

**Joint Legislative
Audit and Review Commission**

The Virginia General Assembly

**1983 REPORT
TO THE
GENERAL ASSEMBLY
OF VIRGINIA**

**Commission activities:
A ten-year perspective**

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**The Honorable Members
of the Virginia General Assembly
State Capitol
Richmond, Virginia 23219**

September 15, 1983



My Dear Colleagues:

As Chairman of the Joint Legislative Audit and Review Commission, it is my pleasure to transmit to you JLARC's 1983 Report to the General Assembly. The report summarizes the findings of the Commission's studies to date, and provides an update on agency responses.

The format chosen this year is something of a departure from our previous reports. We have taken the opportunity of our tenth year of operation to reflect on a decade of service to the Commonwealth.

In looking back over our work during that decade, we have found that legislative interest in executive agencies and governmental processes has expressed itself through certain recurring themes, as exemplified in State and local relationships, economy and efficiency, and several other subject areas. This report presents the Commission's work and accomplishments in terms of these major themes, in hopes that attention to these emergent trends will better prepare us for future challenges.

In addition, our report this year highlights JLARC's methodological rigor and the use of the computer. Only through an emphasis on sound, up-to-date research methodology can our studies continue to provide reliable information for legislative decision-making.

Every reader of this document can take pride in JLARC's accomplishments: members of the Commission itself for their parts in directing staff efforts and focusing legislative attention on worthy issues; members of the General Assembly for their support of the Commission's recommendations through legislative action; employees of the executive agencies for their spirit of cooperation and the extra effort made to improve services; and all citizens of the Commonwealth as the beneficiaries of better government.

Through the years, JLARC's accomplishments have merited national recognition. The staff has received three national awards for research excellence—one from the Governmental Research Association in 1975 and two from the National Conference of State Legislatures in 1979 and 1981.

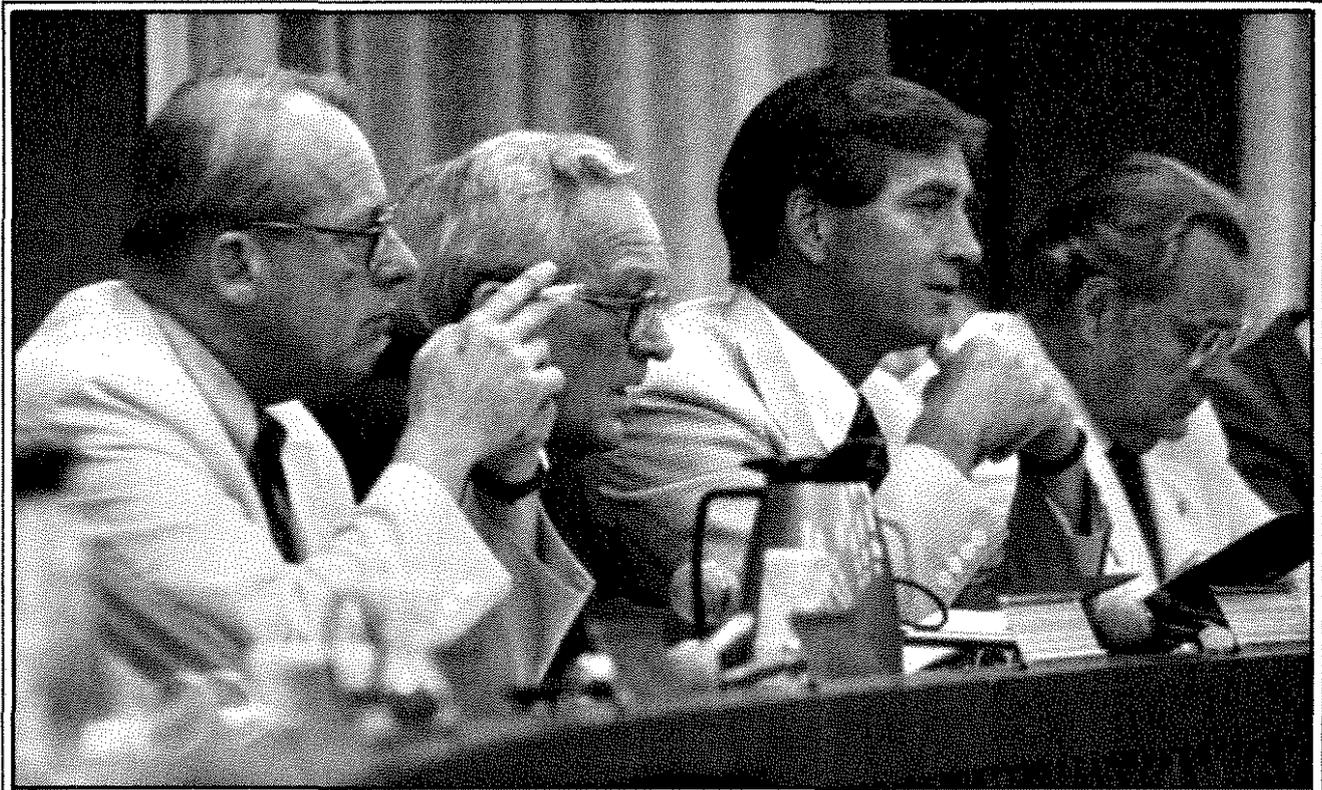
In 1981, the Commission was also asked to participate in a national study of legislative oversight being conducted by the Eagleton Institute of Politics at Rutgers University. Recently, Dr. Alan Rosenthal, Director of the Institute, addressed the Commission about this study. I am happy to report that JLARC has been ranked as one of the best oversight groups in the country.

Dr. Rosenthal credited the Commission's success to the support of legislative leadership, continuity among its membership, and an outstanding staff. I would add that in Virginia, we have created an atmosphere where it is deemed a great privilege and responsibility to serve in this capacity. I have considered it an honor to be a part of the Commission and its work, and I am proud to submit this record for your consideration.

Respectfully,

Hunter B. Andrews

JLARC'S PURPOSE AND ROLE



David W. Porter

Left to Right: Senator Andrews, Delegate Manning, Delegate Morrison, Delegate Ball

The Joint Legislative Audit and Review Commission 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 seven members of the House of Delegates appointed by the Speaker, four members of the Senate appointed by the Privileges and Elections Committee, and the Auditor of Public Accounts, ex officio. The chairman is elected by a majority of Commission members. A 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 Section 30-58.1 of the *Code of Virginia*. Reports of findings and recommendations are to be submitted to the agencies concerned, the Governor, and the General Assembly. These reports are to address:

- 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.

- 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.

The Commission has also been assigned authority to make supplemental studies and reports relating to its evaluations. Once each biennium, the Commission conducts a systematic follow-up of its work. From time to time, usually coinciding with the 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*, 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 working capital funds and to discontinue those no longer needed. JLARC can also authorize the transfer of excessive retained

earnings from working capital funds to the State general fund. To carry out these responsibilities, the Commission reviews working capital funds for graphics, systems development, telecommunications, central warehouse, and computer services on a continuing basis.

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 the seven program functions of State government. The functions are classified as (1) Individual and Family Services, (2) Education, (3) Transportation, (4) Resource and Economic Development, (5) Administration of Justice, (6) Enterprises, and (7) General Government.

