Related Neurological Injury Compensation Act.
- ❑ To reduce confusion about the identification and function of the agency, the General Assembly changed DWC's name, effective October 1, 1991, to the Virginia Workers' Compensation Commission.

In addition to the codification changes, a number of administrative, organizational, and inter-agency changes have also been implemented per the study recommendations, among them:

- ❑ The Virginia Employment Commission has established necessary procedures for verifying the annual calculation of the statewide average weekly wage, a statistic that is vital to DWC's work with claimants.
- ❑ DWC's informational handbook for claimants has been revised to assist claimants in applying for cost-of-living increases, an important change to ensure equitable treatment.
- ❑ Coordination between DWC and the Department of Rehabilitative Services has been greatly enhanced in order to improve vocational rehabilitation of injured workers.
- ❑ Per JLARC recommendations, oversight of employers' and insurers' accident-reporting responsibilities has been substantially increased. Improved communications, stricter enforcement of penalties, and a new automated system have resulted in a marked reduction in the average period it takes employers to file a first accident report. As a byproduct of better oversight, more than \$24,000 in fines were collected during the first year.
- ❑ The adjudication of disputed cases has been substantially shortened through improved monitoring and more efficient prehearing procedures. In addition, a JLARC recommendation that DWC expand its efforts in alternative dispute

*"...the process of review and response in a small agency creates significant strain on personnel and resources, but the beneficial results achieved are very much worth the effort. Our Commission has been stimulated by JLARC recommendations and, most importantly, the results which stem from JLARC-prompted focus and analysis have improved our methods and helped speed delivery of services to injured workers in the Commonwealth.*

--- Chairman, Industrial Commission of Virginia



resolution has had the following results, according to a DWC Commissioner:

"... there has not only been a substantial increase in prehearing resolution of disputed cases, but also narrowing of issues in the event that a disputed case is referred to the hearing docket. The latter action results in shorter hearings."

- ❑ Acting upon study recommendations, the Commissioners have made substantial internal organizational changes to improve claims management. Improvements have also been made in personnel orientation, training, manpower planning, and the documentation of position responsibilities and procedures.
- ❑ As suggested in a study recommendation, the 1990 General Assembly directed the Department of Commerce to assess the need for State regulation and licensing of vocational rehabilitation professionals.

The JLARC review was of considerable interest to the Commission on the Coordination of the Delivery of Services to Facilitate the Self-Sufficiency and Support of Persons with Physical and Sensory Disabilities in the Commonwealth — also known as the Beyer Commission. The Commission concurred with a number of the JLARC recommendations. They agreed, for example, that DWC's second injury fund needed further study, and subsequently a legislative subcommittee was appointed for that purpose.

## Review of the Virginia Community College System

During the 1988 Session higher education was designated as the next functional area of State government to be reviewed by JLARC under the Evaluation Act (see "JLARC's Purpose and Role" for an explanation of the Act). The 1989 Session further specified the studies that should be undertaken, including a review of the Virginia Community College System (VCCS).

JLARC previously conducted an evaluation of the VCCS in 1975. That study commended the VCCS for developing a comprehensive system of community colleges that were accessible throughout the Commonwealth in terms of location, admissions, tuition, and educational programs. However, the study also found a lack of attention to day-to-day management in both academic and administrative affairs.

A portion of JLARC's 1990 study was dedicated to a follow-up of the earlier study. Significant progress was noted in

nearly all the areas identified in 1975; however, some operational improvements were still needed. For example, curriculum oversight needed strengthening, and system-wide articulation agreements with senior institutions were lacking. The study also examined issues in mission and planning, organization of the system, resources, programs, personnel practices, and management information systems.

A major finding was that, over the years, VCCS has chosen to expand its programs and services beyond those specified in statute. Higher education enrollments are expected to grow, and there are clear signs of increasing stress on VCCS resources. The study pointed out that the VCCS might find it difficult to continue all of its current programs, especially in light of the State's fiscal condition. During the 1990s, the colleges will need to balance growth with limited resources. The State Board for Community Colleges will be faced with prioritizing program areas to ensure that adequate resources are available for the most important activities.

The VCCS expressed agreement with the findings of the study and most of its 47 recommendations. Among the actions reported by the Chancellor of the system in response to JLARC recommendations are the following:

- ☐ Program and operational priorities have been considered in special meetings of the community college presidents and the Chancellor's staff, and in a series of meetings between the State Board for Community Colleges and the local college boards. Consensus has been achieved on strategies to address the immediate budgetary problem, including how to manage enrollment growth and ways to limit the use of part-time faculty.
- ☐ The Advisory Council of Community College Presidents is considering a new draft statement of VCCS goals.
- ☐ The current system master plan is to be replaced by a comprehensive, long-range plan for colleges, campuses and facilities.
- ☐ To provide greater and more economical access, the VCCS is continuing to explore alternative strategies for instructional delivery, especially telecommunications.
- ☐ The study recommended discontinuing unproductive programs in order to better utilize available resources. Prompted by the severe economic conditions, the VCCS has cut approximately 40 certificate and diploma programs to date. Productivity criteria applied during this cutback were developed by the VCCS with the assistance of the academic deans and presidents.

- ❑ There appears to be progress in facilitating transfers from Virginia's community colleges to four-year colleges and universities. The Chancellor of the VCCS and the presidents of the senior institutions agreed that this issue needed their immediate attention. They created a Joint Committee on Transfer Students, co-chaired by the Provost of Virginia Tech and a faculty member from Piedmont Community College. A series of regional hearings was held this past spring, with most senior institutions and community colleges participating. The Committee expects to release a draft of statewide policies and recommended practices this fall.

The JLARC report also recommended development of a State policy on adult pre-collegiate education, specifically focused on adult literacy, and a clarification of the VCCS's role in this area. The Secretary of Education reports that this issue is currently under study. The State's adult literacy coordinator has been asked to develop a policy and plan, due early this fall, for the organization of adult education literacy programs.

Progress has also been reported in other areas: correction of planning deficiencies at the individual colleges, clarification of policies regarding student payments to third party providers, phasing out of fractional credit courses, improvement of data system security, and clarification of the system office's role.

## State Funding of Regional Vocational Education Centers in Virginia

There are 11 regional vocational education centers in Virginia serving about 5,000 day pupils. These centers are operated as joint partnerships of two or more local governments, and involve about one fourth of the 138 local government units required to provide public education. Concerns about the funding of these centers led the 1990 General Assembly to direct a JLARC study.

The funding analysis resulted in several findings:

- ❑ Expenditure levels at the centers appeared sufficient to enable them to provide high quality programs.
- ❑ State funding support for the centers was substantial. SOQ funding paid an average of 56 percent of regular day school operations (excluding capital facility costs).

- ❑ The State provided limited funding for principals at the centers. No funding was provided for assistant principal and guidance counseling costs, because these positions are not required at the centers by the State standards.
- ❑ The method of disbursing funds to the centers (funding goes through the school divisions) was found to be inefficient, leading to some delays.
- ❑ The general methodology used to determine State funding for the centers was found to be appropriate and consistent with the basis used to fund other vocational education programs in the State.

A policy was presented to retain a portion of a State supplemental payment to the centers to fully fund the State share of principal positions. The General Assembly implemented this policy option in the 1991 Session.

## Constitutional Officers Series

The five elected constitutional officers in Virginia are Commonwealth's attorney, clerk of the circuit court, sheriff, commissioner of revenue, and treasurer. Directors of finance are also recognized and funded by the State as constitutional officers in five localities. For more than 200 years, constitutional officers have provided a range of services to the citizens of Virginia.

State funding for constitutional officers has dramatically increased in recent years, and presently amounts to one half billion dollars each biennium. Yet the budgeting and reimbursement process used by the Compensation Board has changed little over the past 50 years.

The 1988 and 1989 Appropriation Acts directed JLARC to review the funding of constitutional officers. The purpose of the review was to propose a more systematic and equitable funding process for the General Assembly to consider. This review resulted in six separate but interrelated reports: an interim report on the status of part-time commonwealth's attorneys; four technical reports on statewide staffing standards for sheriffs, Commonwealth's attorneys, clerks, and financial officers, respectively; and a final report on the funding of all constitutional officers.

The first phase of the review involved developing staffing standards using statistical models. These models are based on actual staffing levels, and upon measures of workload that have clear relationships to the staffing for all constitutional offices in the

State. Data collection through comprehensive surveys of the offices was a major study effort. This review was the first such effort to methodically consider funding for the more than 600 constitutional offices in the Commonwealth. The standards developed can be used to objectively determine personnel costs.

The final report presents the General Assembly with a number of different choices for designing a new, systematic funding approach. Among the most important considerations are the share of costs to be borne by the State and local governments, the use of ability to pay as a factor influencing local shares, and adoption of a pre-payment system for distributing State funds. These considerations, along with the information provided in the JLARC reports, can help the General Assembly develop a more logical framework for funding the constitutional officers. It would be the responsibility of the State Compensation Board to implement the specifics of any new framework adopted by the General Assembly.

The issues involved in funding the constitutional officers are complex and controversial. It will be necessary for the General Assembly to review the proposed funding process in more detail with the State Compensation Board, the constitutional officers, and the local governments. To begin that process of review, Senate Bill 248 was introduced in the 1990 Session. This legislation, which provided a blueprint for the proposed funding process, served as a starting point for the discussion of the JLARC staff recommendations.

During the 1991 Session, the passage of House Joint Resolution 394 established the Joint Subcommittee on Constitutional Officer Legislation, a joint subcommittee of the House Appropriations Committee and Senate Finance Committee. This subcommittee will consider the JLARC staff proposals and will also work with representatives from the constitutional officer associations in recommending staffing standards and addressing other issues raised by the JLARC report. Delegate Ford Quillen, current Chairman of JLARC, chairs the Subcommittee. Compensation Board staff have already met with legislative staff and constitutional officer representatives to begin work under HJR 394.

The State Compensation Board reports that it is conducting its own review of workload and staffing patterns in the constitutional offices. In addition, with the assistance of the Department of Personnel and Training, the Board initiated a statewide salary survey for employees of constitutional officers. Data from that survey are currently under analysis.

One of the reports from the constitutional officer series, *Staffing Standards for the Funding of Sheriffs*, received the Legislative Program Evaluation Society's 1991 award for "Excellence in Research Design and Method."

## Economic Development in Virginia

Within the Commonwealth, economic development programs are conducted by a broad array of organizations: 72 State entities and more than 500 non-State organizations. An estimated \$769 million was spent by these organizations on economic development activities in FY 1989. The Department of Economic Development (DED) has primary responsibility for the State's industrial development and tourism promotion activities.

House Joint Resolution 262 of the 1989 Session directed JLARC to "review the Commonwealth's economic development policies and the organization, management, operations and performance" of DED. The resolution specifically directed JLARC to review the planning, budgeting, staffing, procurement, mission, and policy and program functions of the department.

The two-year project resulted in three JLARC publications. An interim report, consisting of an overview of study activities and the proceedings of a workshop on economic development, was presented to the 1990 Session. Two reports were presented to the 1991 Session: a review of economic development policy and programs, with major emphasis on DED; and a comprehensive catalog — the first of its kind in Virginia — of economic development organizations and programs throughout the State.

JLARC's review found that overall, the State has been relatively successful in its economic development activities. However, since the State has conducted these activities without a formalized written policy or policy development process, these efforts have not been fully maximized. Recommendations from the study focus on improving the State's activities by establishing a comprehensive written policy and process.

Of the report's 37 recommendations, 29 were directed to the Department of Economic Development (DED). The following are some examples of DED activities in response to JLARC recommendations:

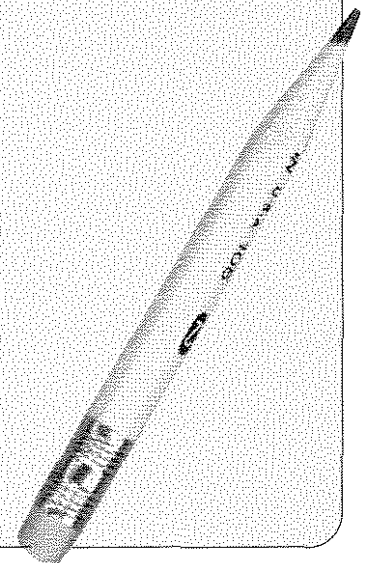
- ☐ DED has modified its advertising campaigns to give more attention to Virginia's smaller, lesser-known attractions. The Department is also studying ways to obtain more valid measurements of the impact of its promotional activities.

- ☐ The department is modifying its industrial training program to ensure that services offered are based on specific benefits to the Commonwealth. Unproductive elements of the program have been discontinued in favor of services with a more certain "payback."
- ☐ DED has taken some initial steps to strengthen the management oversight of its network of small business development centers.
- ☐ The future of the Virginia Small Business Financing Authority is now linked to its development and successful implementation of new financing initiatives for small business.
- ☐ DED has proposed a number of organizational changes in response to concerns expressed in the JLARC review. The proposals are currently under review by the Secretary of Economic Development.
- ☐ Per study recommendations and with outside consultation, DED has developed written procedures to govern all administrative operations.

Several recommendations were directed at the Center for Innovative Technology (CIT), to improve its technology transfer program. This pilot program, initiated in 1987, is a public partnership between the CIT and the Virginia Community College System. Directors of economic and technology development, located at several VCCS campuses, work with businesses to identify problems where there may be a technological solution, and to assist these businesses in finding helpful resources.

The CIT has taken several actions which move the program in the direction recommended by the JLARC study. A formal set of objectives has been adopted to clearly define the services to be rendered. Per a JLARC recommendation, the CIT reports it has also taken steps to increase its interaction with community college presidents. New program evaluation guidelines have been written, and a formal procedures manual is being developed. JLARC also recommended that programs be removed from any community colleges not benefiting; one such program has been eliminated.

When the Commission was briefed on the economic development study findings, Commission members expressed concern about the possibility of federal defense cuts and their impact on the economy of Virginia. A task force organized by the Secretary of Economic Development released an interim report in May 1990 on this issue. At the Commission's request, JLARC staff examined this report and the major issues involved. The findings were published as an appendix to the staff report.





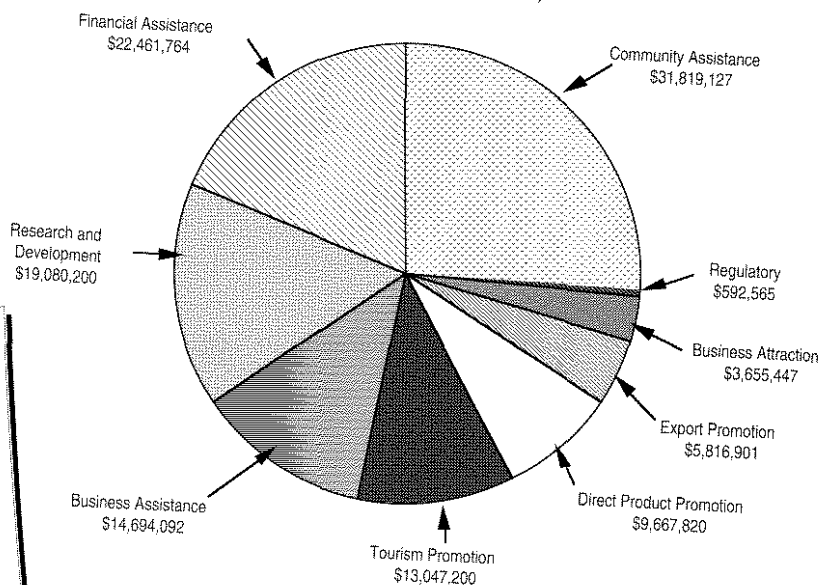
This analysis concluded that additional emphasis ought to be given to developing profiles of the defense industry in Virginia and military personnel stationed in the State. Other recommendations called for linking existing economic development programs to areas of the State likely to be impacted by cutbacks, and examining the approaches of other states to this problem.