The Evaluation Act has three major thrusts: it involves legislators from standing committees of the House and Senate in the process of selecting and scheduling topics for JLARC studies; it coordinates

these studies with the standing committees which have jurisdiction over the subjects under review; and it encourages the utilization of oversight information through public hearings on the review subjects after completed reports have been transmitted to the General Assembly.

The Evaluation Act also includes a provision requiring an assessment of the act's own merit. To this end, a series of health-related reports served as a pilot effort. The Commission was assisted in its assessment of this effort by a select committee composed of legislative and executive representatives.

The committee concluded that the Evaluation Act was working effectively, that study procedures were sound, and that no statutory revision was necessary. Refinements were suggested to improve the coordination of studies with the agencies involved and with the Legislature.

Another provision of the Act, also aimed at self-evaluation, calls for a conference on legislative oversight to be held by the Commission in 1985. The conference will focus on the success of the Act as a statutory oversight mechanism.

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 recommendations that can be used in legislative decision-making. 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.

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

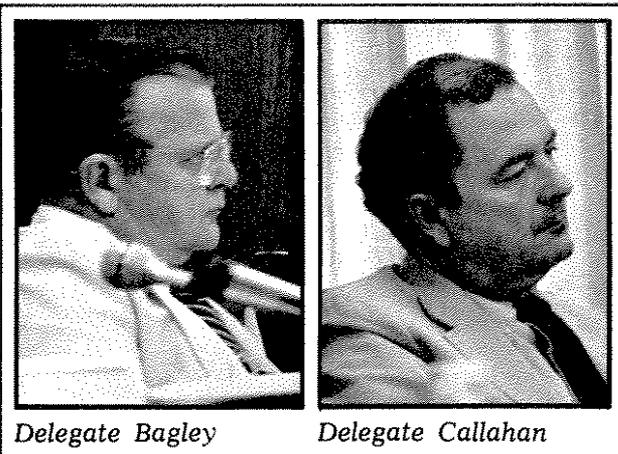
JLARC is required by statutory mandate to make recommendations on ways State agencies may achieve greater efficiency and effectiveness in their operations. Achieving efficiency means finding ways to accomplish the same tasks at lesser cost, achieving effectiveness means finding ways to better accomplish 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.

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. This report documents over \$160 million in savings and new revenues directly related to JLARC studies. 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, change may result in more spending to achieve greater effectiveness.



Delegate Bagley

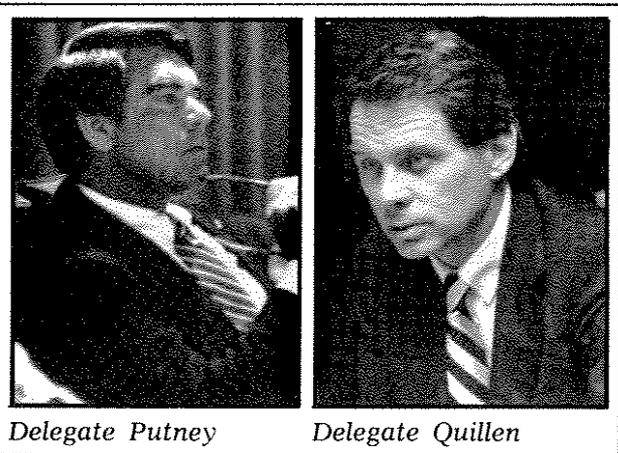
Delegate Callahan

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

In its first decade, JLARC issued 53 reports. Each of these reports is annotated in this publication. In addition, numerous letter reports have been prepared on specific topics of interest to the Commission, and eight projects are in progress.

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



Delegate Putney

Delegate Quillen

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 review and comment. The exposure draft, which contains any comments an agency wishes to make, 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 members of the General Assembly, the Governor, and other interested parties.

The Staff

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

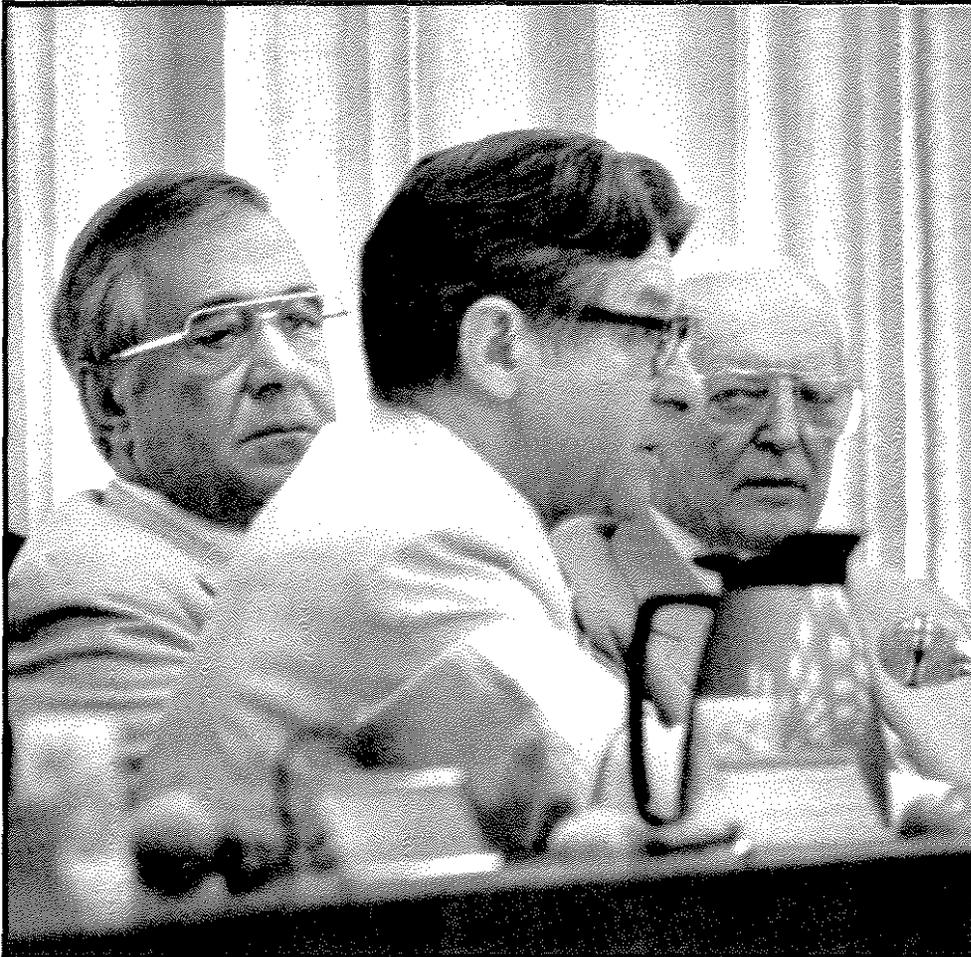
The staff is organized into two research divisions, each headed by a division chief, and three support sections. Project teams, typically ranging from two to four people, are assigned to the divisions for administrative and research supervision. Team leaders have responsibility for managing projects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

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, engineering, English, journalism, policy analysis, philosophy, planning, political science, 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, 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 in-service training programs. The staff training goal is 120 hours annually for each analyst. Emphasis is placed on enhancement of communication, team management, and technical skills.

JLARC is housed on the 10th and 11th floors 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.



Left to Right: Senator Babalas, Senator Buchanan, Senator Willey



Mr. Tribble



Mr. Pethtel

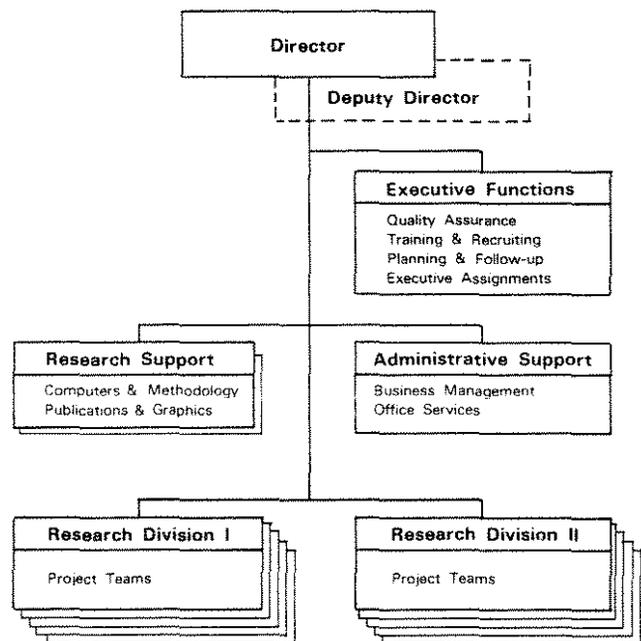
David W. Porter

How JLARC Functions

JLARC has a team-based structure. Audit and evaluation topics are assigned to ad hoc teams, and senior staff analysts are appointed to be team leaders. Teams plan, implement, and prepare reports on each assignment.

Teams are grouped into divisions for management coordination and project-level quality assurance. There are two divisions, each headed by a chief analyst. Teams are assisted in technical areas by two support sections, which are staffed by individuals who have achieved a high level of expertise in the skills required to carry out rigorous audit and evaluation work and communicate to the Legislature.

Organizational interests that cut across evaluation projects are treated as executive functions and are coordinated by the deputy director. General policy direction, coordination between organizational entities, and organizational leadership are the responsibilities of the director.



SPOTLIGHT ON METHODOLOGY: A RESEARCH FUNDAMENTAL

JLARC's role as an oversight arm of the Legislature has grown and matured over the years. The General Assembly has increasingly utilized JLARC's studies and recommendations in its legislative decisionmaking, leading to significant changes in executive agencies and governmental processes. Today, the release of a Commission report usually generates considerable media and public attention.

As its role has grown, so has JLARC's responsibility to provide reliable information and suggest rational policy options. The necessary reliability is achieved by the use of rigorous methodologies and diverse research tools.

To ensure that appropriate emphasis is placed on research methods in each study, JLARC dedicates full-time professional resources to this area. For example, a staff methodologist is available to assist the project team as required in each different phase of a study, from initial design through data collection, verification, and analysis. In addition, the adequacy of research methodology and use of quantitative information is an important consideration of the staff's quality assurance team, which reviews every study at pivotal points in its development. A computer specialist is also available to consult with project teams on technical concerns related to data processing and computer applications. All staff analysts are required to obtain a high degree of computer literacy through in-house training and tutorials.

The research methods selected for a study are those judged most appropriate for the particular program or operation under review. Thus, depending on the specific technical, organizational, or human factors involved, the project may require statistically determined sampling, carefully structured interviews, a precise survey instrument, or a unique observation technique. Once tenable methods have been selected, they are thoroughly tested to ensure that the information provided will be accurate and that the entire research process will withstand close scrutiny.

Frequently the computer is called upon to provide complex data analysis. State-of-the-art computer capability has been particularly important in certain highly technical studies, where the volume of data generated would be nearly impossible to manage by other means. In a recent study of highway construction and maintenance allocations, for example, it was necessary to analyze a field of data consisting of over 49,000 discrete observations.

To appreciate more fully the methodological challenges that must be met during the course of a Commission study, one must examine some individ-

ual JLARC projects. A review of selected studies illustrates JLARC's research rigor and computer capability.

Assessing The Potential Of Virginia's Seafood Industry Through Econometric Modeling

Industry and legislative concern that Virginia is not realizing the full economic potential of its abundant marine resources led to a JLARC study of the State's seafood industry. In assessing the probable impacts of State management activities on the oyster and hard clam industries, JLARC employed models carefully designed to statistically summarize the relationships and conditions that actually exist in the fisheries. Such programs are referred to as econometric models. The technical aspects of these models were developed in cooperation with agricultural economists at Virginia Tech and researchers at the Virginia Institute of Marine Science.

The modeling technique was designed to be attentive to the State's role in the industry, through its agencies with fisheries-related programs. The models estimated, for example, the possible impacts of fisheries management alternatives available to the Virginia Marine Resources Commission and consumer information efforts made by the Marine Products Commission. The models simulated the relationships among the many independent variables: economic factors such as return on investment, biological factors such as the productivity of public oyster grounds, and management factors such as repletion efforts.

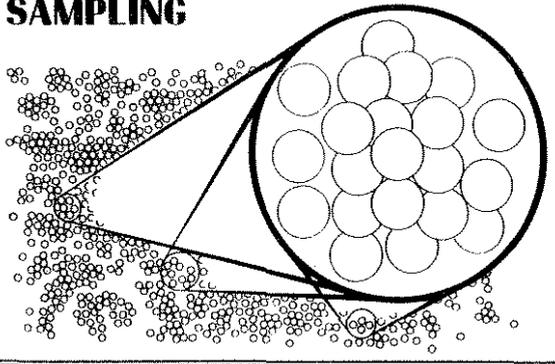
Econometric modeling allowed JLARC to develop various policy options for the oyster and hard clam industries for consideration by the General Assembly. Information was provided on landings and revenues associated with each of these options. This study is the first known use of econometric modeling techniques to aid in making fisheries management decisions.

Research Tools for Measuring Client-Oriented Programs

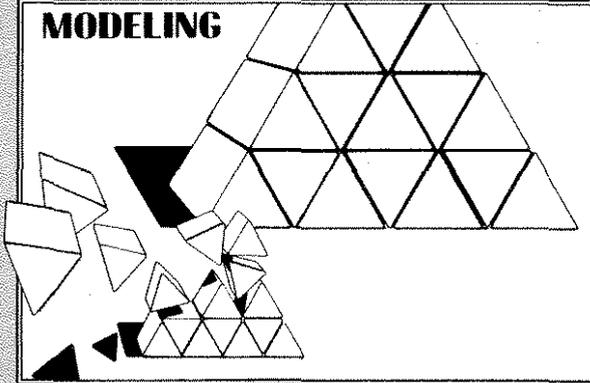
Some of JLARC's studies call for client-oriented approaches. Major changes in the CETA program at the federal level led to a study of the CETA program administered by Virginia's Balance-of-State Prime Sponsor.