The Director of the Department of Economic Development reports that the defense cutback issue is receiving considerable attention in the executive branch. The Secretary's inter-agency work group (with representatives from DED, the Virginia Employment Commission, the Department of Planning and Budget, and the Department of Taxation) is monitoring changes in defense spending, collecting information for modeling the impacts of defense cuts, and meeting with representatives of other potentially high-impact states.

A final JLARC recommendation was implemented by the 1991 General Assembly to ensure that State-level policy regarding economic development will be clear and explicit in the future. House Bill 1336 requires the Secretary of Economic Development, and a cabinet-level committee appointed by the Governor, to develop and implement a comprehensive economic development policy during the first year of each new administration.

### State-Funded Economic Development by Type of Activity

(FY 1989 Total = \$517,453,964)



#### Note:

An article on the JLARC study appeared in the August '91 issue of *Economic Developments* (National Council for Urban Economic Development).

Quote:  
"From now on, Virginia is putting its economic development policies 'in writing'."



## Follow-Up Review of Homes for Adults in Virginia

In 1979, JLARC evaluated the adult home system and identified numerous problems affecting licensing standards and procedures, the Auxiliary Grants Program, and the health and safety of residents. The 1990 General Assembly directed JLARC to conduct a follow-up study of homes for adults and report the findings to the Commission on Health Care for All Virginians prior to the 1991 Session.

The follow-up review found that some improvements had been made to the system to protect the basic health and safety of homes for adults residents. However, no action had been taken on a number of previous recommendations. Furthermore, the problem of providing adequate care and protection had been exacerbated by a sharp increase in the number of residents with serious mental health or medical needs. In addition, the follow-up found that the administration of State funding through the Auxiliary Grants Program was no better than it had been, despite a 272 percent increase in program expenditures.

In the interim between the two studies, the number of homes grew by almost 50 percent, and the capacity of the system more than doubled. Homes are now caring for a more diverse population of mentally and physically impaired adults. Some residents are receiving medical-type treatment to care for their impairments, whereas ten years ago this care would have been available only in nursing homes.

The follow-up concluded that the current regulatory system does not adequately protect residents of adult homes. The report noted that system-wide changes are necessary, as the statutory and regulatory framework does not adequately recognize the role into which adult homes have evolved: a primary source of long-term care for disabled adults. The report recommended changes in the following areas:

- ☐ policy development and a structured placement process to ensure proper placement of clients in homes, particularly for residents who receive State auxiliary grants.
- ☐ modifications to the regulatory system to address the differing levels of care that are currently being provided to a wide range of residents with differing medical conditions.
- ☐ modifications to specific licensing standards and the enforcement process to better protect home residents.
- ☐ changes to ensure the Auxiliary Grants Program is properly administered and recognizes the varying levels of care needed by residents.

The approach presented in the JLARC report has received the support of the Secretary of Health and Human Resources, the Long-Term Care Council, the Department of Social Services, the Department of Mental Health, Mental Retardation and Substance Abuse Services, and the Department of Health. The majority of report recommendations have been or are being implemented by these entities.

- ☐ The Secretary of Health and Human Resources established a Home for Adults Task Force, with support from the Department of Social Services (DSS), for the purpose of developing a conceptual framework for creating a tiered system of homes for adults. A JLARC staff member has been appointed to this task force.
- ☐ DSS has also provided support to the Long-Term Care Council in developing a client needs assessment instrument for use in placing and monitoring auxiliary grant recipients in adult homes.
- ☐ New and strengthened standards for the training of adult home administrators and staff have been proposed and are now open for public comment.
- ☐ Staffing guidelines have been revised for licensing specialists to use in enforcing adult home standards.
- ☐ Specific standards to guide medical procedures and medication management in adult homes have been developed.
- ☐ Additional standards regarding facility design and equipment are being promulgated.
- ☐ Unannounced licensing inspections of adult homes have begun, as required by Senate Bill 608.
- ☐ Intermediate sanctions are being developed to allow DSS more options in dealing with adult homes which violate laws and regulations.
- ☐ Cost reporting requirements for homes for adults and the rate setting functions of DSS are being strengthened.
- ☐ Adult home services that should and should not be covered by auxiliary grant payments are being identified, so that the necessary revisions can be made to policies affecting grant recipients. Personal care allowances are also being studied for possible revision.

The statutes regarding homes for adults have been revised to reflect many of the actions described above. Many of the changes mentioned are being tested through case management pilot projects under the auspices of the Long-Term Care Council.

## The Lonesome Pine Regional Library System

One of the larger regional libraries in the State, the Lonesome Pine Regional Library system (LPRL) serves Wise, Dickenson, Lee and Scott counties and the City of Norton. In the fall of 1989, three localities passed resolutions asking the State Librarian to conduct a study of the system. After checking with the Attorney General's office, the State Librarian requested assistance from JLARC in performing the study. The Commission approved this special study request in January 1990.

In conducting the study, JLARC staff addressed a full measure of performance and management issues. Trips to Southwest Virginia by JLARC and State Library staff provided firsthand information on system operations. Surveys of patrons, employees, and local officials shed further light on the system.

Overall, LPRL appeared to be successfully accomplishing its mission. Patrons were satisfied with its services, as were most local officials, library board members, and staff. Fiscal management of the system was sound. The system appeared to operate relatively efficiently, and was providing important cultural and educational services to the region.

Some problems were found. Communication among library management, trustees, and local officials needed improvement. Inter-locality rivalries diminished board cooperation. It was also found that expenditures on videos were eroding book purchases and usage in most branches. In addition, some managerial and organizational improvements were needed.

Following the JLARC report, the system came under new management, and improvements have since been initiated in most areas of concern. Immediate steps were taken by the State Library to provide additional training that is especially geared to non-certifiable staff, new library personnel, and staff who serve in small or rural branch library operations. The State Library has also provided assistance to LPRL in writing job descriptions, establishing a fair and equitable pay scale for the system, and establishing a collection development policy.

## **Review of the Funding Formula for the Older Americans Act**

The federal government's primary means of providing social services for the elderly is the Older Americans Act. Services are provided by Virginia's 25 local Area Agencies on Aging. The Virginia Department for the Aging (VDA) implements the formula for distributing the federal and matching State funds.

Since 1988 Virginia's funding formula had been subject to legal challenge. The 1990 General Assembly directed JLARC to study the formula and evaluate the appropriateness of potential factors for inclusion in the formula.

The study concluded that the current formula in use was a reasonable and acceptable means for distributing Older Americans Act funds. Each factor appeared to promote equity and was consistent with federal and State laws and guidelines. A cross-state comparison showed that Virginia's formula had much in common with the formulas used in other states. The statistics used in the formula represented the factors reasonably well, although the report recommended some improvements and refinements. The weights selected for use in the formula were primarily the result of public policy decisions, but appeared to be legitimate choices by the VDA.

JLARC staff assessed a total of 27 potential factors (for example, population age 60 and over) for use in the formula. An example of the refinements recommended by the JLARC staff was to subtract, when possible, populations of institutionalized older persons from the population factors used. These populations include older persons who are institutionalized in nursing homes, State correctional facilities, and mental health facilities.

The Department for the Aging concurred with the report findings and utilized them in the development of the FY 1992-94 State Application for Federal Funds.

## Budget/Forecasting Studies

JLARC was mandated by the 1990 Appropriation Act to “review the Commonwealth’s executive system of financial planning, execution, and evaluation.” It was during the initial phases of this study that the Commonwealth began to experience an unusually large revenue shortfall, raising questions about several aspects of the executive forecasting process. The shortfall worsened during the summer and fall, and was expected to continue for FY91 and FY92.

To address these questions, the Commission designated certain issues related to forecasting for priority review: the soundness of the executive revenue forecasting process, the accuracy of the forecasts, the technical soundness of the forecast models used, and the effects of major federal and State tax reforms on individual income tax collections. So that the General Assembly could utilize the findings as quickly as possible, staff were directed to report on these issues prior to the 1991 Session. As a result, the JLARC review was intensified and staff were shifted from other projects. A JLARC subcommittee was appointed to guide the staff in their work.

The JLARC review, entitled *Revenue Forecasting in the Executive Branch: Process and Models*, found that historically Virginia’s forecast accuracy has been similar to that of other states and the federal government. Although the forecasts for FY90 through FY 92 were unusually far off, the State’s revenue shortfall did not appear to be the result of an unsound forecasting process. While certain improvements were recommended, the process met the majority of criteria for an optimal forecasting process.

The review also showed that the magnitude of the recent revenue forecast reductions was not the result of unsound or inadequately administered statistical models. For the major tax sources of the General Fund, forecast reductions were mostly attributable to declines in the economic indicators which drive the forecast models. However, the study found that over 40 percent of the reductions could not be attributed to the economic indicators used in the models. Rather, they were probably due to the effects of tax policy changes or judgemental inputs — difficult factors to substantiate.

In addition to some refinements to the forecasting models and process, the report recommended that the General Assembly should consider increasing its involvement in the forecasting process. Relative to other states, there is currently little formal legislative participation in the development of Virginia’s forecast. The report presented a variety of options for further study, including the current role of limited involvement, a joint legislative-executive role, and an independent legislative role. These options are currently

being further studied by the JLARC Subcommittee on the Executive Budget Process.

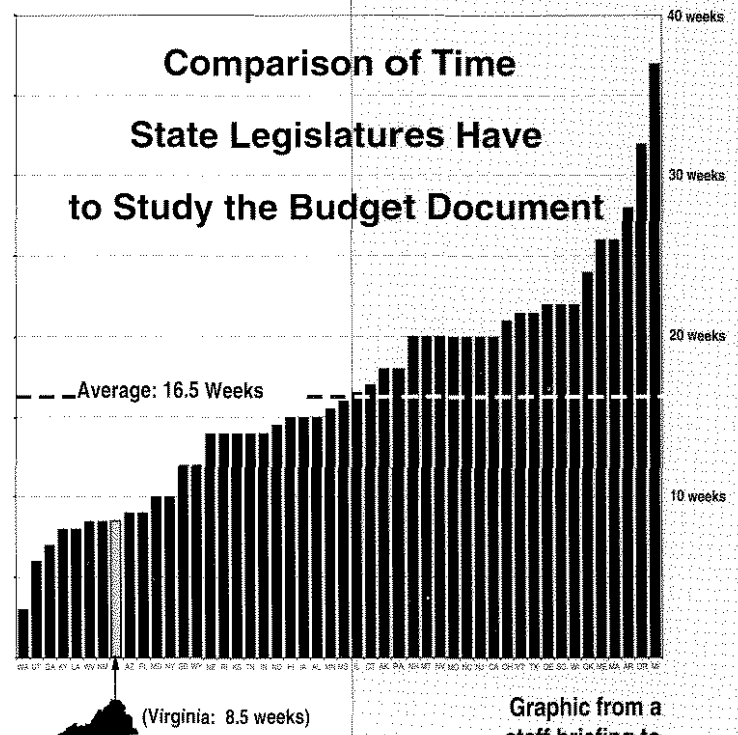
A second report, *Proposal for a Revenue Stabilization Fund*, grew out of the review of revenue forecasting. A significant finding from the review was that, simply stated, forecast error is a normally occurring part of the forecast process. Shortfalls — and surpluses — are to be expected.

Given the uncertainty of revenue forecasting, the JLARC subcommittee examined “rainy day” funds as a means of coping with the shortfalls. Funds in 39 states were examined. The subcommittee then sought to adopt the best of each and apply it to Virginia. Several unique concepts were also explored and adopted. The result was a proposal for a revenue stabilization fund tailored to Virginia's needs. This fund is designed to skim off above-average revenue growth in prosperous years, and deposit these monies in a fund where they will draw interest and be available when forecast error results in a revenue shortfall.

Senator John C. Buchanan, the late Chairman of the Commission, introduced Senate Joint Resolution 159 to establish the rainy day fund on behalf of the JLARC subcommittee. The resolution was a proposed constitutional amendment to establish the fund on a permanent basis. An amendment in the nature of a substitute was reported by the Senate Finance Committee and approved by the General Assembly. The amendment altered mandatory deposits and provided a mechanism for exempting revenues from tax increases. The other provisions of the fund remain the same as described in the staff report.

Because the proposal is in the form of a constitutional amendment, it must also be approved by the 1992 General Assembly. The rainy day fund is JLARC's first constitution-changing proposal.

The two reports published during the 1991 Session represent only part of the full budget process review planned by JLARC. Three related studies are currently under way: a study of budget preparation, execution, and evaluation; a final report on legislative involvement in revenue forecasting; and a review of the Department of Taxation (see “Work in Progress”).



Graphic from a  
staff briefing to  
the budget process  
subcommittee

## Compensation of General Registrars

General registrars are appointed by local electoral boards to administer voter registration services in Virginia's 136 cities and counties. There are 109 full-time and 27 part-time general registrars. The 1991 General Assembly directed JLARC to review the methods for compensating general registrars. Specifically, the JLARC staff was asked to evaluate the compensation program, factors which should be used to determine compensation, and the appropriate State share of the compensation costs.

The study showed that salaries for general registrars are generally adequate based on the salaries paid other positions with comparable job responsibilities. Also, the population brackets used for the salary structure generally do differentiate between levels of workload. Equity could be enhanced, however, by adding an additional bracket for localities at the 500,000 level. Further, the bracket structure could be simplified by adding a separate population bracket, ranging from 0 to 9,999, for part-time general registrars.

Fringe benefits for some full-time general registrars could also be made more equitable by requiring localities to provide the same fringe benefits to general registrars as they provide for other local employees, or by making State employee benefits available. Cost estimates for these options are presented in the report. The study also found that the existing limit on local salary supplements appeared reasonable.

The Commonwealth and the localities currently share the cost of compensating general registrars, but the State provides the majority share. This is unusual compared to other states, where compensation of voter registration administrators is typically a local responsibility. The report evaluates four funding options for the General Assembly to consider, and provides a cost analysis for each option.

An additional issue raised by the study is the appropriate role and status of general registrars. There is a concern that some of the registrars are performing certain core duties of the electoral boards, although there is no statutory mandate for such extensive involvement in elections administration. A primary issue is whether general registrars should be viewed as State employees or local employees.

To address the issues raised by this report, the Commission suggested that the General Assembly might want to create a subcommittee, with representatives from the House and Senate Privileges and Elections Committees, the House Appropriations Committee, and the Senate Finance Committee. The subcommittee would study the compensation, appropriate role, and status of general registrars and report its findings to the 1992 General Assembly.



## Review of Virginia's Parole Process

The 1990 General Assembly directed JLARC to study Virginia's parole review process. This study was undertaken partly in response to earlier studies that suggested Virginia's parole rate was too low, thereby aggravating the State's prison overcrowding problem. The study mandate instructed JLARC to determine the reasons for the reportedly low parole rate and to suggest desirable changes to law or policy.

The study included the following activities:

- ☐ an examination of the activities of the Parole Board and the Department of Corrections (DOC) in administering the parole process,
- ☐ a review of Virginia's parole laws and those of ten other states,
- ☐ an analysis of the efficiency with which the parole process is implemented,
- ☐ a review of decisionmaking practices of the Parole Board.

The study found that when alternative measures of the parole rate are used — measures that minimize the impact of extreme values — Virginia's parole rate is substantially higher than the national norm. The review noted, however, that because of considerable variation in the factors that influence parole rates, conclusions about the adequacy of Virginia's parole system should not be made strictly on cross-state comparisons. Rather, the effectiveness of the system should be determined based on an assessment of the impact of parole laws and the actual decisionmaking and administrative practices of the Parole Board.