For this study, it was necessary to collect and analyze data from a variety of sources. Chief among these was an in-depth review of a generalizable random sample of 1980-81 adult training

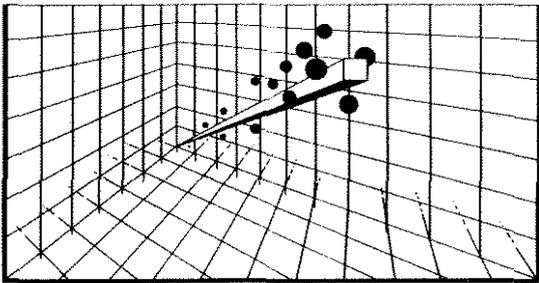
SAMPLING



MODELING



REGRESSION ANALYSIS



Using the Right Tools

Research tools often used by JLARC in its studies include:

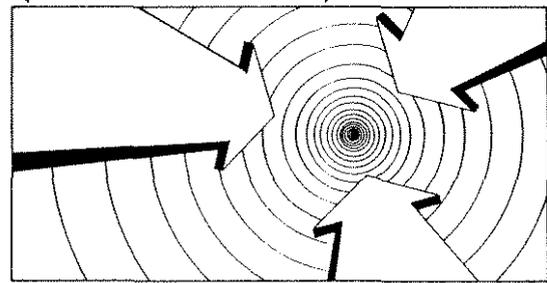
Sampling –a scientific procedure for selecting a subset of the total population to represent the entire population with a predictable amount of accuracy.

Modeling –mathematical and statistical techniques developed to represent actual processes and conditions in order to understand the interrelationships between the factors or predict future conditions.

Regression Analysis –use of a statistical formula to summarize the relationship between independent factors (such as population) and dependent factors (such as local highway need).

Convergency (Triangulation) Analysis –the examination of a research question from multiple perspectives or with several techniques to see if similar conclusions are derived.

CONVERGENCY (TRIANGULATION) ANALYSIS



contracts, representing each of the major CETA programs.

A sampling technique was used which allowed the researchers to select an unbiased sample of 89 training contracts, and then to select 248 clients from the participants in those contracts. JLARC's survey of these clients provided the first systematic assessment of participant outcomes in the Balance-of-State program.

The methodology also included surveying public agencies and private businesses, visiting all five regional operations centers, reviewing participant records and planning documents, and auditing financial and statistical reports. Only through this multi-faceted approach could the numerous "human" factors be tapped and a true picture developed of CETA's services and effectiveness.

Another client-oriented analysis was carried out during JLARC's study of homes for adults in Virginia. The primary focus of this study was the quality of resident life, the administration of the adult homes licensing function, and financial assistance for residents.

In carrying out this review, JLARC staff visited over 50 licensed adult homes. A sample process was used to ensure that the homes visited comprised an unbiased group of all homes for adults in the State.

In determining the quality of life in the homes, the Commission consulted experts in the fields of nutrition, sanitation, and fire safety. Various other interested groups, State and local agencies, and individuals were also consulted. Interviews were conducted with licensees and staff in

each home, as well as with residents. The convergence of these independent perspectives enabled JLARC to validate a vast amount of qualitative data.

Explaining Highway Needs

The 1982 Appropriations Act directed JLARC to study the equity of the process for allocating highway construction funds to highway systems and to localities. A major issue was the development of appropriations formulas to equitably link local needs with available funding.

Once local highway construction needs had been determined (see "State and Local Relationships") and validated, a formula could be developed to link them directly to appropriations. However, the difficulty involved in monitoring all discrete needs throughout the State on an annual basis called for a more enduring solution. An explanation of localities' highway needs had to be developed.

To develop this explanation, JLARC measured the relationships between actual construction needs for a given period and various characteristics of each locality, such as population, vehicle registrations, vehicle miles traveled, land area, and accident rates. A total of 23 factors, representing a broad range of demographic information about each county, city, and town in Virginia, were tested against needs. A correlation analysis was conducted to determine interrelationships among these factors that might bias the resulting formulas.

This methodology was founded on a strong theoretical base. The formulas which were developed provide for the equitable allocation of funds according to "surrogates" which can reliably explain the relative proportion of construction needs in the localities. A number of allocation options were developed for consideration by the General Assembly. The JLARC staff is now in the process of extending this study into the areas of maintenance funding and public transportation.

Determining Highway Cost Responsibility

One of JLARC's most formidable methodological challenges was an 18-month study of vehicle cost responsibility in Virginia. This study involved an empirical investigation of the relationship between highway costs incurred on behalf of various vehicle classes and the revenues contributed by those

vehicle classes to support highway programs.

The methodology employed had to accurately measure highway construction and maintenance practices in the Commonwealth. Further, it had to measure whether user charges, which generate nearly all highway funds, equitably distributed highway costs among passenger cars and trucks of different sizes and weights.

The research was based on the best technical information available — a true state-of-the-art effort. Two innovations, "clustering" construction projects according to design characteristics and allocating costs according to a three-part classification scheme, gave proper recognition to Virginia's actual design and maintenance practices.

The basic principle of cost responsibility is that each vehicle class should contribute in user payments an amount proportional to the costs that class causes to be incurred. Cost which can be clearly linked to the special needs of particular vehicle classes are "occasioned" by those classes, and therefore should be assigned to them. Also, costs occasioned by the need for a facility should be allocated on the basis of the use of that facility.

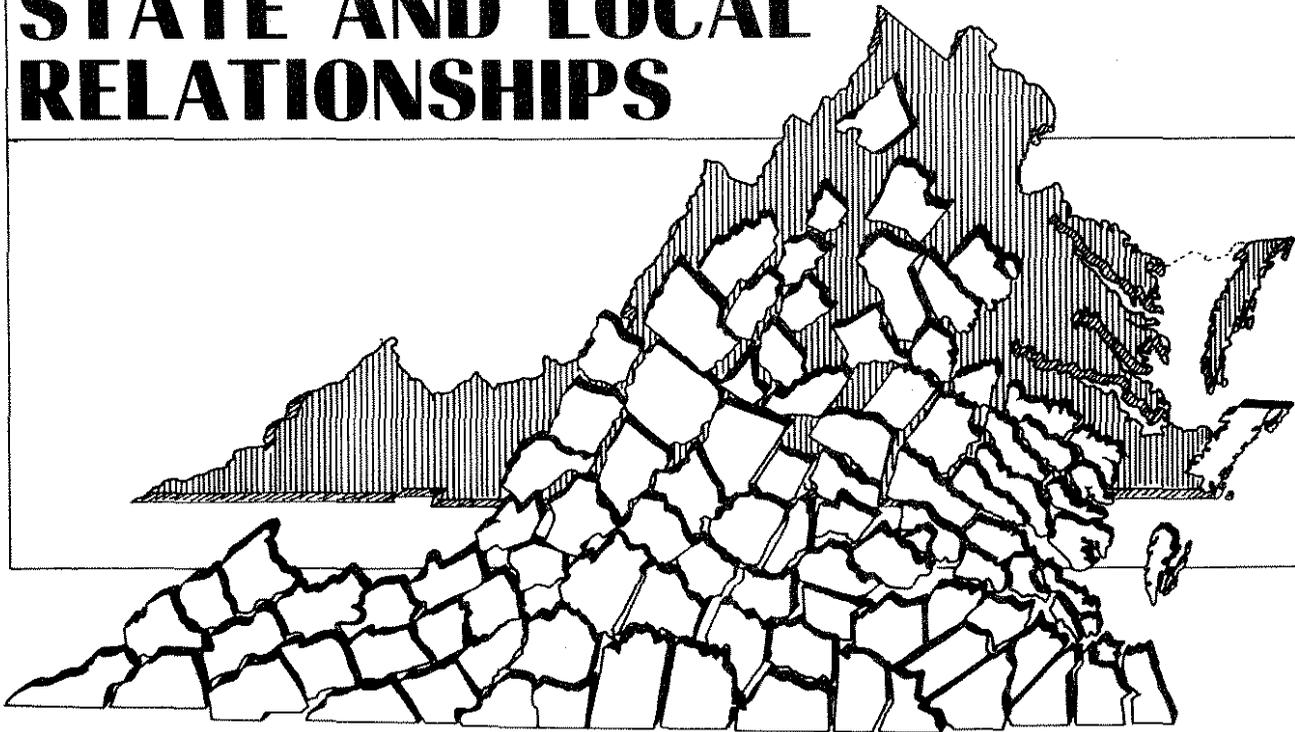
Costs which cannot be clearly linked to vehicle types or need for a facility are judged "common" to all vehicles and should be allocated on an appropriate basis such as the proportion of vehicle miles traveled by each vehicle class.