In that regard, the review found that the Virginia Parole Board has made major improvements to its methods for reviewing and deciding cases. Some problems, however, do remain. Virginia's parole laws allow many inmates to establish eligibility for parole much sooner than the Board is ready to release them. This has produced inefficiencies in the review process. Additionally, many of the changes made by the Parole Board to expedite the inmate interview and review process are being hampered by the inability of DOC to provide the Board with timely access to important inmate files. Finally, due to the absence of policies to systematize the Board's discretion in deciding cases, there are inconsistencies in the decisionmaking process.

The report makes specific recommendations to improve the parole review process, including the following:



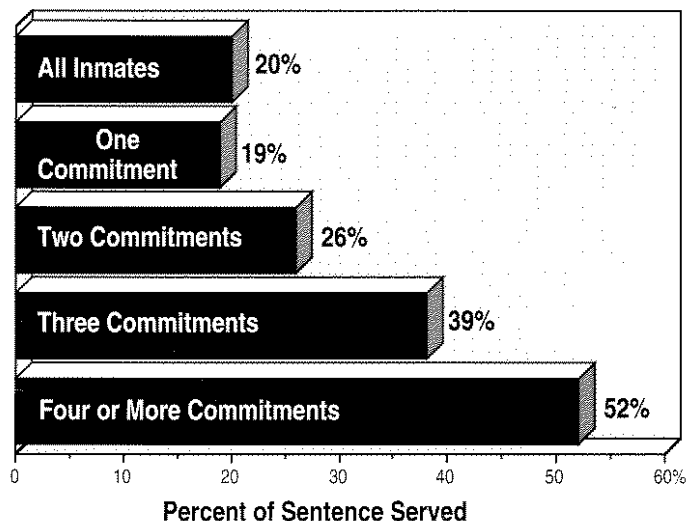
- ❑ changes to the *Code of Virginia* regarding the use of the felony term indicator and good conduct allowance credits,
- ❑ a proposal for Virginia to adopt a time-served standard for establishing parole eligibility,
- ❑ improvements in coordination and information sharing among the various participants in the parole process,
- ❑ refinements to the current risk-assessment instrument, and development of structured decision-making guidelines,
- ❑ possible transfer to certain parole-related functions from the Department of Corrections to the Parole Board

The report outlines several options for the Secretary of Public Safety to consider for the long-term efficiency of the parole system. These options include a presumptive parole system and expansion of the Parole Board. The review also recommended further study focusing on recidivism and the adequacy of community services to support parolees.

The Parole Board has expressed general agreement with the study findings and recommendations. In many cases, the Board has already developed initiatives to address the concerns expressed in JLARC's review.

One issue of particular interest to the Commission was whether lack of treatment programs in State correctional facilities has an adverse effect on the early release of eligible inmates. The study team was directed to do further research on this issue, and an addendum to the report is in preparation.

**Percent of Sentence Served at Time of First Parole Eligibility  
According to Number of Prison Commitments**



(Graphic from the JLARC report)

## The Reorganization of the Department of Education

The 1990 General Assembly directed JLARC to study, as part of its series on elementary and secondary education, the organization and management of the Department of Education. Subsequently, however, a major reorganization of the department was initiated by the new Superintendent of Public Instruction. Because the Department was to be reorganized, the focus of JLARC's review was shifted to the reorganization plan and process.

The scope of the reorganization is without precedent in Virginia State government. For example, 64 percent of the agency's 453 classified positions were abolished and 228 new positions created, for which department employees had to apply and compete in an open recruitment process. Also, in the new organization, management initiated an effort to shift most of the department's work from performance by individual assignments to performance by multi-disciplinary project teams.

Conclusions about how well the new department will function are premature, since it has only recently begun operating under the new organization. The JLARC report, however, assessed the formative stage of the new department, one year after the effort to reorganize was initiated. The review found many of the reorganization goals to be admirable, such as reducing bureaucratic layers and improving service delivery. However, the quick reorganization timetable, combined with the enormous scale of change that was attempted, created some potentially serious management and organizational problems.

The review showed that the current problems were caused by several factors. The hiring effort appeared excessive in scope, raising questions about employee protections under the Personnel Act. In addition, the reorganization process lacked detailed forethought, planning, and communication about how the new organization was to function. The stress of the competitive hiring process, coupled with a lack of understanding by employees about how the department will work, appear to have seriously eroded employee morale and confidence in the new organization.

The new department is still in a process of transition. It will take time to rebuild employee morale and fully develop new work practices. There are continuing concerns, however, about some of the proposed operational practices, such as the methods for project work selection and management (based on an internal "request-for-proposal" approach), and the scale of team operations.

In a recent appearance before the Commission, the Secretary of Education, while expressing confidence in the new Superintendent's approach, pledged to utilize the JLARC report in making any necessary mid-course corrections. The report should also prove a useful resource for other State agencies contemplating reorganization.

Regulation and Provision of



# Child Day Care

*This biennial Report to the General Assembly is designed, as were past editions, to present study activities, findings, and agency responses in brief, summary form. Such overviews, however, may fail to communicate the true complexity and full use of a JLARC study. This article, therefore, provides additional perspective by focusing more fully on a single JLARC study. The study chosen is a review of the regulation and provision of child day care in Virginia which was begun shortly after the 1988 General Assembly Session and reported to the Commission in the fall of 1989. The topic and the findings were of considerable interest to the public, child advocacy groups, and child care providers, as well as the General Assembly.*

*While the final report provided an objective basis for Legislative and executive action, the Secretary of Health and Human Resources and the Joint Subcommittee Studying Early Childhood and Day Care Problems used the information to fashion a regulatory proposal acceptable to advocacy groups, the day care industry, and the General Assembly. The approach incorporated many of the JLARC recommendations.*

## Origin of the Review

Child day care has been a State and national issue of immense proportions. Over recent years, the large number of women entering the workplace who are mothers of young children has raised concerns about the adequacy and affordability of child care. Reflecting public concern, both the House and the Senate passed resolutions during the 1988 Session requesting a study of child day care regulation in Virginia. Among the topics specified for review were:

- ☐ the definition and regulation of family day care,
- ☐ the opinions of parents, providers, and associations regarding licensure,
- ☐ the appropriateness of exemptions and exceptions,
- ☐ the funding needed to regulate if the number of exemptions and exceptions were reduced,
- ☐ initiatives to improve availability and promote quality care,
- ☐ the training of child day care providers,
- ☐ the type of system that would equalize the impact of regulation on the various types of care.

## Research Efforts

Early in the study, it became clear that despite strong public interest, no reliable source of statewide information on day care and the families who used it was available. Therefore, compiling the data necessary to assess the issues was a major study effort. In one of JLARC's largest survey efforts, and with the help of Virginia Commonwealth University's Survey Research Laboratory, a representative sample of 1,820 Virginia households were surveyed. Parents were asked about their day care arrangements, their satisfaction with care, and about the availability, affordability, and quality of day care in their area. Among the survey findings were the following:

- ❑ About one third (337,000) of all children under 13 in Virginia were in child care on a regular basis. Thirty-seven percent of all households used some form of day care. In 72 percent of the families using day care, both parents worked.
- ❑ Only about three percent of day care providers (caring for about 20 percent of all children in care) were subject to State regulation.
- ❑ While 96 percent of responding parents who used child care were satisfied with the care their children received, 68 percent had had one or more problems (availability, location, affordability, quality) when looking for care, and 41 percent had changed their care arrangements due to these problems.
- ❑ Eleven percent of households not using child care reported having a family member who was unable to work due to child care problems.
- ❑ More than three quarters of the parents surveyed favored State regulation.

In addition to the survey of households, other JLARC staff research activities included a public forum, surveys of more than 900 day care providers and associations, site visits to providers, and a survey of all licensing specialists in the Department of Social Services. The survey of providers revealed that three urban areas (Northern Virginia, Richmond, and Hampton Roads) had 46 percent of the children under 13 years of age, and 62 percent of the State's licensed child day care capacity. The surveys and site visits also provided necessary information on the characteristics of child care providers.

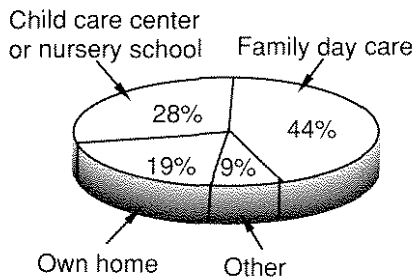
The massive research effort undertaken during this study provided, for the first time, a comprehensive picture of the day care environment in Virginia. The final report provided a much-needed factual basis for legislative decisionmaking on several pervasive and sensitive day care issues.

# Profile of Child Day Care in Virginia During JLARC's 1989 Study

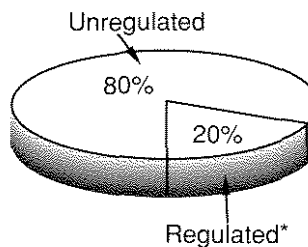
## IMPORTANT STATEWIDE DEMOGRAPHICS

Households with children under 13	658,000
Households using child care	244,000
Total number of children under 13	1,018,000
Children under 13 in day care	337,000

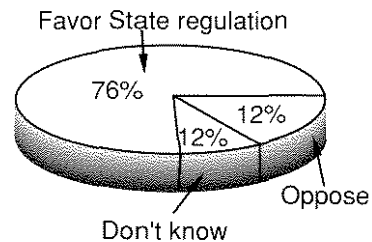
### Child Care Arrangement Used



### Children in State Regulated Care



### Parents' Views on Regulation



\*Approximately three percent of the providers are regulated by the State; 97% are not.

Source: 1989 JLARC/VCU survey of parents, and U.S. Bureau of the Census population estimates.

## Study Issues and Findings

Although the survey information was a major element in JLARC's analysis, the study was much more than an information-gathering exercise. Basic questions were asked about how day care should be defined, what the State's goals regarding day care should be, the direction in which the current regulatory system had evolved, and optional regulatory frameworks that could be used in Virginia. These issues in turn led to other inquiries: differences between the various types of day care settings, which providers should be regulated by the State, the reasonableness and enforceability of standards, and the impacts of possible regulatory changes.

The study found that the State's role in regulating child day care was neither clear nor comprehensive. As the provision of child day care had expanded and changed over the years, the State's definitions and regulations had not evolved to accommodate these changes. Consequently, most child care was not covered by State regulation, and regulation was inconsistently applied.

State definitions of child care needed to be expanded to broaden the scope of regulation. The current statutes excepted many facilities and individuals from licensure based on the sponsorship of the program. The study noted that if the State's primary goal for regulating child day care was the protection of the children in care, the reasons for not regulating all day care providers ought to be compelling.

Over-reliance on licensure, coupled with narrow definitions of care had made the regulatory system inflexible. At the same time,

certain standards appeared inappropriate and intrusive for the care provided by some segments of the industry. Finally, there were a number of additional initiatives that the State could take to promote the availability, affordability, and quality of child day care.

## Recommendations and Responses

The study made 28 recommendations, some involving multiple actors. To summarize, it was recommended that Virginia improve its regulation of child day care by (1) revising the current standards to focus on the health, safety, and well-being of children, (2) applying minimum standards to an expanded number of day care providers, and (3) providing parents with information to help them locate and evaluate the appropriate type of day care for their children. Most of the report's specific recommendations were linked together in an overture to the Secretary of Health and Human Resources. The Secretary was asked to prepare a comprehensive proposal for improvements to the child day care regulatory system and submit it to the Joint Subcommittee Studying Early Childhood and Day Care Programs.

Both the Secretary and the Department of Social Services supported the study recommendations. The Secretary developed an implementation plan and presented it to the Joint Subcommittee in November of 1989. Subsequently, the 1990 Session of the General Assembly acted on most of the important recommendations. The activities that were set in motion involved a number of State entities, many of which will be occupied with study recommendations for years to come.

## Legislative Initiatives and Other Study Impacts

The General Assembly itself has been leading the way among State entities in implementing study recommendations and other improvements to the child care system. During the 1989 and 1990 Sessions alone, the General Assembly considered about 35 pieces of day care legislation. Many of the bills that were passed called upon executive agencies to take significant actions. Descriptions of some of the more important initiatives follow:

- ❑ One of the most significant legislative initiatives took place as the JLARC study was in progress. This was the creation in 1989 of the Virginia Council on Child Day Care and Early Childhood Programs (CCDC&ECP) as a central body to

coordinate, oversee, and promote at the State level the development of affordable, accessible, quality child day care and early childhood programs. In operationalizing its responsibilities, the Council works closely with other State agencies, federal programs, local governments and community agencies, colleges and universities, private groups, and public and private employers. The Council has also had a role in implementing JLARC recommendations.

- ❑ The General Assembly has also continued its Joint Subcommittee Studying Early Childhood and Day Care Programs and enhanced the subcommittee's influence. The 1991 Session elevated the group to a commission with broad oversight authority.
- ❑ HJR 123 (1990) charged the Child Day-Care Council with reviewing the JLARC definition of child day care, developing regulations that establish a basic level of care, developing uniform standards for provider training, and expanding the crimes checked in the criminal records clearance process. The Council is to involve affected parties in the development of the regulations, which are also to include a parental involvement component. To this end, the Child Day-Care Council has been joined by the CCDC&ECP and the State Board of Social Services in forming a liaison committee for collaboration on mutual concerns, such as developing definitions.
- ❑ House Bill 1035 (1990) charges the Child Day-Care Council with developing, by July 1, 1992, regulations for before-school and after-school child care programs, nursery schools, and child day care camps.
- ❑ HB 1035 created a new category of family day care homes called group family day care homes, requiring licensure for those homes with 6 to 12 children, including related children.
- ❑ HB 1035 removed licensure exceptions for preschools, nursery schools, governmental sponsors of child care, and hospital-sponsored child care for employees. The legislation also removed exceptions for relatives and school-age children in determining licensure thresholds for family day care homes. The bill did not remove the exemption for religiously sponsored child care centers, but did require criminal records clearances for staff at exempted centers, and granted authority to the Commissioner of the Department of Social Services to investigate complaints related



to exempted centers and to seek injunctive action when children are found to be at-risk.

- ❑ House Bill 1862 (1991) provided for the voluntary registration, through local agencies such as resource and referral agencies, of small family day care homes (fewer than 6 children). This legislation also required the State Board of Social Services to promulgate regulations for voluntary registration, including the formats for an application, the criminal records check, and a safety and health evaluation.
- ❑ During the last three sessions, the General Assembly has granted counties and cities permission, on an individual basis, to sponsor before- and/or after-school care programs in the public schools. To date, 19 school districts have been granted this authority.
- ❑ Of particular interest to State employees, the 1990 General Assembly asked the Joint Subcommittee Studying Early Childhood and Day Care Programs to examine employer-sponsored care for State employees. Subsequently, the Commonwealth implemented a pre-tax salary reduction for child care expenses as part of its benefits plan. In addition, a State employee child care center is operating successfully at the Department of Transportation.

The passage of major child care legislation by the General Assembly has begun to have its effects across the Commonwealth. The statutory and regulatory changes constitute a new system under which more children and more providers will be covered by State regulation. Using the demographic statistics obtained by the 1989 family and provider surveys, JLARC staff estimate that about 85,000 additional children (in both family day care homes and day care centers) should be covered by regulation under the "new" system. This would represent an additional 21% of the total children under 13 in day care at the time of the survey.

Child day care will continue to be the subject of both Executive and Legislative deliberations for the immediate future. Demonstration and model projects under the auspices of the CCDC&ECP are encouraging expanded and innovative programs for at-risk children, and developing plans and services for rural areas of the State. The Council also has a number of other projects under way, including such areas as literacy, prevention, child care workers' salary and benefits, Head Start, provider recognition, parental consultation, referral, and technical assistance to providers.

## Status of Previous JLARC Studies

### Funds Held in Trust by Circuit Courts

Circuit courts order funds to be held in trust if the beneficiary cannot be located, cannot administer the funds, or needs to be determined following a legal proceeding. The judge may either appoint a general receiver or have the clerk of the court administer the funds for the court.

JLARC's 1987 study identified the amounts and types of these funds, assessed fund administration practices, and made recommendations for improving accountability. A major finding was that many fund administrators were not complying with statutes requiring them to transfer unclaimed funds to the Division of Unclaimed Property (Department of Treasury), thereby causing the Commonwealth to lose potential interest income.

The 1988 General Assembly passed legislation establishing or clarifying the responsibilities, fees, record-keeping practices, and bond requirements for clerks and general receivers. The Auditor of Public Accounts (APA) was directed to begin annual audits of the trust funds. In addition, the report directed the Supreme Court staff to develop and disseminate needed informational materials for fund administrators. For this purpose, JLARC staff served on a task force, along with staff from the Department of Treasury, the APA, the Attorney General's office, and the Department of General Service's Division of Risk Management.

The APA has completed the first audit cycle (ending June 30, 1989), and reports a statewide total of \$45.4 million in the trust fund accounts. The APA issued 37 management letters based on audits of the 133 clerks and general receivers. Most of the problems found during the APA's audit reaffirmed the JLARC staff findings: insufficient surety bond coverage, failure to properly transfer money to the Division of Unclaimed Property, improper

deduction of fees by general receivers, improper investment of trust funds, and insufficient record-keeping. The Auditor reports, however, that most records have undergone improvement since the 1988 statutory changes and that the 1990 audits, which are now being completed, show further improvements. As a result of the implementation of a recommended uniform fee schedule, many general receivers have turned their accounts over to the clerks of court, thereby improving accountability.

The Division of Unclaimed Property reports that since the JLARC study, \$4.7 million has been remitted to the Division by the court clerks and general receivers, and another \$1 million has been identified for remittance. The estimated interest accruing to the State from these funds now totals more than \$181,000.

## Review of Community Action in Virginia

Since 1981 the federal government has distributed the community services block grant (CSBG) to the states, which in turn distribute the grant to individual community action agencies. A small office in the Virginia Department of Social Services (DSS) distributes the block grant and oversees the local community action agencies (CAAs). As the federal CSBG has decreased over recent years, CAAs have looked to the State for additional funding. This and other factors prompted the 1987 General Assembly to have JLARC study community action in Virginia.

A system-wide assessment showed that CAA performance is mixed — not all CAAs perform equally well. Extreme variability was evident in the number of programs offered, as well as the success with which these programs were conducted. Accountability was lacking due to insufficient monitoring of the CAAs, and special attention was needed in the areas of records maintenance and documentation of eligibility requirements. Generally, DSS needed to strengthen program and financial oversight.

In all, the JLARC report made 20 recommendations for improving fund distribution; bringing procurement practices into compliance with the Public Procurement Act; tightening financial reporting requirements for the CAAs; monitoring CAA administrative expenses, program operations, and financial management; improving records management; ensuring appropriate composition of, and training for, the community action boards; implementing eligibility requirements; and encouraging cost savings.

Acting on a recommendation that DSS make systematic monitoring of CAAs a priority, the 1989 General Assembly appro-

priated funds for a new fiscal and program position at DSS. The General Assembly also acted upon a JLARC recommendation that statewide community action boards conform to membership requirements for local agency boards. Further, the Legislature amended the *Code of Virginia* to make State provisions regarding membership of public officials on CAA boards parallel federal statutes.

DSS reports that it has made substantial progress in implementing most of JLARC's recommendations:

- ☐ Program and financial report information has been computerized, and is tracked quarterly against submitted CAA budgets and work programs.
- ☐ A proposed compliance and program review instrument has been developed, and a monitoring plan has been formulated. The initial monitoring of all CAAs is expected to begin by the end of this year.
- ☐ Specific manual and automated reporting requirements for program and non-program appropriations from the State have been developed. The data base has been automated and is monitored quarterly.
- ☐ A computer-based management information system is being developed to provide for uniform collection and reporting of client activity data across community action agencies.
- ☐ DSS is establishing a statewide target for administrative costs to improve oversight of these expenses.
- ☐ Systematic monitoring of CAAs has begun to identify agencies without clear client eligibility requirements, and corrective action plans have been designed and implemented to eliminate this problem.
- ☐ DSS has written and disseminated policies and procedures regarding the provision of CAA services to non-Virginia residents.

The JLARC report recommended that Project Discovery, one of the statewide community action programs, work with the Department of Education to design and implement an impartial funding formula. Project Discovery reports that its board of directors worked with the Board of Education in developing the new formula, based on a specified cost per student of \$400. For fiscal year 1991, the Board of Education reviewed and approved the implementation of the new formula.

In line with a JLARC recommendation regarding the consolidation of CAAs, services to the City of Danville are now being provided by the Pittsylvania County CAA.

## Funding the State and Local Hospitalization Program

The State and local hospitalization program (SLH) was established in 1946 to provide hospitalization to indigent and medically indigent persons. The 1986 General Assembly mandated JLARC to study the formula by which the Department of Social Services distributes SLH funds to local governments.

The formula had been based solely on population. The study found this formula to be clearly outdated, since population-based allocation did not reflect actual need for the program, nor account for the ability of each locality to raise revenues for the required matching funds.

The study evaluated funding alternatives that would ensure equal access to needed program services. JLARC staff developed a measure of the minimum demonstrated level of demand for the program, using both paid SLH applications and those applications that had been rejected for reimbursement because local SLH funds had been depleted. Demand in non-participating localities was also estimated.

JLARC staff concluded that a second goal, tax equity, could be achieved if the proportion of resources required from local governments to fund hospital-related services did not vary greatly across localities. Therefore, a measure was developed, utilizing local revenue capacity and income adjustments, for representing and comparing local resource expenditures. This approach would ensure that localities with the greatest abilities to pay would bear appropriate responsibility for funding the program, while localities with lesser abilities to pay would be provided with greater State assistance.

The report also made a number of other significant recommendations, including minimum mandatory service requirements, uniform eligibility criteria, and participation by all cities and counties. Specific suggestions were also made to encourage better data collection from the localities for use in program administration.

During the 1989 Session, through the collaborative efforts of the two budget committees, a task force of General Assembly members interested in indigent care, and the Secretary of Health and Human Resources, decisive action was taken on the long-standing problems associated with the SLH program. Many of the JLARC recommendations were supported in statute.

During the past year, the SLH program was transferred to the Department of Medical Assistance Services. Since the transfer, all eligible localities have been enrolled and are participating. Uniform statewide eligibility criteria have been established and are used by the Department of Social Services to determine client eligibility for the program. A uniform set of services has also been defined, and a system for collecting data by locality on the number of rejected applications has been implemented. An indigent health care trust fund and a migrant health care fund have been established.

In its recent status-of-action report to JLARC, the Director of the Department of Medical Assistance Services stated his belief that the actions taken "have improved (the program's) operating efficiency and, more importantly, have increased access to care for eligible recipients across the Commonwealth."

## Funding the State and Local Cooperative Health Department Program

The State and local cooperative health department program (CHD) was created in 1954 to ensure the provision of public health services to all Virginians. The 1986 General Assembly directed JLARC to study the formula through which the Department of Health distributes CHD funds. The formula had been based on estimated true value of locally taxable real property. JLARC had found the formula deficient in 1978, and it had been a major source of discussion for several years.

JLARC assessed the formula for success in meeting two goals: equal access to needed program services, and tax equity. An alternative formula, based on local revenue capacity and income data, was recommended.

The 1988 General Assembly included language in the Appropriations Act to implement the JLARC recommendations in a manner so that no locality would experience a reduction in the dollar amount of State support for the program. The Department of Health was supportive of JLARC's recommendations, but found that additional State funding would be necessary. By September of 1988, the department had submitted to the money committees a plan to revise the formula. About one third of the money needed for total implementation was available in fiscal year 1990. Additional funding was sought for FY91, but because of the State's revenue shortage, the addendum could not be approved. The department anticipates seeking the needed additional State general funds in the 1992-94 biennial budget if the State's fiscal situation improves.

The study also recommended that the Department of Health develop a systematic, rational system for recognizing local needs for the CHD program. In response, the department established a task force to review its allocation system. The group made recommendations to the State Board of Health, the Secretary of Health and Human Resources, and the Commission on Health Care for All Virginians, all of whom supported changing the allocation system to one based on public health needs within the locality. Again, funds have not yet become available to implement the new system.

The State Health Commissioner believes that full implementation of the new formula and allocation system will provide a much-improved funding approach for the community health service program.

## The Virginia Housing Development Authority

Concerns about the housing needs of low- and moderate-income families, the effectiveness of mortgage revenue bonds as a viable financing method, and the State's moral obligation to back VHDA's bond indebtedness led the 1984 General Assembly to direct JLARC to evaluate the programs, operations, and management of VHDA. Previous Reports to the General Assembly have chronicled the evolution of VHDA programs since JLARC's 1985 study.

The General Assembly has shown an abiding interest in the work of VHDA, as evidenced by significant legislative activity during the past six legislative Sessions. Although these initiatives are too numerous to describe here, follow-up of two major study recommendations can be briefly summarized.

First, the JLARC report recommended that VHDA and the Department of Housing and Community Development (HCD) jointly develop a State housing plan. Such a plan would propose policies and programs in response to reductions in federal programs and the continuing housing needs of low- and moderate-income Virginians.

The two agencies are in fact presently working on just such a plan. The JLARC study recommendation presaged a federal requirement, the 1990 National Affordable Housing Act, also known as the Cranston-Gonzales Act. The act makes significant changes in the way federal housing funding dollars and programs are distributed and developed. According to VHDA's Executive Director, "HDC and VHDA are working to assure that through their combined resources and expertise, Virginia will take full advantage of this new federal initiative."

Among the goals of the act are helping families become homeowners, retaining housing units already produced for low-income families, increasing the supply of housing for persons with special needs, and strengthening partnerships in the production of affordable housing for low- and moderate-income families. These goals are to be achieved through the preparation of a single planning document that encompasses the State's housing needs, with a focus on affordable housing. This planning document is called the Comprehensive Housing Affordability Strategy (CHAS).

The HCD has been designated as the lead agency in the development of a CHAS for Virginia, and VHDA has been a full partner in this effort. In its CHAS, the State will estimate the housing assistance needs of its very low-income, low-income, and moderate-income families including homeless individuals and



families. The availability of unassisted and assisted housing and other resources for addressing those needs will also be assessed. From this information, the State will develop a strategy for meeting the identified needs over the next five years. A public hearing on the draft CHAS is scheduled to be held as this Report to the General Assembly goes to press.

Another major study recommendation was that VHDA find ways to better target its programs to low- and moderate-income persons. Through a number of policy, administrative, and legislative initiatives, VHDA appears to be meeting this goal. VHDA reports that over the last three years, the average gross income of VHDA's buyers as a percent of the State's median family income has consistently declined. Since late 1989, average mortgagor gross income has declined both in absolute dollars and as a percentage of the State median. In the second quarter of FY 1991, the mortgagors' average gross income was about 69% of the State's median, and minority heads of household accounted for 30% of all VHDA mortgages.

At the end of fiscal year 1990 VHDA had provided, either through direct loans or administration of federal subsidy programs, a total of more than 111,000 housing units (including both homeownership and rental units) for low- and moderate-income Virginians.

## Management and Use of State-Owned Passenger Vehicles

In 1979, 1984, and 1988 JLARC performed reviews or comprehensive follow-up studies of Central Garage fleet use and operations. Persistent problems found included underutilization of vehicles, improper commuting practices, the need for improved garage management, insufficient collection of information for vehicle assignment, and the need for an improved rate-setting methodology.

Many of the continuing problems appeared to result from confused authority and responsibility for setting and enforcing fleet policies and regulations. JLARC therefore recommended that the Central Garage Car Pool be established as a division of the Department of Transportation, and that the Commissioner of Transportation have exclusive authority for managing fleet operations. The JLARC studies also made numerous other recommendations, including proposals for increasing user awareness and accountability, revising vehicle assignment criteria, clarifying and enforcing commuting regulations, limiting the garage's cash balances, revising vehicle replacement criteria, and improving the collection of vehicle assignment information.

The 1989 General Assembly gave VDOT clear authority to manage the fleet, and the department reports significant improvements as a result of this change and the subsequent implementation of other JLARC recommendations. The assignment and utilization of vehicles are now carried out under tighter and more strictly enforced regulations. As a direct result, statistics reflecting vehicle utilization have shown a dramatic increase over the last three years. The JLARC report showed that for fiscal year 1987, only about 69 percent of fleet vehicles met the minimum mileage criteria. By FY90, that number had increased to nearly 95 percent, and nearly all of the vehicles achieved at least 75 percent of the mileage criteria.

VDOT also reports that accountability over employees commuting in State-owned cars has been considerably strengthened, and that rate-setting and vehicle replacement criteria recommended by JLARC are now in place. In addition, a JLARC recommendation that license plates for State and local public vehicles be redesigned has now been fully implemented by the Department of Motor Vehicles.

## Other Transportation Issues

Over the years, JLARC has published more than a dozen reports concerning highway construction and maintenance and other operations of the Virginia Department of Transportation. JLARC staff have continued to follow up on the hundreds of study recommendations, and VDOT has provided comprehensive updates. The following are a few highlights from the reported activities which have occurred since the last *Report to the General Assembly*.

In an early study, JLARC advised the VDOT to place greater emphasis on bridge condition evaluation. The department has responded through a continuing series of inspector training programs. A quality assurance initiative utilizes random follow-up ratings of bridges to evaluate the original inspections. According to the department, "the kind of inconsistencies that led to the 1981 JLARC recommendation no longer exist."

VDOT continues to develop and refine its pavement management systems for rigid pavements and secondary roads, although the department states that manpower limitations have delayed progress in these areas. A new approach using video-photography has been piloted.

A JLARC study recommended consolidation or elimination of certain VDOT area headquarters for reasons of economy and efficiency. VDOT reports that this issue is being addressed as

part of an internal organization study now under way. The final report was scheduled to be presented to the Governor in July.

The 1989 General Assembly required VDOT to review the cost responsibility of the various kinds of vehicles using Virginia's road system and make recommendations on the need to modify the current mix of revenues from these vehicle classes. JLARC was required to receive the report and to review and comment on the methods and analysis used by the department. JLARC staff found the overall study methodology and implementation sufficient to fulfill the study mandate.

One of the principal findings of this study was underpayment of cost responsibility by all vehicle classes except passenger cars, pickups, panel trucks, and motorcycles. No truck classes are generating revenues sufficient to cover their cost responsibility. Legislation to increase truck fees was introduced during the 1991 session, but was not acted upon pending further study. The VDOT study was continued, again subject to JLARC's review, and is to be reported to the 1992 Session.

## Review of Information Technology in Virginia State Government

One of JLARC's most intensive studies in recent years was its 1986-87 review of information technology in Virginia State government, focusing on the Department of Information Technology. A joint executive and legislative initiative, the study and the implementation of its recommendations necessitated the combined efforts of the JLARC staff, the Department of Planning and Budget, the Secretary of Administration, the House Appropriations and Senate Finance Committee staffs, and the Department of Information Technology, as well as a major consultant study. The 1989 *Report to the General Assembly* provided considerable detail on research activities conducted for this review, as well as the findings and recommendations.