These criteria were applied as part of the study methodology. Four cost categories were defined: roadway construction, bridge construction, maintenance, and administrative and other costs.

A second major effort of this study was analyzing the sources of user-based revenues which fund highway programs. Examples of such revenues are registration fees, fuel taxes, and sales taxes. These funds were identified and attributed to the vehicle classes which paid them. To determine equity, a comparison was then made between the costs charged to each vehicle class and the revenues paid by that class.

This complex methodology was designed by a planning team composed of JLARC staff and personnel from the Department of Highways and Transportation and the Virginia Highways and Transportation Research Council. Technical assistance was also provided by the Department of Motor Vehicles, the State Corporation Commission, the Department of Transportation Safety, the Virginia State Police, the Secretary of Transportation, and transportation industry representatives.

STATE AND LOCAL RELATIONSHIPS



Both demographically and geographically, Virginia is a diverse State. Its local character varies from predominantly rural to intensely urban, and regional lifestyles range from the most pastoral to the most cosmopolitan.

Moreover, the distinctive shape of the Commonwealth encompasses some surprising distances. More than a few Virginians must drive 400 miles in order to visit the State Capital, and many live closer to the capitals of other states than to Richmond. Even "neighboring" localities may be effectively separated by mountains or a large expanse of water.

Virginia also boasts a wide spectrum of commerce, from high technology and heavy industry to small farming and fishing operations. The enduring stability of the State's economy has been credited to its traditional diversity.

Though local contrasts may contribute to Virginia's charm and prosperity, they also present multiple challenges to its governance. The range and variety of local needs greatly complicates the setting of priorities, the equitable delivery of services, and fiscal decisions.

Accurately determining local needs and developing rational ways to meet them require a combination of legislative experience and research expertise. JLARC has been asked on several occasions to apply these elements to the broad policy questions inherent in State-local relationships.

State Mandates

One of JLARC's most ambitious and exhaustive studies is in the area of State-local relationships. This two-year study, now nearing completion, is an examination of the State mandates imposed on Virginia's 325 local governments and the adequacy of local resources to fund services. Mandates are constitutional, statutory, or administrative actions which place requirements on localities.

House Joint Resolution 105 of the 1982 Session directed JLARC to study and report on three major areas: the reasonableness of service mandates, the adequacy of State aid, and the capability of localities to fund their total service responsibilities.

In recent years, increasing service costs and stagnant revenue growth have led to fiscal stress for many localities. To characterize this stress, the study examines local financial conditions and compares the revenue-producing capacities and tax efforts of localities with similar features.

An interim report and two major briefings on this study have been made to the Commission. Preliminary findings suggest that Virginia's localities have not been facing financial crises. However, certain localities appear to have been facing relatively high levels of fiscal stress, and some legislative action may be warranted.

The final report, to be published prior to the 1984 Session of the General Assembly, will examine the extent to which State-mandated

services burden local activities. The report will also catalogue mandates perceived as particularly constraining by the localities, and make recommendations for consideration by the Legislature.

Linking State Highway Dollars To Local Needs

Nearly every town, city, and county in the Commonwealth has continuing needs for highway construction. Given this fact, a major consideration for the General Assembly is the equitable distribution of construction funds among the localities. JLARC's recent interim report on **provisions for allocating highway construction funds** used an empirical approach to address this sensitive issue.

A key factor in the study was the involvement of local governments, planning district commissions, and various other interested groups. Their input was encouraged through a statewide advisory network and through public workshops.

In addressing the question of equity, JLARC postulated that an equitable distribution of construction funds would occur when the relative proportion of funds allocated to a locality was equivalent to the relative proportion of construction needs in the locality. A major effort was therefore devoted to the development of accurate data on construction needs by system and by locality.

After an extensive review of existing information, it was determined that the only comprehensive measure available was an inventory of present and future needs developed by the Department of Highways and Transportation as part of its statewide transportation planning process. Using this as a base, JLARC validated the data by sending listings of specific local construction needs to every locality in the State. Local officials made factual or technical corrections to these project lists and added separate lists of projects felt to be needs but not included on the inventory.

Within each of the administrative highway systems – secondary, primary, urban – JLARC made a comparison of identified needs and allocations provided under existing formulas. In each case, inequities were found among the localities. For example, funding in the secondary system is presently tied to the levels appropriated in 1977. This stipulation, which once acted as a "hold harmless" provision, results in inequitable allocations in the current funding environment. Further, the five-factor allocation formula currently applied to this system was found to be inappropriate because the factors are not independent of each other.

Through complex and rigorous statistical analyses JLARC was able to provide the General Assembly with alternative construction allocation formulas for more equitable distribution of funds within each system. The Commission is now in the process of broadening the study of local equity

into the areas of highway maintenance and public transportation.

Measuring Local Social And Health Service Needs

A principal finding of JLARC's **Title XX** study had significant ramifications on the local level. The formula used by the Department of Welfare to allocate funds to social service agencies was found to be an inadequate measure of local need. In addition, a major component of the formula – caseload figures reported by the local agencies – was found to be inflated by about 20%, further distorting the calculation of local needs. The Commission recommended the development of a new formula which better reflected local effort and service needs.

The Department of Social Services has taken appropriate actions to implement the Commission's recommendation. A survey was conducted of other states' allocation methods. The Department also enlisted the assistance of a task force with representation from the Virginia Association of Counties, the Virginia Municipal League, the Department of Planning and Budget, and a small, medium, and large local welfare agency.

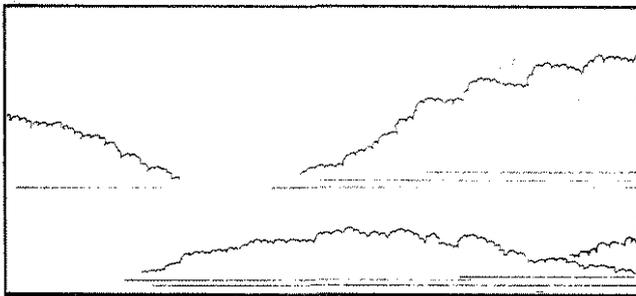
The task force defined criteria for evaluating a revised formula: it should use current data; data should be non-manipulatable by local welfare agencies and the department; and it should reflect mandated services. An additional criterion was that the new formula should be phased in over a four-year period so that no locality suffered too drastic a reduction or increase in any given year.

The final recommendation of the task force was a formula which was felt to be equitable. This formula was approved by formal action at the December 1981 meeting of the State Board of Welfare, and was phased in during 1982-83 on an incremental basis. The funding to be allocated in the next two years will be based on further refinements to the allocation formula.