The evaluation showed that although DIT had been successful in operating the State's mainframe computer — a major part of its mission — improvements were necessary in many other areas. Internal and external controls over procurement needed to be strengthened. Additional planning and management efforts were needed to more efficiently and effectively provide State agencies with computer services. DIT needed to expand and intensify its telecommunications services. The study strongly suggested that DIT's computer services rates could be reduced

through better financial management. In the area of staffing and organization, JLARC conducted a detailed analysis of personnel, resulting in a number of recommendations aimed at reducing managerial layers, eliminating unnecessary positions, and reorganizing the department more logically.

Perhaps the most ambitious study proposal was to establish a State-level oversight board to set goals for information technology. The responsibilities of this board — the Council on Information Management (CIM) — would include statewide strategic planning, standard setting, and procurement. The CIM would consist of seven public members and the Secretaries of Administration and Finance as ex-officio members. Advisory committees with representatives from agencies, higher education institutions, and DIT would also be established.

The CIM was created by the 1988 Session of the General Assembly, and its director and advisory committees were in place by August. The mission of the CIM is described in the *Code of Virginia*: “to promote the coordinated planning, practical acquisition, effective development, and efficient use of information technology resources serving the needs of agencies and institution of higher education in the Commonwealth.” To this end the CIM develops a comprehensive, statewide, four-year plan, which is updated annually and submitted to the Governor.

The activities of the CIM are too numerous to describe here, but are fully explained in the Council’s annual report. Sample activities from the Council’s work are illustrated below:

- ❑ Council staff have collected baseline inventory information, to be used for the planning process, on technology hardware used throughout State government.
- ❑ Lists of priority information technology issues have been developed in several areas, including education and database management.
- ❑ At the direction of the General Assembly, a study committee comprised of the heads of the six central service agencies and the Directors of CIM, DIT and the Division of Legislative Automated Systems is preparing a plan to implement a single, logical database design for central administrative systems.
- ❑ After studying telecommunications directions, the Council adopted a directions statement and associated strategies for telecommunications in State government.
- ❑ The Council adopted a series of ten policy statements on the use of information technology in education.
- ❑ The Council has completed a study of geographic information systems. This is the technology that was instru-

mental in successfully completing the complex process of redistricting during 1991.

- ❑ The first set of agency and higher education information resource plans have been collected by CIM and are being analyzed. CIM's director describes these first plan submissions as "very encouraging."

As detailed in the 1989 *Report to the General Assembly*, the Department of Information Technology has made substantial progress in responding to JLARC's 65 operational recommendations. The following are recent implementation activities:

- ❑ *Customer Services:* DIT reports that its image as a service organization to other State agencies has improved dramatically. A centralized automated database, accessible to all DIT management, now captures significant activities and problems related to customer agencies. DIT staff maintain regular contact with customer agency management. DIT reports this initiative has improved customer understanding of DIT's services, as well as DIT's awareness of planned agency initiatives, which were areas of concern noted in the JLARC study.
- ❑ *Economies:* The Department reports that stronger budgetary controls have contained and reduced the agency's internal service fund expenditures. While its workload has grown substantially, DIT has actually decreased its own expenditures for computer services. This has been largely accomplished through improvements in competitive procurement, another area of concern in the JLARC report. In addition, DIT has downsized its systems development section per JLARC recommendations, and is considering further reductions.
- ❑ *Efforts to Reduce Employment Levels:* In 1987, DIT had 499 permanent positions, 19 in excess of its maximum employment level (MEL). This demonstrated that the merger which created the department in 1985 had not achieved the economies in staff support which were expected. After the JLARC report, DIT eliminated the 19 excess positions plus nine other FTEs, reducing the MEL to 472. Today, DIT's MEL is 455, and the number of positions actually filled is only 434. These staffing reductions should result in substantial cost savings.

As DIT's operations become more cost-effective, the savings are passed on to the State agencies that DIT serves. DIT's most recent computer service rate reduction (March 1991) represents a cumulative reduction of 73 percent since 1986. Telecommunications services rates have also been reduced.

**From DIT's recent  
status-of-action  
report:**

"... JLARC's observations are founded in sound principles of resource management and cost controls which are unaffected by the passage of time or the many changes which have occurred at DIT since the 1987 report. The Department has integrated the essence of those recommendations in its management strategies, and we are very pleased with the role they have played in enhancing the effectiveness and efficiency of Virginia's management of information technology resources."

## Internal Service Funds within the Department of General Services

JLARC has certain oversight responsibilities for internal service funds as defined in the *Code of Virginia*. In keeping with these responsibilities, reviews of the funds are completed about every five years.

JLARC's 1987 review examined the five internal service funds within the Department of General Services (DGS): Central Warehouse, the Office of Graphic Communications, State Surplus Property, Federal Surplus Property, and Maintenance and Repair Projects (a responsibility of the Bureau of Facilities Management).

Both financial and operational aspects of each fund were evaluated. The study team assessed service delivery, rates and charges, fund balances, billing procedures, operational efficiency, and user satisfaction. The report made more than 30 recommendations ranging from minor procedural changes to significant administrative initiatives, the implementation of which was described in the 1989 *Report to the General Assembly*. The Department of General Services reports the following recent activities:

- ❑ The JLARC report recommended closer supervision of Central Warehouse operations, and that the Bureau of Fiscal Services take a more active role in rate setting and accounting. Effective November 1989, Central Warehouse operations were transferred from the Bureau of Procurement to the Bureau of Marketing and Support. This transfer was made to strengthen service delivery and cost containment, and to take advantage of the retail strategies available in the Marketing and Support Bureau. Fiscal Services periodically reviews the Warehouse's accounting procedures and monitors internal service fund rates.
- ❑ JLARC recommended the Central Warehouse raise its rates to cover operational costs and eliminate its cash deficit. Raising the markup to 11% resulted in eliminating the cash deficit in about one and a half years. Approval was then granted, effective July 1, 1990, to reduce the rates to their current level of 9%.
- ❑ The review found that the Office of Graphic Communications (OGC) had numerous outstanding and long-overdue accounts receivable. OGC has recently added a full-time program support technician with a responsibility of collecting overdue accounts. The Bureau of Fiscal Services assists with the collection function, per a JLARC recommendation. DGS reports that OGC is now processing billing information in a timely manner.
- ❑ Custodial and maintenance services in the Capitol area have been enhanced through improved communications with agencies, better monitoring, tougher inspections, and more detailed job descriptions for custodial staff.

## Funding the Standards of Quality

One of JLARC's most intensive, controversial, and high-impact studies was its examination of State public school funding for the Standards of Quality (SOQ). The study effort required more than three years of research and resulted in two reports: *Assessing SOQ Costs* (1986) and *SOQ Costs and Distribution* (1988). The first report dealt with the costs of implementing the existing Standards of Quality and the adequacy of the State's funding for its share of those costs. The report recommended a new methodology for estimating SOQ costs, based on quantified standards where available, and prevailing costs across school divisions where quantified standards were not available.

The second report examined the distribution of funds to local school divisions, and the State's policies for sharing SOQ costs between the State and the localities. The report concluded that funding disparities among localities could be reduced by basing the distribution of a larger proportion of State funds on local ability to pay. These recommendations were aimed at advancing both pupil equity and tax equity in education funding across the Commonwealth.

Full accounts of the JLARC study impacts have been presented in the 1989 *Report to the General Assembly*, and in an article entitled "State Funding for Public Schools in Virginia," authored by Virginia's former Secretary of Education, Donald Finley, in the May 1989 *University of Virginia News Letter*. To summarize, the General Assembly, acting on recommendations of the Governor and the JLARC studies, with considerable input from many other State entities involved in education, accomplished a major restructuring of public school funding in 1988. Most of the JLARC recommendations were implemented in this restructuring, and they are a significant part of school funding today. Dr. Finley noted in his article that the continuation of the policies initiated by the 1988 General Assembly should equalize about three-fourths of all public school funding by 1993.

It should be noted, however, that to some degree the issue of education funding is a moving target. Locality funding scenarios change with pupil populations, geography, and other factors. Funding disparity is still a significant issue in Virginia, especially in the Southwest. The current administration's Commission on Educational Disparity, while accommodating the new funding structure, continues to look for ways to promote equity. The Governor's Technical Task Force on Education Funding is currently assessing the issue of funding disparities among localities, and the JLARC staff is represented on this task force.



## Review of the Division of Crime Victims' Compensation

The crime victims' compensation (CVC) program within the Department of Workers' Compensation provides financial assistance to eligible victims of violent crimes, or their surviving dependents, for disabilities or financial hardships suffered as a result of their victimization. The 1988 General Assembly directed JLARC to study methods for improving claim processing and the possible transfer of the program to the Department of Criminal Justice Services.

The JLARC study did not recommend relocation of CVC. However, the report did make recommendations to improve the program's administration, particularly the processes used to establish, investigate, and approve or deny claims. Written policies and procedures were found lacking, and appeals procedures needed clarification. Other recommendations addressed program funding, organization, management, and staffing.

The Industrial Commission responded quickly to the review, and most JLARC recommendations were initiated or fully implemented within six months of the study's release. The following agency activities were reported in the agency's recent follow-up report to JLARC:

- ☐ After consultation between the program's director and the Code Commission, *Code of Virginia* citations concerning eligibility compliance were clarified by the 1990 General Assembly. The DWC is now in strict compliance with the new statutes.
- ☐ In response to a JLARC recommendation, CVC has developed an automatic file call-up system, which has enhanced work flow.
- ☐ In accordance with JLARC recommendations, written policies and procedures now describe the handling of claims, from application to appeal.
- ☐ A principal JLARC recommendation was for CVC to develop administrative procedures to expedite claim decisions. CVC reports that procedures have now been revised so that the average processing time is currently 44 days (a favorable statistic nationally), and claim decisions are rendered within 24 hours of completion of a claims file.

### From the status of action report of the Department of Workers' Compensation:

"In the year and a half since presentation of JLARC's review to the General Assembly, workers' compensation services and crime victims' compensation services have seen increasing and continuing benefits from JLARC's comprehensive review and our effort to utilize the resulting recommendations."

## Work in Progress

### Review of the Administrative Process Act

House Joint Resolution No. 397 of the 1991 session of the Virginia General Assembly directed the Joint Legislative Audit and Review Commission to study the Administrative Process Act, and to make appropriate recommendations for amendments to the Act. The Administrative Process Act was adopted by the 1975 session of the General Assembly for the purpose of simplifying and streamlining the regulatory review process, as well as to ensure meaningful public participation in the formation and development of regulations by administrative agencies of the Commonwealth.

The mandate for the JLARC study of the Administrative Process Act raises the following issues:

- ☐ the efficiency and effectiveness of the Act,
- ☐ business community concerns about the implementation of the provisions of the Act by members of boards or commissions and their administrative staffs, and the economic impact of regulations upon business,
- ☐ the meaningfulness of public participation under the Act.

In an effort to clarify the nature and substance of these issues, a subcommittee of JLARC set a public hearing on the Administrative Process Act for September 9, 1991, in Richmond. Information received during the public hearing will be used by JLARC staff throughout its review of the Administrative Process Act. An interim report is due prior to the 1992 Session, and a final report is to be completed before the 1993 Session.

## Special Study: Review of Virginia's Executive Budget Process

Item 13 of 1990 Appropriation Act (amended and reenacted in the 1991 Session) directed JLARC to "review the Commonwealth's executive system of financial planning, execution and evaluation." The scope and duration of the review were to be established by the Commission.

Two JLARC reports — *Revenue Forecasting in the Executive Branch: Process and Models* and *Proposal for a Revenue Stabilization Fund in Virginia* — were developed for the 1991 session (see "Recent Agency and Program Reviews"). For the 1992 Session, remaining issues directly related to the executive budget process will be examined, specifically budget preparation, execution, and evaluation. A final report on legislative involvement in revenue forecasting will also be presented. JLARC staff will report findings and recommendations in the fall of 1991.

## Review of the Organization, Management, and Operations of the Department of Taxation

Item 13 of the 1991 Appropriation Act directed JLARC to review the organization, management, and operations of the Virginia Department of Taxation. This study is part of the JLARC series on the executive budget process in Virginia.

The Virginia Department of Taxation is a large agency with more than 900 full-time staff. The department is statutorily responsible for administering 25 taxes and for providing assistance to State agencies and local governments on nine additional taxes.

This review will focus on four basic issues concerning the Department of Taxation. The functions performed by the Department will be examined to determine if they are required by statute or authorized by legislation. The department's organization and management will be reviewed to determine if the department effectively and efficiently performs these functions. The dollar amount of non-compliance with Virginia tax laws will be estimated. Finally, the collections efforts of the department will be specifically examined to determine if the department fully maximizes its collections activities.

## Medicaid Program

Senate Joint Resolution (SJR) 180 directs JLARC to study the Virginia Medicaid program and the indigent care appropriations to the State teaching hospitals. JLARC is directed to complete work prior to the 1993 Session of the General Assembly and to "provide interim reports to the Commission on Health Care for All Virginians and to the 1992 Session of the General Assembly."

The General Assembly authorized the establishment of Virginia's Medicaid program in 1966. Medicaid makes health care services available to qualifying citizens who do not have the financial resources to obtain them. The federal government and the State share the costs of the Medicaid program. Each pays 50 percent of the program's costs.

Virginia's Medicaid program is administered by the Department of Medical Assistance Services (DMAS). In FY 1990, the program served 365,748 recipients at a total cost of about \$909 million. Appropriations for the program in FY 1991 and FY 1992 total about \$1.3 and \$1.4 billion, respectively. DMAS currently contracts with a private computer company as its fiscal agent for automated claims processing.

The study will cover a wide range of issues involving the Medicaid program. Specific areas of focus will include examining federal requirements and optional programs, evaluating reimbursement rates and methods, reviewing the budget and forecasting methods, examining utilization review procedures, and exploring the costs and savings of alternative methods for administering the program, including a "risk sharing agreement" with a private contractor.

Issues involving the funding of indigent care will also be examined. These include: (1) examining the relationship of the Medicaid program with other State programs to promote optimal utilization of the program and (2) reviewing the eligibility, services, and reimbursement for indigent care at the Medical College of Virginia Hospitals, the University of Virginia Medical Center, and the Medical College of Hampton Roads. JLARC staff will report interim findings and recommendations in the fall of 1991 with a final report in the fall of 1992.

## Intergovernmental Mandates and Service Delivery

JLARC staff are conducting a study of intergovernmental mandates and service delivery based on three major legislative directives. HJR 156 and SJR 45 of the 1990 Session requested that JLARC conduct a follow-up study of the 1983 JLARC report *State Mandates on Local Governments and Local Financial Resources*. The follow-up study will identify State and federal mandates imposed on local governments; examine the extent to which mandates impose a burden on local governments; determine the adequacy of State assistance to localities; and evaluate the adequacy of local financial resources to fund required public services. In addition, a 1991 amendment to the 1990-92 Appropriation Act directed JLARC to examine current and alternative methods for identifying the full cost of State mandates on localities.

SJR 235 of the 1991 Session further requested that JLARC examine the assignment of services to State and local governments. The study is to assess how responsibility for services is assigned; identify services which could be better provided by another level of government; and assess the assignment of funding responsibilities for these services.

The study is well under way, and surveying localities about State mandates has been a major research effort. This survey was one of JLARC's most complex and comprehensive information-gathering efforts, and was developed with input from the Virginia Municipal League, the Virginia Association of Counties, and local government officials. The mandates portion of the study must be reported to the 1992 Session. The service delivery portion will be reported prior to the 1993 Session.