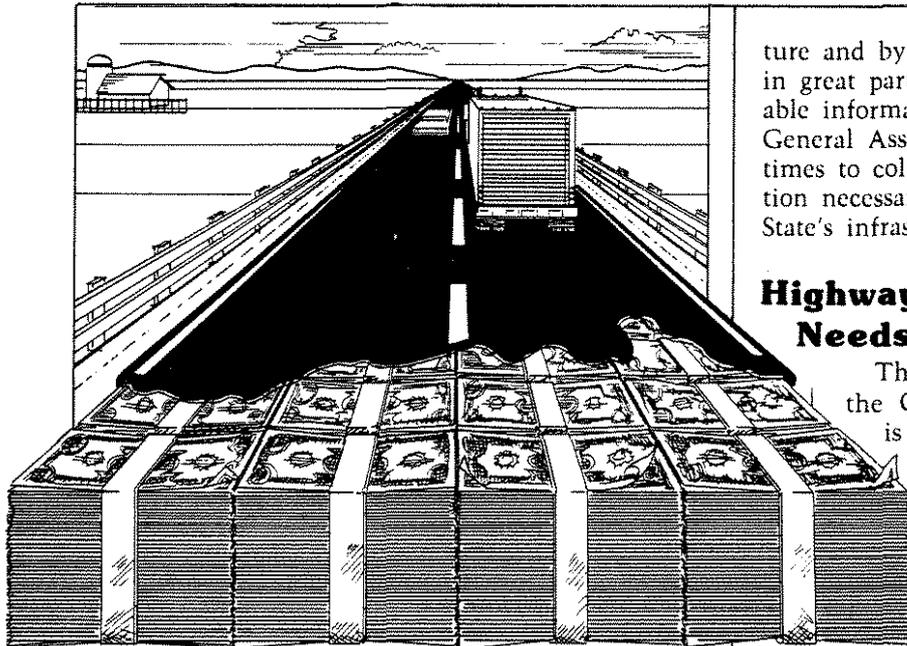
A similar concern regarding State funding of local service delivery surfaced during JLARC's study of **outpatient care** in Virginia. This study reviewed the extent to which local health departments provided medical care to indigent persons.

A principal finding was that the formula which determined State and local funding shares was outdated. The formula did not take into account revenues such as sales and utility taxes, and did not include measures of local need or ability to fund programs. The Commission recommended a revised method of determining State support.

In response, the Department of Health appointed a committee to study the options for changing the formula. The proposed new formula was recently presented to a legislative committee studying the Health Department.



INFRASTRUCTURE



ture and by the executive agencies concerned — is in great part dependent upon the quality of available information. During the past decade, the General Assembly has called upon JLARC many times to collect, analyze, and provide the information necessary for making decisions about the State's infrastructure.

Highways: Needs and Funding

That part of the infrastructure with which the Commission has been most concerned is highways. In 1980, the General

Assembly directed JLARC to review the programs and activities of the Department of Highways and Transportation. A comprehensive series of studies was initiated, which ultimately examined the whole range of transportation concerns, including

needs, functions, expenditures, revenues, methods of cost allocation, productivity, and manpower. In all, ten reports were prepared, including interim, follow-up and ongoing studies.

Virginia's transportation system, then, has been the subject of far more staff research than any other single topic. There are three principal reasons for the Legislature's abiding interest in this area: the scale of the system, the previous lack of information about it, and the changing fiscal environment.

Virginia ranks third in the nation in the size of its state-maintained highway system, and DHT has broad responsibilities for construction and maintenance of this system. In fulfilling these and various other transportation-related duties, the department has grown to become one of the largest State agencies, with staff positions of approximately 10,000 and a biennial appropriation of nearly \$2 billion.

During the 1960s and early 70s, the department operated in a revenue-rich setting. It functioned largely outside the mainstream of State budgetary procedures, and was viewed as an inde-

A principal responsibility of every State government is managing its "infrastructure" — all the state's public facilities including roads, bridges, transit systems, ports, water systems, and government buildings. Maintaining this immense aggregate of physical properties is an unremitting task, the enormity of which is difficult for the average citizen to appreciate.

The Commonwealth must maintain, for example, more than 8,000 buildings in 1,200 locations across the State. There are over 7,000 water systems in Virginia, ranging from individual wells in rural areas to major water utilities serving large cities. And Virginia's transportation system currently includes nearly 61,000 miles of roadways.

Maintaining an infrastructure of such a scale presents formidable technical and fiscal challenges, and frequently poses complex policy questions. Major issues include identifying existing needs, planning for future needs, establishing standards, setting priorities, protecting the State's investment, and ensuring equity.

The resolution of these issues — by the Legisla-

pendent organization supported by special funds. As such, it was not always subjected to the same kind of budgetary oversight required of other State agencies. Consequently, one of the major findings of an early JLARC study on **DHT's organization and administration** was that the department needed to provide the Legislature and the public with timely, accurate information on the status of its many programs.

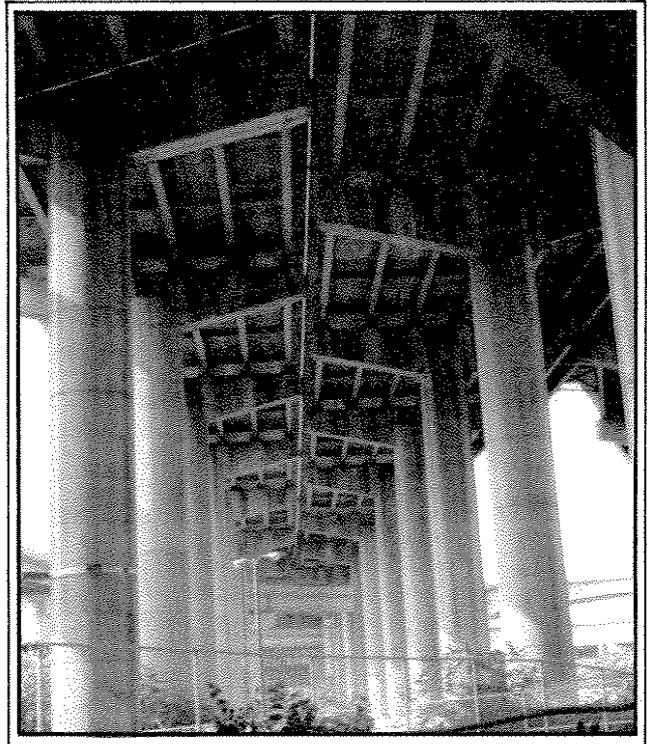
During the late seventies, the department entered a period of declining revenues that has since continued. This altered funding environment has made it even more important for the department to be accountable for its actions. The condition of our highway system directly affects all areas and citizens of Virginia; it is therefore crucial that the greatest benefits be derived from shrinking transportation dollars, and that these benefits be shared equitably throughout the Commonwealth.

A 1981 JLARC report on **highway construction, maintenance, and transit needs** in Virginia concluded that the Commonwealth faced a myriad of complex transportation issues, requiring a systematic evaluation of needs and careful selection of priorities. The Commission recommended that the Secretary of Transportation expedite the preparation of a statewide transportation plan, and this recommendation was affirmed by a joint resolution of the 1982 Session. In response, the Secretary has prepared a draft statement of key policy questions to be included in the plan, which has been transmitted to the General Assembly for review.