## Review of Department of Transportation Studies

SJR 238 of the 1991 General Assembly continues the Vehicle Cost Responsibility Study by the Virginia Department of Transportation, including an analysis of pavement deterioration. JLARC staff will continue to monitor study methodology.

SJR 188 requested that the Virginia Department of Transportation study the statutory formulas for distributing the highway trust fund. It also requested JLARC "to provide technical assistance through its review and to comment on the methods and analysis to be used by the Department." The study will be a follow-up to JLARC's 1982 study of allocating highway construction funds. The Department is to present its interim and final reports to JLARC.

## Higher Education Series

SJR 18 of the 1988 Session designated Higher Education as the next functional area of State government to be reviewed under the Program Review and Evaluation Act. SJR 135 of the 1989 Session identified four areas within higher education to be reviewed:

- ☐ the Virginia Community College System,
- ☐ relationships between secondary schools and institutions of higher education,
- ☐ capital outlay, land, and maintenance,
- ☐ the State Council of Higher Education for Virginia.

The community college report was released in September of 1990 (see "Recent Agency and Program Reviews"). Further work in the higher education area will commence upon the availability of JLARC staff.

## Monitoring of Internal Service Funds, and Rate Reviews

Internal service funds are monitored on a continuing basis. The Commission reviews the status of fund accounts, and evaluates requests to change the nature and scope of the services provided or the customers served. The Commission also approves in advance the rates employed by fund managers for billing customer agencies. Funds of nine entities are now monitored by JLARC:

- (1) The Central Warehouse (Department of General Services), which stores and distributes to State agencies, local governments, and school divisions various goods such as canned foods, paints, paper products, and cleaning supplies;
- (2) The Office of Graphic Communications (Department of General Services), which provides graphic design, layout, photography, and typesetting services to State agencies;
- (3) The Bureau of Facilities Management (Department of General Services), which provides general building maintenance services to the General Assembly, the Department of Transportation, and the State Corporation Commission. In addition, the Commission approved for implementation beginning

July 1, 1991, a plan whereby all other State agencies occupying space in buildings controlled, maintained, and operated by the Department of General Services are assessed a rental charge to pay for services provided by the Bureau of Facilities Management.

- (4) The State Surplus Property Division (Department of General Services), which manages and disposes of surplus property for State agencies and institutions;
- (5) The Federal Surplus Property Division (Department of General Services), which procures and disposes of Federal Surplus property;
- (6) The Computer Services Division (Department of Information Technology), which provides data processing services to State agencies;
- (7) The Systems Development Section (Department of Information Technology), which provides automated systems design, development, and maintenance services to State agencies;
- (8) The Telecommunications Division (Department of Information Technology), which provides telephone and data transmission services to State agencies;
- (9) The Central Garage (Department of Transportation), which operates the State's car pool, and manages the fleet of passenger vehicles.

On an ongoing basis, the Commission considers and approves rate changes requested by the internal service fund managers.



# JLARC Reports: An Annotated Bibliography

**Program Evaluation: The Virginia Community College System, March 1975** (authorized by Section 30-58.1, Code of Virginia) 151 pp. Evaluated Virginia's Community College System, and identified administrative and educational issues requiring attention by VCCS, the Council on Higher Education, and the Legislature.

**Program Evaluation: Virginia Drug Abuse Control Programs, October 1975** (authorized by Section 30-58.1, Code of Virginia) 201 pp. Evaluated education, law enforcement, adjudication, treatment, and other control functions of the State's drug abuse programs.

**Operational Review: Working Capital Funds in Virginia, February 1976** (authorized by Section 2.1-196.1, Code of Virginia) 70 pp. Assessed the use and management of working capital funds by State agencies and institutions.

**Special Report: Certain Financial and General Management Concerns, Virginia Institute of Marine Science, July 1976** (authorized by Section 30-58.1, Code of Virginia) 15 pp. A review of VIMS, focusing on financial and management problems.

**Program Evaluation: Water Resource Management in Virginia, September 1976** (authorized by Section 30-58.1, Code of Virginia) 178 pp. Evaluated State laws and management programs designed to provide protection against flooding, ensure adequate water supplies, and control pollution of Virginia's water resources.

**Program Evaluation: Vocational Rehabilitation, November 1976** (authorized by Section 30-58.1, Code of Virginia) 130 pp. Evaluated the vocational rehabilitation programs managed by the Department of Vocational Rehabilitation and the Commission for the Visually Handicapped.

**Operational Review: Management of State-Owned Land in Virginia, April 1977** (authorized by Section 30-58.1, Code of Virginia) 64 pp. Assessed the processes for management and disposition of land owned by State agencies and institutions.

**Program Evaluation: Marine Resource Management Programs in Virginia, June 1977** (authorized by Section 30-58.1, Code of Virginia) 80 pp. Evaluated State programs for managing marine resources and the administrative efficiency of agencies in implementing these programs.

**Sunset, Zero-Base Budgeting, Evaluation, September 1977** (authorized by House Joint Resolution 178) 84 pp. Transcribed text of a two-day conference sponsored by JLARC on the concepts of Sunset, Zero-Base Budgeting, and Legislative Program Evaluation.

**Special Report: Use of State-Owned Aircraft, October 1977** (authorized by Section 30-58.1, Code of Virginia) 23 pp. Assessed the cost, utilization, and management of State-owned aircraft. Recommended a needs assessment and the implementation of appropriate policies and guidelines.

**Zero-Base Budgeting?, December 1977** (authorized by House Joint Resolution 178) 52 pp. Text of prepared remarks and taped testimony from a budget forum held in August 1977 on Zero-Base Budgeting and its potential relevance for use in Virginia.

**The Sunset Phenomenon, December 1977** (authorized by House Joint Resolution 178) 89 pp. Third and final report of the HJR 178 study. Contains legislation recommended to the General Assembly.

**Long Term Care in Virginia, March 1978** (authorized by Section 30-58.1, Code of Virginia) 110 pp. Assessed the cost and quality of nursing home care and Medicaid funding. First in a series of reports on medical assistance programs.

**Medical Assistance Programs in Virginia: An Overview, June 1978** (authorized by the 1978 Legislative Program Review and Evaluation Act) 95 pp. A descriptive report which focused on the individual programs that make up the medical assistance system in Virginia. Second in a series of reports on medical assistance programs.

**Virginia Supplemental Retirement System Management Review, October 1978** (authorized by Section 30-60, Code of Virginia) 96 pp. Provided a management review of the VSRS to complement a financial audit of the system conducted by the State Auditor of Public Accounts.

**Operational Review: The Capital Outlay Process in Virginia, October 1978** (authorized by Section 30-58.1, Code of Virginia) 94 pp. Reviewed the planning, budgeting, and implementing procedures of the capital outlay process in the State. Focused on authorized construction, and also reported on unauthorized construction activity.

**Special Study: Camp Pendleton, November 1978** (House Document No. 3 of the 1979 Session, authorized by House Joint Resolution 14 of the 1978 session), 58 pp. Examined the utilization of Camp Pendleton, the needs of the Virginia National Guard for training facilities, and the needs of adjacent communities for public-purpose land.

**Inpatient Care in Virginia, January 1979** (authorized by Section 30-58.1, Code of Virginia) 118 pp. Reviewed State programs that provide hospital care to the indigent. Third in a series of reports on medical assistance programs.

**Outpatient Care in Virginia, March 1979** (authorized by Section 30-58.1, Code of Virginia) 73 pp. Reviewed outpatient health care programs provided to the poor by local health departments. Fourth in a series of reports on medical assistance programs.

**Management and Use of State-Owned Motor Vehicles, July 1979** (authorized by Section 30-58.1, Code of Virginia) 68 pp. Evaluated the utilization of State-owned passenger vehicles and appropriateness of management procedures.

**Certificate-of-Need in Virginia, August 1979** (authorized by Section 32-211.17, Code of Virginia) 105 pp. Examined the operation of the Medical Care Facilities, Certificate of Public Need Law to determine if it has served the public interest.

**1979 Report to the General Assembly, August 1979** (authorized by Section 30-58.2, Code of Virginia) 32 pp. Provided general information about the Commission and summarized studies conducted from 1974 through 1979.

**Virginia Polytechnic Institute and State University Extension Division, September 1979** (authorized by Section 30-58.1, Code of Virginia) 118 pp. Reviewed the operation and administration of the VPI&SU Extension Division, focusing on program expansion, duplication of effort, and organization and staffing.

**Deinstitutionalization and Community Services - Special Report, September 1979** (authorized by Section 30-58.1, Code of Virginia) 84 pp. Assessed release procedures at State institutions for the mentally ill and mentally retarded and the linking of discharged clients with appropriate services. One part of a comprehensive review of the State's mental health care programs.

**Special Study: Federal Funds - Interim Report, December 1979** (House Document No. 16 of the 1980 Session, authorized by House Joint Resolution 237 of the 1979 Session) 42 pp. Provided background information on the intergovernmental aid system. Reviewed the growth and distribution of federal funds in Virginia.

**Homes for Adults in Virginia, December 1979** (authorized by Senate Joint Resolution 133 of the 1979 Session) 73 pp. Evaluated the State's homes for the aged, infirm, and disabled. Examined the licensure and inspection process of the State Department of Welfare and the administration of the auxiliary grant program.

**Management and Use of Consultants by State Agencies: Operational Review, May 1980** (authorized by Section 30-58.1, Code of Virginia) 73 pp. Assessed the need for and the use of consultants by State agencies. Made

recommendations to increase competitive bidding and improve documentation and accountability.

**The General Relief Program in Virginia, September 1980** (authorized by Senate Joint Resolution 133 of the 1979 Session) 66 pp. Examined the accuracy of the eligibility determination process and assessed key aspects of case management in the Virginia General Relief Program.

**Federal Funds in Virginia: Special Report, October 1980** (House Document No. 6 of the 1981 Session, authorized by House Joint Resolution 237 of the 1979 Session) 122 pp. Focused on federal influence over State and local programs and evaluated the procedures by which federal funds are sought, utilized, monitored, and controlled.

**Federal Funds in Virginia, January 1981** (authorized by House Joint Resolution 237 of the 1979 Session) 20 pp. Summary study that assessed the impact of federal funds on State agencies and local governments. Provided information on the implementation of recommendations from earlier reports on this subject.

**Methodology for a Vehicle Cost Responsibility Study: Interim Report, January 1981** (Senate Document No. 12 of the 1981 Session, authorized by Senate Joint Resolution 50 of the 1980 Session) 65 pp. Discussed the methodology to be used in carrying out JLARC's vehicle cost responsibility study. Methodology was based on Virginia's highway programs, construction and maintenance standards, and revenue sources.

**Organization and Administration of the Department of Highways and Transportation: Interim Report, January 1981** (Senate Document No. 14 of the 1981 Session, authorized by Senate Joint Resolution 50 of the 1980 Session) 85 pp. Examined staffing, equipment management, contract administration, construction planning, and fund allocation.

**Title XX in Virginia, January 1981** (authorized by Senate Joint Resolution 133 of the 1979 Session) 103 pp. Reviewed the use and administration of Title XX funds in Virginia, including the types of clients and services provided, the adequacy of financial controls for the funds, the impact of funding limitations on local welfare agencies, and the adequacy of social service policy.

**Organization and Administration of Social Services in Virginia, April 1981** (authorized by Senate Joint Resolution 133 of the 1979 Session) 126 pp. Assessed the effectiveness of the Department of Welfare in providing support and oversight of welfare programs. Evaluated child care centers and family day care homes to determine the adequacy of the licensing process.

**1981 Report to the General Assembly, July 1981** (2nd Biennial Report, authorized by Section 30-58.2, Code of Virginia), 38 pp. Summarized studies conducted by JLARC from its inception through 1981. Focused on agency responses to oversight findings and recommendations.

**Highway and Transportation Programs in Virginia: A Summary Report, November 1981** (Senate Document No. 6 of the 1982 Session, authorized by Senate Joint Resolution 50 of the 1980 Session) 57 pp. Summarized the studies conducted under SJR 50, which focused on the administration of the DHT, highway and transit need, revenues and methods of financing, and the fair apportionment of costs among different vehicle classes. Highlighted the principal findings and recommendations of each study.

**Organization and Administration of the Department of Highways and Transportation, November 1981** (Senate Document No. 7 of the 1982 Session, authorized by Senate Joint Resolution 50 of the 1980 Session) 132 pp. Evaluated the efficiency and effectiveness of DHT's management and administrative processes, the adequacy of the department's organizational structure, and selected operational issues.

**Highway Construction, Maintenance, and Transit Needs in Virginia, November 1981** (Senate Document No. 8 of the 1982 Session, authorized by Senate Joint Resolution 50 of the 1980 Session) 78 pp. Assessed highway construction needs, including construction of new highways, maintenance of existing roads, and public transportation. Provided funding options for consideration by the Legislature.

**Vehicle Cost Responsibility in Virginia, November 1981** (Senate Document No. 13 of the 1982 Session, authorized by Senate Joint Resolution 50 of the 1980 Session) 85 pp. Presented findings and conclusions of an analysis of highway tax equity. An empirical investigation of the relationship between costs for construction and maintenance and revenues generated by various vehicle classes.

**Highway Financing in Virginia, November 1981** (Senate Document No. 14 of the 1982 Session, authorized by Senate Joint Resolution 50 of the 1980 Session) 103 pp. Analyzed methods of financing highway needs in Virginia by an examination of the State's highway financing structure and tax structure. Presented estimates of future revenues to be generated by taxes and offered financing alternatives.

**Publications and Public Relations of State Agencies in Virginia, January 1982** (Senate Document No. 23 of the 1982 Session, authorized by Senate Joint Resolution 166 of the 1981 Session) 115 pp. Assessed the value of the publications of State agencies, and other public relations efforts. Recommended changes in reporting requirements to achieve savings.

**Occupational and Professional Regulatory Boards in Virginia, January 1982** (Senate Document No. 29 of the 1982 Session, authorized by Senate Joint Resolution 50 of the 1980 Session) 163 pp. Examined occupational and professional regulatory boards in Virginia. Provided baseline data on each board and areas of special legislative interest.

**The CETA Program Administered by Virginia's Balance-Of-State Prime Sponsor, May 1982** (House Document No. 3 of the 1983 Session, authorized by House Joint Resolution 268 of the 1981 Session) 128 pp. Assessed the effectiveness of CETA programs through a review of adult training contracts and client follow-up.

**Working Capital Funds in Virginia, June 1982** (House Document No. 4 of the 1983 Session, authorized by Section 2.1-196.1, Code of Virginia) 89 pp. Reviewed Virginia's working capital funds and evaluated selected areas of management of each of the five funds in existence at that time: Computer Services, Systems Development, Telecommunications, Central Warehouse, and Graphic Communications.

**The Occupational and Professional Regulatory System in Virginia, December 1982** (Senate Document No. 3 of the 1983 Session, authorized by Senate Joint Resolution 50 of the 1980 Session) 136 pp. Evaluated Virginia's system for occupational regulation, including 29 regulatory boards, the Board and Department of Commerce, and the Commission and Department of Health Regulatory Boards. Reviewed administrative rulemaking, enforcement of laws and regulations, and selected aspects of agency management.

**Interim Report: Equity of Current Provisions for Allocating Highway Construction Funds in Virginia, December 1982** (House Document No. 17 of the 1983 Session, authorized by the 1982 Appropriations Act) 183 pp. Assessed the reasonableness, appropriateness, and equity of statutory provisions for allocating highway construction funds among the various highway systems and localities. (See final report of June 1984, which enlarged this study).

**Consolidation of Office Space in the Roanoke Area, December 1982** (Senate Document No. 8 of the 1983 Session, authorized by Senate Joint Resolution 29 of the 1982 Session) 66 pp. Examined the feasibility, desirability, and cost effectiveness of consolidating State agency offices located in the Roanoke area. Special attention devoted to a leasing proposal from the City of Roanoke.

**Staffing and Manpower Planning in the Department of Highways and Transportation, January 1983** (House Document No. 18 of the 1983 Session, authorized by Items 649.2 and 649.3 of the Appropriations Act of the 1982 Session) 120 pp. Reviewed the Department of Highways and Transportation's manpower plan, the planning process, and the resulting staffing actions. Identified staffing economies possible through increased productivity and administrative improvements.

**Consolidation of Office Space in Northern Virginia, January 1983** (Senate Document No. 15 of the 1983 Session, authorized by Senate Joint Resolution 29 of the 1982 Session) 64 pp. Examined the feasibility, desirability, and cost effectiveness of consolidating State agency offices located in Northern Virginia.

**Interim Report: Local Mandates and Financial Resources, January 1983** (House Document No. 40 of the 1983 Session, authorized by House Joint Resolution 105 of the 1982 Session) 38 pp. Provided background information and summarized progress toward the final report (see December 1983).

**Interim Report: Organization of the Executive Branch, January 1983** (House Document No. 37 of the 1983 Session, authorized by House Joint Resolution 33 of the 1982 Session) 15 pp. Provided background information on the executive branch, and summarized research activities for the series of four final reports (see January 1984).

**The Economic Potential and Management of Virginia's Seafood Industry, January 1983** (House Document No. 2 of the 1982 Session, authorized by House Joint Resolution 59 of the 1982 Session) 213 pp. Analyzed the regulation of the commercial fishing and seafood industries in Virginia, assessed their economic potential, and suggested policy alternatives.

**Follow-Up Report on the Virginia Department of Highways and Transportation, January 1983** (House Document No. 34 of the 1983 Session, authorized by House Bill 532 of the 1982 Session) 26 pp. Evaluated the progress of the department in implementing recommendations made during the 1982 Session to ensure the efficient use of funds for highway construction and maintenance.

**1983 Report to the General Assembly, September 1983** (3rd Biennial Report, authorized by Section 30-58.2, Code of Virginia), 38 pp. Summarized studies conducted by the Commission through 1983. Provided a 10-year overview of JLARC's work, organized according to the recurring themes, and spotlighted the importance of sound research methodology.

**The Virginia Division for Children, December 1983** (House Document No. 14 of the 1984 Session, authorized by House Joint Resolution 10 of the 1983 Session) 98 pp. A "sunset" study reviewing the operations of the Division and focusing on its administration, effectiveness, and possible overlap with other agencies.

**The Virginia Division of Volunteerism, December 1983** (Senate Document No. 6 of the 1984 Session, authorized by Senate Joint Resolution 36 of the 1983 Session) 60 pp. A "sunset" study reviewing the operations of the Division and focusing on its administration, effectiveness, and possible overlap with other agencies.

**State Mandates on Local Governments and Local Financial Resources, December 1983** (House Document No. 15 of the 1984 Session, authorized by House Joint Resolution 105 of the 1982 Session and House Joint Resolution 12 of the 1983 Session) 218 pp. Reviewed the responsibilities of State and local governments for providing public services, the State's procedures for aiding local governments, the sources of revenue that were or could be allocated to the various types of local governments, and their adequacy. Included fiscal capacity and stress measures for all counties and cities.

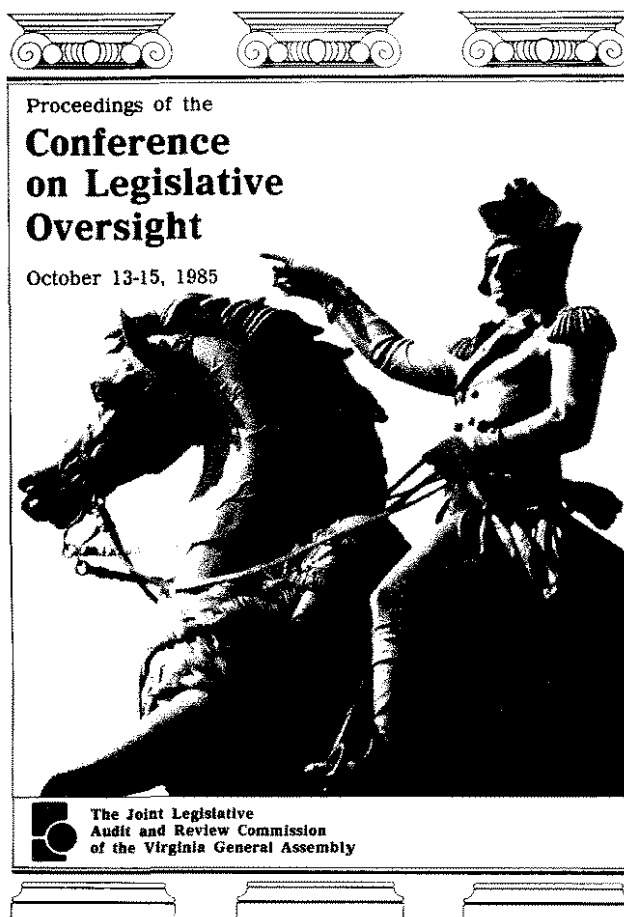
**An Assessment of Structural Targets in the Executive Branch of Virginia, January 1984** (House Document No. 20 of the 1984 Session, authorized by House Joint Resolution 33 of the 1982 Session and House Joint Resolution 6 of the 1983 Session) 134 pp. Examined the organization of the executive branch for the purpose of determining the most efficient and effective structure. Included specific recommendations regarding duplication, fragmentation, and inconsistent alignment.

**An Assessment of the Secretarial System in the Commonwealth of Virginia, January 1984** (House Document No. 21 of the 1984 Session, authorized by House Joint Resolution 33 of the 1982 Session and House Joint Resolution 6 of the 1983 Session) 76 pp. Assessed the extent to which (1) the responsibilities and activities of the Governor's secretaries are consistent with the purposes of the system and (2) the structure is useful in effectively managing the State's resources and administrative processes.

**An Assessment of the Role of Boards and Commissions in the Executive Branch of Virginia, January 1984** (House Document No. 22 of the 1984 Session, authorized by House Joint Resolution 33 of the 1982 Session and House Joint Resolution 6 of the 1983 Session) 90 pp. Assessed whether the boards' involvements in agency operations are consistent with statute and the management needs of the Commonwealth. Also addressed the relationships of boards, agency directors, and the Governor's secretaries, and the unique contributions of board members.

**Organization of the Executive Branch in Virginia: A Summary Report, January 1984** (House Document 44 of the 1984 Session, authorized by House Joint Resolution 33 of 1982 Session and House Joint Resolution 33 of the 1982 Session) 36 pp. A synthesis of the preceding three reports. Highlighted each principal finding and associated recommendations, and included a statement of the actions taken on each.

**1983 Follow-Up Report on the Virginia Department of Highways and Transportation, January 1984** (letter report, authorized by House Bill of the 1982 Session) 25 pp. Documented the department's progress in implementing previous Commission recommendations, especially in the areas of manpower planning and maintenance operations.



Cover from a JLARC special publication

**Interim Report: Central and Regional Staffing in the Department of Corrections, May 1984** (House Document No. 41, authorized by item 545.1 of the 1983 Appropriations Act and amended by the 1984 session) 275 pp. Examined the utilization and need within the department for existing and anticipated central office and regional staff. This was the first in a series of related reports examining corrections.

**Equity of Current Provisions for Allocating Highway and Transportation Funds in Virginia, June 1984** (House Document No. 11 of the 1984 Session, authorized by the 1982 Appropriations Act and expanded by the 1983 Session) 217 pp. Updated the January 1983 interim analysis of construction allocations, and reviewed county maintenance spending, urban street payments, and public transportation assistance.

**Special Education in Virginia's Training Centers for the Mentally Retarded, November 1984** (Senate Document No. 3 of the 1985 Session, authorized by Senate Joint Resolution 13 of the 1983 Session) 130 pp. Examined eight issues concerned with the operation, funding, and quality of the educational programs for children and youths in mental retardation facilities operated by the Department of Mental Health and Mental Retardation. (First of two reports).

**Special Education in Virginia's Mental Health Facilities, November 1984** (Senate Document No. 4 of the 1985 Session, authorized by Senate Joint Resolution 13 of the 1983 Session) 148 pp. Examined eight issues concerned with the operation, funding, and quality of educational programs for children and youths in mental health facilities operated by the Department of Mental Health and Mental Retardation. (Second of two reports.)

**Special Report: ADP Contracting at the State Corporation Commission, November 1984** (House Document No. 4 of the 1985 Session,

requested by the Speaker of the House and authorized by the Commission) 40 pp. Examined the SCC's compliance with the Commonwealth's Public Procurement Act and related issues in contracting for automated data systems.

**Special Report: The Virginia State Library's Contract with The Computer Company, November 1984** (House Document No. 5 of the 1985 Session, requested by the Speaker of the House and authorized by the Commission) 34 pp. Examined whether the State Library followed State procedures in awarding the contract to TCC, and whether public libraries were satisfied with the services provided.

**Special Report: The Virginia Tech Library System, November 1984** (House Document No. 6 of the 1985 Session, requested by the Speaker of the House and authorized by the Commission) 34 pp. Examined the ownership of proprietary rights in the software of a computerized library system, the sharing of royalties with a university employee, and the transfer of the system to the Virginia Tech Foundation for marketing and distribution.

**Final Status Report: Recommendations Related to the Equity of the Current Provisions for Allocating Highway and Transportation Funds in Virginia, December 1984** (Report to the SJR 20 Joint Subcommittee from the staffs of JLARC and the Department of Highways and Transportation) 55 pp. Summarized results of meetings between JLARC and DHT staff regarding the highway funding equity report (see above, June 1984) and proposed legislation.

**Special Report: Patent and Copyright Issues in Virginia State Government, March 1985** (House Document No. 31 of the 1985 Session, requested by the Speaker of the House and authorized by the Commission) 54 pp. Examined intellectual property issues related to State agencies and institutions of higher education.

**The Community Diversion Incentive Program of the Virginia Department of Corrections, April 1985** (House Document 35 of the 1985 Session, authorized by the 1984 Appropriations Act) 174 pp. Reviewed the effectiveness of the CDI programs designed to divert offenders from State prisons and local jails.

**Virginia's Correctional System: Population Forecasting and Capacity, April 1985** (House Document 35 of the 1985 Session, authorized by the 1984 Appropriations Act) 174 pp. Calculated the capacity of State prisons and field units. Reviewed DOC's population forecasting model and procedures.

**Towns in Virginia, July 1985** (House Document No. 2 of the 1986 Session, authorized by House Joint Resolution 105 of the 1982 Session and HJR 12 of the 1983 Session) 120 pp. An outgrowth of JLARC's earlier report on State mandates and local fiscal stress, focused on issues of particular concern to towns.

**Security Staffing and Procedures in Virginia's Prisons, July 1985** (House Document No. 3 of the 1986 Session, authorized by the 1983 Appropriations Act and amended by the 1984 Session) 300 pp. Examined staffing practices and security procedures both at the system level and in each of Virginia's 15 major correctional facilities.

**Local Fiscal Stress and State Aid, September 1985** (House Document No. 4 of the 1986 Session, authorized by the Commission as a follow-up to the 1983 State Mandates report) 86 pp. Provides updated information on local fiscal stress (through FY 1983) and summarizes 1984 and 1985 legislative actions impacting localities.

**1985 Report to the General Assembly, September 1985** (4th Biennial Report, authorized by Section 30-58.2, Code of Virginia) 50 pp. Summarized studies conducted by JLARC since the 1983 biennial report, provided updates on agency responses to previous studies, and spotlighted the Legislative Program Review and Evaluation Act.

**The Virginia Housing Development Authority, October 1985** (Senate Document No. 6 of the 1986 Session, authorized by Senate Joint Resolution 7 of the 1984 Session) 110 pp. Evaluated programs, operations, and management of VHDA. Assessed the extent to which the Authority's programs have benefited persons of low and moderate income.

**Special Report: Cousteau Ocean Center, January 1986** (Senate Document 13 of the 1986 Session, authorized by the Commission under Section 4-5.07 of the Appropriations Act) 22 pp. A special audit of the Cousteau Ocean Center project. Examined the reasonableness of the project's planning and design, and the applicability of the Public Procurement Act.

**Staff and Facility Utilization by the Department of Correctional Education, February 1986** (House Document No. 32 of the 1986 Session, authorized by Item 618 of the 1985 Appropriations Act) 134 pp. Evaluated the effectiveness of DCE's programs and the adequacy of staff and facilities to carry out these programs.

**Funding the Standards of Quality - Part 1: Assessing SOQ Costs, February 1986** (Senate Document No. 20 of the 1986 Session, authorized by Senate Joint Resolution 35 of the 1982 Session) 112 pp. First report in a series in response to the findings of the House Joint Resolution 105 Subcommittee. Assessed the costs of implementing existing standards. A comparison report will address concerns related to the equity of distribution of State assistance to the school divisions.

**Proceedings of the Conference on Legislative Oversight, June 1986** (Conference was required under provisions of Chapter 388 of the 1978 Acts of Assembly) 86 pp. Record of conference examining the accomplishments of the Legislative Program Review and Evaluation Act and oversight issues in general.

**Staffing in Virginia's Adult Prisons and Field Units, August 1986** (House Document No. 2 of the 1987 Session, authorized by the 1983-85 Appropriations Acts) 166 pp. A report in a series on corrections issues, assessed nonsecurity staffing in the 15 major institutions, and both nonsecurity and security staffing in the 26 field units.

**Deinstitutionalization and Community Services, October 1986** (Report produced under the mandate of Senate Joint Resolution 42 of the 1984 Session, which created the Commission on Deinstitutionalization and directed JLARC staff to provide technical assistance) 92 pp. Examined client management, community services, housing services, accountability, and the continuum of care in general. Followed up on JLARC's 1979 study of this area.

**The Capital Outlay Planning Process and Prison Design in the Department of Corrections, December 1986** (House Document No. 12 of the 1987 Session, authorized by the 1983-86 Appropriations Act) 78 pp. A report in a series of corrections issues, evaluated the effectiveness of DOC's capital outlay planning process, prison designs, and maintenance programs.

**Organization and Management Review of the State Corporation Commission, December 1986** (House Document No. 15 of the 1987 Session, authorized by Item 11 of the 1985 Appropriations Act) 112 pp. Examined the SCC's organization and general management, financial management, personnel and staffing practices, and compliance with legislative intent.

**Local Jail Capacity and Population Forecast, December 1986** (House Document No. 16 of the 1987 Session, authorized by the 1983-86 Appropriations Acts) 96 pp. A report in a series on correctional issues. Examines local and State inmate population forecasts, and alternatives for dealing with growing prison and jail populations. Assessed the capacity of local jails.

**Correctional Issues in Virginia: Final Summary Report, December 1986** (House Document No. 18, authorized by the 1983-86 Appropriations Acts) 48 pp. Ninth and final report in the series, focused on the "big picture" in corrections, and synthesized the findings from previous studies.

**Special Report: Collection of Southeastern Americana at the University of Virginia's Alderman Library, May 1987** (Performed under the general powers and duties of the Commission as laid out in Section 30-58.1 of the Code of Virginia) 41 pp. Reviewed the procurement and management of a special collection of books at the library, in response to allegations that funds had been inappropriately spent.