The report also made specific recommendations to assist DHT in protecting the existing highway investment while providing acceptable levels of safety, comfort, and convenience to the traveling public. A pavement management system was recommended to improve the department's ability to evaluate current roadway conditions, distribute funds, and predict the need for maintenance resources. Significant progress has been reported in this area, and pavement management systems for the interstate, primary, and secondary systems should be operational by the spring of 1984.

JLARC also recommended improvements in bridge rating procedures in order to make this evaluation process more accurate and useful. The department has responded to this need with a comprehensive training program to ensure uniformity and continuity of ratings.

JLARC further recommended that the department prepare an annual highway maintenance program identifying the minimum funding necessary to provide reasonable levels of safety and comfort. The program was also to generate cost data for other maintenance options, so that the Legislature could compare costs and benefits among several levels of maintenance enhancements. This recommendation was incorporated in the 1982-84 Appropriations Act, and the resulting tri-level



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funding document will be used by the General Assembly in determining maintenance expenditures in the 84-86 budget.

A recurring issue that has emerged in several of the Commission's transportation studies is the setting of priorities. JLARC's study of highway needs noted that the demand for construction would continue to increase, but that funding levels were likely to fall. The study concluded that the construction program would require systematic evaluation of needs and the development by DHT of an analytic framework for establishing construction priorities.

These recommendations have been largely implemented by DHT in its recently approved six-year improvement plan. The department reports that it now has in place a specific framework for setting priorities on the basis of such factors as traffic volume, route continuity, accident rates, and costs and benefits. The plan is also intended to reflect priorities on a project-by-project basis within each construction district.

A major question that must be resolved in order to set highway construction priorities is how to distribute funds among the various road systems — interstate, primary, secondary, and urban. This question was a major focus of one of JLARC's most recent studies, an interim report on the **equity of current provisions for allocating highway construction funds**. The study found that the proportions provided by statute to the administrative systems (50 percent for primary, 25 percent for secondary, 25 percent for urban) do not reflect the relative needs identified on those systems, and

should be revised. The report recommended that if the proportions are to be based on needs, the most reasonable distribution would be to provide one third of the funds available to each system.

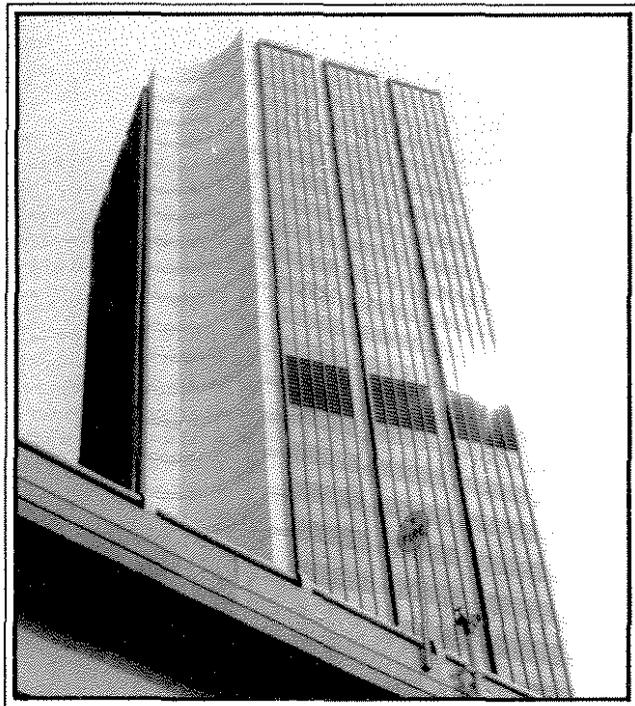
Upon receipt of the interim report, the Commission directed the JLARC staff to expand its allocations study into the areas of maintenance funding, state aid to public transportation, and urban maintenance assistance to cities and towns. A final report on these major components of infrastructure policy will be made to the 1984 Session of the General Assembly. This analysis should serve as the basis for significant legislative action.

Capital Outlays: Achieving Procedural Unity

Capital outlay projects, such as the construction of new buildings, renovation or repair of existing facilities, and acquisition of land and buildings, are necessary to support agency program needs. JLARC's 1978 study of **capital outlays**, however, found that the process needed a realistic, uniform, and rigorous planning requirement. No central agency was specifically assigned planning or review responsibilities, guidelines were incomplete, and process requirements and sanctions were easily circumvented.

As a result of these gaps, numerous problems and violations had occurred, including several instances of unauthorized construction; unreliable cost estimating, leading to budgetary problems; failure to obtain competitive bids; and construction delays of as long as two years.

JLARC's analysis and recommendations were



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useful to both the executive and legislative branches in correcting these problems, and procedural unity has been largely achieved. Definitions and instructions relating to capital outlays have been included in the Commonwealth Planning and Budgetary System manual. Requests for fixed assets must be included in each agency's program requests, which are reviewed in detail by the Department of Planning and Budget. New procedures governing cost estimates and design fees have also been instituted. Most importantly, DPB now directs a single system of budgeting for all State expenses including capital outlays.

Water Resources: Supplying the Demand

In its 1976 study of **water resource management** in Virginia, JLARC found that insufficient attention was being paid to water supply problems, and that Southeastern and Northern Virginia faced potential water shortages. The report also noted that industrial and municipal wastewater treatment plants appeared to regularly violate conditions under which they were permitted to discharge wastes into the State's waters. Moreover, the State lacked a comprehensive approach to water resource planning.

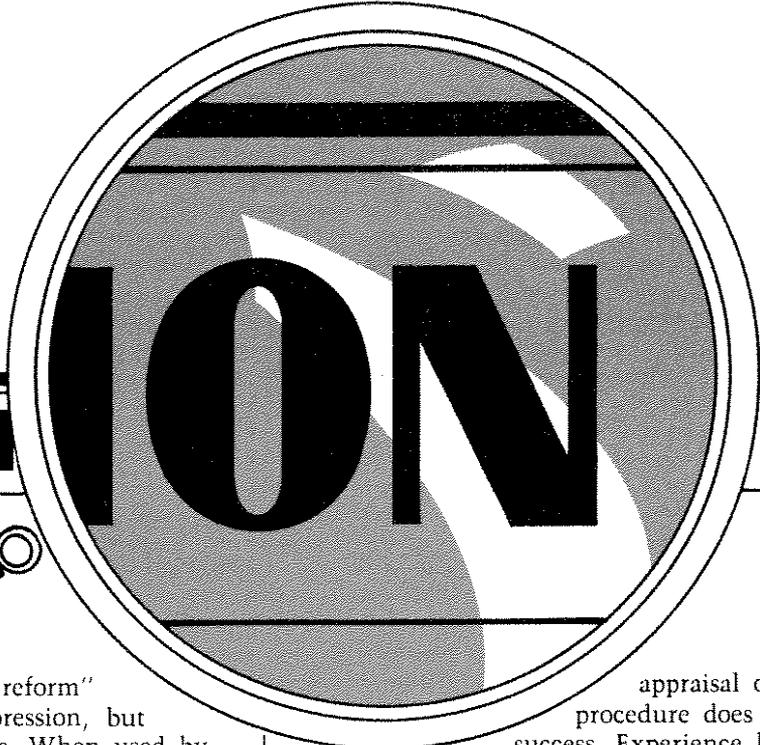
The State Water Control Board has reported substantial progress in addressing these findings. In accordance with 1981 legislation, SWCB implemented a major five-year effort in water supply planning, quadrupling its manpower commitment in this area despite agency-wide reductions. The quantification of current water demands, projection of future demand, and planning of alternatives are well under way, and status reports will be available by the end of the year.