**An Assessment of Eligibility for State Police Officers Retirement System Benefits, June 1987** (House Document No. 2 of the 1988 Session, authorized by Item 13 of the 1986 Appropriations Act) 96 pp. Reviewed SPORS and identified the criteria implicit in its establishment as a separate system. On the basis of these criteria, compared other State-compensated law enforcement groups to the State Police.

**Review of Information Technology in Virginia State Government, August 1987** (Performed under JLARC's authority to monitor internal service funds, as specified in Section 2.1-196 of the Code of Virginia, and authorized by the Commission) 400 pp. A joint executive and legislative initiative. Assessed the success of the consolidation of formerly fragmented services into the Department of Information Technology and reviewed management of the department. Proposed improvements within both DIT and the user agencies.

**1987 Report to the General Assembly, September 1987 (5th Biennial Report, authorized by Section 30-58.2, Code of Virginia) 48 pp.** Summarized studies conducted by JLARC since the 1985 biennial report, provided updates on agency responses to previous studies, and spotlighted the recently completed corrections study series.

**Funding the State and Local Cooperative Health Department Program, December 1987 (Senate Document 16 of the 1988 Session, authorized by Senate Joint Resolution 87 of the 1986 Session) 74 pp.** Reviewed the CHD funding formula, examined methods for calculating local shares of program costs, and identified methods for distributing State and local responsibility for program funding.

**Funding the State and Local Hospitalization Program, December 1987 (Senate Document No. 17 of the 1988 Session, authorized by Senate Joint Resolution 87 of the 1986 Session) 74 pp.** Reviewed the formulas used to distribute funds for the State and local hospitalization program. Identified program costs, methods for calculating local shares of the costs, and methods for distributing State and local responsibility for program funding.

**Internal Service Funds Within the Department of General Services, December 1987 (Senate Document No. 18 of the 1988 Session, conducted as part of JLARC's oversight responsibilities for internal service funds as defined in Section 2.1-196.1 of the Code of Virginia) 110 pp.** Reviewed both financial and operational aspects of the five funds within DGS: Central Warehouse, Office of Graphic Communications, State Surplus Property, Federal Surplus Property, and Maintenance and Repair Projects. Assessed rates and charges, fund balances, billing procedures, operational efficiency, and user satisfaction.

**Funds Held in Trust by Circuit Courts, December 1987 (Senate Document 19 of the 1988 Session, authorized by Senate Joint Resolution 147 of the 1987 Session) 96 pp.** Examined funds held in trust by general receivers and clerks of the court, determined the total amount of monies held in trust, assessed current practices of administering the funds, and made recommendations to modify and improve the system.

**Follow-up Review of the Virginia Department of Transportation, January 1988 (Senate Document No. 23 of the 1988 Session, conducted in response to Senate Joint Resolution 7 of the 1986 Special Session) 36 pp.** Assessed the Department's response to previous JLARC study recommendations. An appendix to the study contains the Department's own status report.

**Funding the Standards of Quality - Part II: SOQ Costs and Distribution, January 1988 (Senate Document 25 of the 1988 Session, authorized by Senate Joint Resolution 35 of the 1982 Session) 104 pp.** Second report in a series on elementary and secondary education in Virginia. Whereas the first study (February 1986) reviewed methods for calculating the costs of the SOQ,

this study broadened the review to include distribution issues. Methods for calculating SOQ costs were revised, and distribution options were explored.

**Management and Use of State-Owned Passenger Vehicles, August 1988 (House Document No. 2 of the 1989 Session, conducted under authority of Section 2.1-196.1 of the Code of Virginia, which directs JLARC to monitor internal service funds) 104 pp.** Reviewed progress made in implementing the recommendations of JLARC's 1979 study of the Central Garage, and examined new issues related to the Garage's 1984 designation as an internal service fund.

**Technical Report: The State Salary Survey Methodology, October 1988 (House Document No. 5 of the 1989 Session, authorized by Item 13 of the 1988 Appropriations Act) 106 pp.** Reviewed methods used to compile and evaluate data reported in the State annual salary survey, examined methods used to determine the annual salary structure adjustment for State employees, and made recommendations for improving these methods.

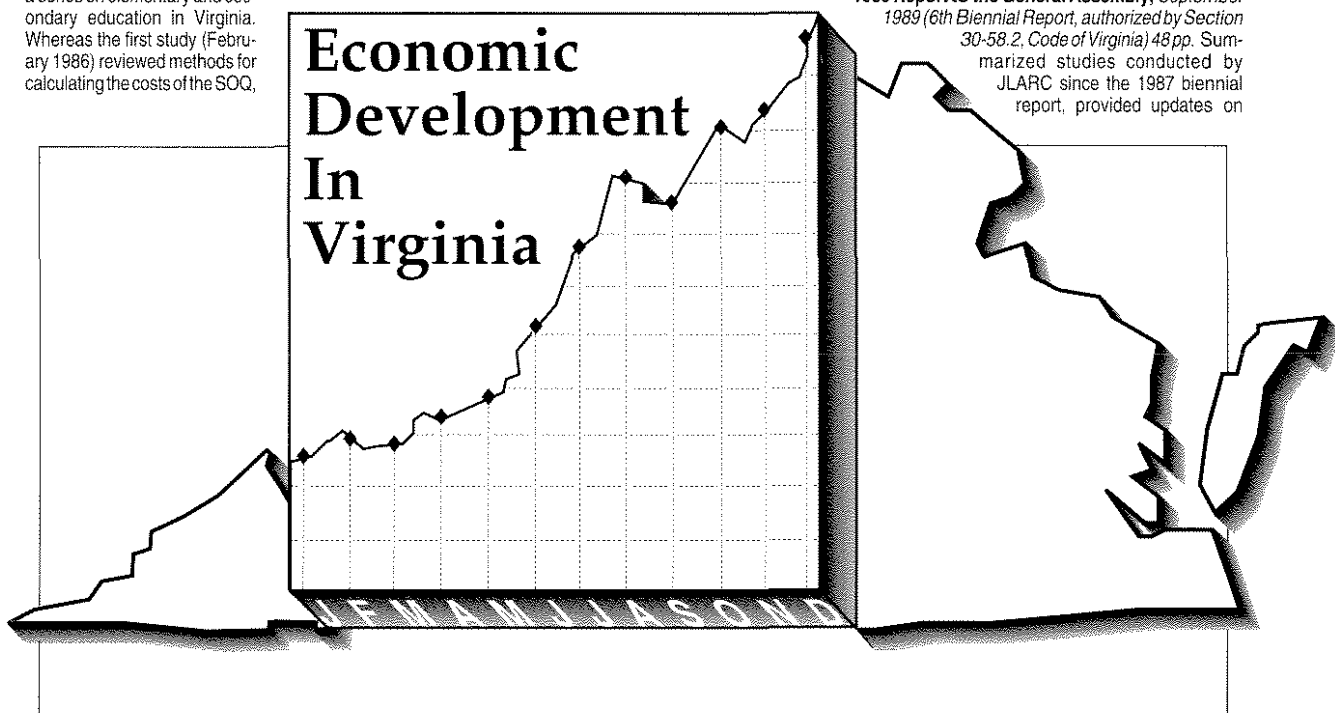
**Review of the Division of Crime Victims' Compensation, December 1988 (House Document No. 17 of the 1989 Session, authorized by House Joint Resolution 184 of the 1988 Session) 106 pp.** Reviewed the Crime Victims' Compensation program within the Department of Workers' Compensation, focusing on improving the administration of the CVC Act, particularly the processing of crime victims' claims.

**Review of Community Action in Virginia, January 1989 (House Document No. 43 of the 1989 Session, authorized by Item 469 of the 1987 Appropriations Act) 134 pp.** A performance audit and review of the programs and activities of Community Action Agencies. Made recommendations to improve oversight by the Department of Social Services and accountability in individual community action agencies.

**Progress Report: Regulation of Child Day Care in Virginia, January 1989 (House Document No. 46 of the 1989 Session, required by Senate Joint Resolution 41 and House Joint Resolution 116 of the 1988 Session) 9 pp.** Provided background information on the nature of child day care in Virginia. Summarized the main issues and research activities that would be reported on in the full study, to be completed before the 1990 Session.

**Interim Report: Status of Part-Time Commonwealth's Attorneys, January 1989 (House Document 49 of the 1989 Session, authorized by Item 13 of the 1988 Appropriations Act and Senate Joint Resolution 55 of the 1988 Session) 32 pp.** First report in a series on workload standards and staffing for constitutional officers in Virginia. Addressed the issue of part-time Commonwealth's attorney status.

**1989 Report to the General Assembly, September 1989 (6th Biennial Report, authorized by Section 30-58.2, Code of Virginia) 48 pp.** Summarized studies conducted by JLARC since the 1987 biennial report, provided updates on



Cover art from a recent JLARC special report

agency responses to previous studies, and spotlighted the recently completed review of information technology.

**Regulation and Provision of Child Day Care in Virginia, September 1989** (House Document 3 of the 1990 Session, authorized by Senate Joint Resolution 41 and House Joint Resolution 116 of the 1988 Session) 172 pp. Reviews State regulation of child day care as well as methods for improving the availability and quality of child care in Virginia.

**Security Staffing in the Capitol Area, November 1989** (House Document 17 of the 1990 Session, requested by the Speaker of the House and approved by the Commission) 121 pp. Examined alternatives to meet the security needs of agencies in the Capitol area, including a study of the effectiveness of the Capitol Police.

**Interim Report: Economic Development in Virginia, January 1990** (authorized by House Joint Resolution 262 of the 1989 Session) 62 pp. One of three interrelated reports, this special publication consists of invited papers by national authorities on economic development who made presentations to a JLARC workshop, plus an overview of the study activities leading to the other reports in the series.

**Review of the Virginia Department of Workers' Compensation, February 1990** (House Document 68 of the 1990 Session, authorized by Item 11 of the 1985 Appropriations Act) 147 pp. Performance audit and review of the agency, including claims management and organizational concerns. Final report in a series on independent agencies of State government.

**Technical Report: Statewide Staffing Standards for the Funding of Sheriffs, February 1990** (House Document 66 of the 1990 Session, authorized by Item 13 of the 1988 and 1989 Appropriations Acts) 71 pp. Second report in a series on workload standards and staffing for constitutional officers in Virginia.

**Technical Report: Statewide Staffing Standards for the Funding of Commonwealth's Attorneys, March 1990** (House Document 70 of the 1990 Session, authorized by Item 13 of the 1988 and 1989 Appropriations Acts) 71 pp. Third report in a series on workload standards and staffing for constitutional officers in Virginia.

**Technical Report: Statewide Staffing Standards for the Funding of Clerks of Court, March 1990** (House Document 71 of the 1990 Session, authorized by Item 13 of the 1988 and 1989 Appropriations Acts) 71 pp. Fourth report in a series on workload standards and staffing for constitutional officers in Virginia.

**Technical Report: Statewide Staffing Standards for the Funding of Commonwealth's Attorneys, April 1990** (House Document 75 of the 1990 Session, authorized by Item 13 of the 1988 and 1989 Appropriations Acts) 71 pp. Fifth report in a series on workload standards and staffing for constitutional officers in Virginia.

**Funding of Constitutional Officers, May 1990** (House Document 81 of the 1990 Session, authorized by Item 13 of the 1988 and 1989 Appropriations Acts) 71 pp. Final report in a series, building on the previous studies of workload standards and staffing for constitutional officers in Virginia. Proposes a more equitable and systematic funding process.

**Special Report: The Lonesome Pine Regional Library System, September 1990** (Study approved by the Commission after a request from the State Librarian) 110 pp. Addressed performance and management issues in the system, including communication problems, expenditure priorities, and personnel management.

**Review of the Virginia Community College System, September 1990** (Senate Document 4 of the 1991 Session, authorized by Senate Joint Resolution 135 of the 1989 Session) 133 pp. Followed up on JLARC's 1975 review of the VCCS, focusing on operational concerns and setting priorities for the future.

**Review of the Funding Formula for the Older Americans Act, November 1990** (House Document 9 of the 1991 Session, authorized by House Joint Resolution 130 of the 1990 Session) 65 pp. Assessed the appropriateness of the current funding formula and examined alternative factors for use in the formula.

**Follow-Up Review of Homes for Adults in Virginia, November 1990** (Senate Document 8 of the 1991 Session, authorized by Item 545 of the 1990 Appropriations Act) 89 pp. Follows up on the 1979 JLARC study of the regulation of homes for adults and funding provided residents through the Auxiliary Grants Program. Recommends system-level improvements.

**Publication Practices of Virginia State Agencies, November 1990** (Senate Document 9 of the 1991 Session, directed by the Commission under Section 30-58.2 of the Code of Virginia) 60 pp. Follows up on the publications portion of a 1982 JLARC study of publications and public relations. Recommends ways to reduce publications expenditures.

**Review of Economic Development in Virginia, January 1991** (House Document 39 of the 1991 Session, authorized by House Joint Resolution 262 of the 1989 Session) 139 pp. Reviews Virginia's economic development policies and the organization, operations, management, and performance of the Department of Economic Development.

**State Funding of the Regional Vocational Education Centers in Virginia, January 1991** (House Document 45 of the 1991 Session, authorized by House Joint Resolution 100 of the 1990 Session) 41 pp. Analyzes the funding of the regional vocational centers, including disbursement methods, expenditure levels, and the proportion of the State commitment.

**Interim Report: State and Federal Mandates on Local Governments and Their Fiscal Impact, January 1991** (Senate Document 23 of the 1991 Session, authorized by Senate Joint Resolution 45 and House Joint Resolution 156 of the 1990 Session) 6 pp. Outlines major research activities to be conducted and summarizes the past JLARC studies related to mandates.

**Revenue Forecasting in the Executive Branch: Process and Models, January 1991** (Senate Document 25 of the 1991 Session, authorized by the 1990 Appropriations Act) 53 pp. First report in a series on the executive budget process. Focuses on revenue forecasting issues, including accuracy, the effects of tax policy changes and judgemental inputs, and legislative involvement in the forecasting process.

**Proposal for a Revenue Stabilization Fund in Virginia, January 1991** (Senate Document 24 of the 1991 Session, authorized by the 1990 Appropriations Act) 53 pp. Second report in a series on the executive budget process. Examines "rainy day" funds as a means of coping with revenue shortfalls. Proposes a revenue stabilization fund with characteristics tailored to the Commonwealth.

**Catalog of Virginia's Economic Development Organizations and Programs, February 1991** (Authorized by House Joint Resolution 262 of the 1989 Session) 121 pp. Companion document to *Review of Economic Development in Virginia*. Compilation of information on the hundreds of State and non-State entities involved in economic development.

**Review of Virginia's Parole Process, July 1991** (Senate Document 4 of the 1992 Session, authorized by Senate Joint Resolution 26 of the 1990 Session), 98 pp. Examines Virginia's parole rates and the activities of the Parole Board and the Department of Corrections in administering the parole review process.

**Compensation of General Registrars, August 1991** (Senate Document 5 of the 1992 Session, authorized by Senate Joint Resolution 167 of the 1991 Session) 55 pp. Examines the compensation program for General Registrars, specific factors which should be used to determine compensation, and the appropriate State share of these costs.

**The Reorganization of the Department of Education, September 1991** (*Senate Document 6 of the 1992 Session, authorized by Senate Joint Resolution 57 of the 1990 Session*), 90 pp. Assesses the reorganization of the department, including goals, planning, hiring effort, effect on morale, and proposed service delivery mechanisms.

**1991 Report to the General Assembly, September 1991 (7th Biennial Report, authorized by Section 30-58.2, Code of Virginia)** 66 pp. Summarizes studies conducted by JLARC since the 1989 biennial report, provides updates on agency responses to previous studies, and spotlights JLARC's child day care study and its results.



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