The Northern Virginia water supply problem has been addressed through state-of-the-art water resource management techniques, which increase by 50 percent the yield of existing water supply sources available to the Washington metropolitan area. Water supply agreements among the several area jurisdictions were made in July 1982. This interstate accord should provide sufficient water in the area for decades to come.

Progress has also been made in Southeastern Virginia, and Virginia Beach is the only water-short jurisdiction in the area. The SWCB supports the plan to obtain water for this locality from the Roanoke River by way of Lake Gaston.

The Board has taken a more aggressive stance in its enforcement of pollution regulations. Since JLARC's study was released in 1975, a total of 34 monetary settlements have been made, amounting to \$641,000. Special orders, court cases, and criminal investigations have totalled 270. A substantial reduction has been accomplished in the number of State river miles which are not fishable or swimmable.

REGULATI



ION

"Regulatory reform" is an often-used expression, but one that has many meanings. When used by critics of "big government," for example, the term usually denotes the elimination of burdensome and unnecessary regulations and the streamlining of governmental procedures. On the other hand, victimized consumers may use the same expression in calling for tighter controls on unscrupulous merchants or practitioners. There is a common idea, however, behind all interpretations of regulatory reform: the need for continuing scrutiny of rulemaking and enforcement processes.

The Commonwealth has a national reputation for regulatory vigilance. A recent issue of *State Legislatures* magazine referred to Virginia's Administrative Process Act as a "sunrise" approach, defining it as a mechanism which "subjects proposed regulatory agencies to detailed review before authorization by the legislature to determine whether they are really needed and what impact they are likely to have."* Virginia was also one of the first states to organize its occupational and professional regulatory boards into administrative agencies, centralize administrative and investigative support services, and assign research and monitoring responsibilities to special entities such as the Board of Commerce and the Commission of Health Regulatory Boards.

Assessing regulation in a given area may require the evaluation of many different factors, including the rule-making process itself, the relationship between rules and statutes, the development of standards, language and format, promulgation procedures, licensure and certification policies, the collection of fees and penalties, sanctions and enforcement methods, agency performance and resources, procedures for handling complaints, and impacts on various parties. Further, even a careful

*Rich Jones, "The Many Faces of Regulatory Reform," *State Legislatures*, March 1982, p. 9.

appraisal of a rule or procedure does not guarantee success. Experience has shown that regulation can sometimes have results that are practically the opposite of those intended.

The oversight of regulation, then, is one of the General Assembly's most perplexing and unceasing charges.

Occupational And Professional Regulation

Perhaps because of its direct and far-reaching impact, occupational and professional regulation has been an abiding interest of the General Assembly. The professional activities of more than 220,000 persons in 70 occupations are regulated by State boards.

The object of this area of regulation is to protect the public from incompetent or unscrupulous practitioners, in fields ranging from accountancy to veterinary science. A key concept in reviewing board activities has been the State's declared policy that occupations should be regulated for the exclusive purpose of protecting public interest.

The General Assembly's interest in this area is best exemplified by two reports completed by JLARC in 1982. These companion studies reviewed the regulation of occupations and professions by the 29 boards within the Department of Commerce (DOC) and the Department of Health Regulatory Boards (DHRB).

JLARC's first report was a compendium of baseline information about the individual boards. In each case, assessments were made of requirements for applicants, fees and expenditures, means of ensuring competency, performance characteristics, and other specific areas of legislative interest. The second study addressed occupational regulation in terms of the overall system, assessing cross-cutting

functions such as rule-making, enforcement, and administration.

In addition to providing a comprehensive picture of occupational and professional regulation in the Commonwealth, the two studies addressed major needs through more than 50 individual recommendations. The Commission called for more prompt and thorough investigations of complaints against practitioners, and the promulgation of understandable rules consistent with legislative intent. In addition, the studies recommended that inspection activities be more closely related to competency, that examinations be relevant and objective, and that fees collected cover administrative costs.

Both DOC and DHRB have reported significant efforts over the past year in implementing the Commission's recommendations. DHRB has received the assistance of the Department of Management Analysis and Systems Development in addressing problems in organization, staffing, public information, complaint handling, and financial management.

A number of health boards have acted individually on JLARC's recommendations. In response to a Commission finding that inspection activities needed to be more meaningful, the Board of Pharmacy has eliminated "routine" drug audits of pharmacies in favor of targeted drug audits based on indications of violations. To simplify complaint procedures, the Board of Dentistry will be proposing to the Legislature changes in the Dental Practices Act.

In order to develop a more coherent basis for professional regulation, the Commission of Health Regulatory Boards has initiated a policy study to develop objective criteria and procedures for evaluating health regulatory needs. To facilitate the decision-making process in board disciplinary actions, DHRB has developed — in consultation with the Virginia State Police and the Attorney General's office — a new standard format for investigative reports. In addition, training sessions have been implemented to improve the productivity and performance of investigative staff.

DOC has developed a detailed work plan to address nearly all the concerns of the Commission and the General Assembly. A major activity under way is the review of all existing rules to determine their clarity, consistency, efficiency, and legal justification. To more effectively manage complaints against practitioners, the Department has implemented a comprehensive tracking system and has centralized complaint intake in a single organizational unit.

To meet the legislative objective of keeping fees in line with expenditures, DOC has implemented with this biennium a new system of budgeting for each board. The system improves financial reporting by utilizing over 40 cost centers within

the agency. In addition, a comprehensive board-based management information system will be implemented later this year.

In response to a Commission recommendation that boards be realigned to more clearly establish their business or health orientation, the 1983 General Assembly passed legislation which will result in the transfer from DOC to DHRB of boards regulating professional counselors, psychologists, social workers, and substance abuse counselors.

Other Regulatory Concerns

The Commission's study of **adult homes** in Virginia revealed that many of these homes were out of compliance with minimum licensing standards, especially in the areas of health, safety, and nutrition. Unsatisfactory conditions observed in some homes were related to weaknesses in the Department of Welfare's licensure and enforcement processes. The Commission recommended strengthening the inspection process by conducting unannounced compliance inspections, and toughening the sanctions associated with provisional licenses.

In response to JLARC findings, the department conducted unannounced inspections of 144 homes, and took corrective action against 14 homes with serious deficiencies. Revised licensing standards were implemented, and legislation was passed limiting provisional licenses to one six-month, non-renewable period.

Although the department (now Social Services) has not adopted unannounced compliance inspections as a policy, it has placed significantly greater emphasis on supervisory visits. A goal has been established of three unannounced supervisory visits per year to all licensed homes, in addition to the normal compliance inspection associated with licensure renewal. For the period October 1982 to December 1982, performance against this goal approached 95% — amounting to about one visit to each facility each quarter.

Beginning in October, the department intends to focus its supervisory visit approach more directly on five key "quality-of-life" elements: supervision, nutrition, physical environment, activities of daily living, and medical needs. Specific standards critical to each area have been identified, and compliance with these standards will be assessed during each supervisory visit.

As part of its study of social services, JLARC examined the Department of Welfare's responsibility for licensing child **day-care** facilities. This study included an assessment of facility compliance with standards as well as departmental licensing and enforcement activities.

Although the majority of licensed day-care facilities offered good care, a significant number were found to be operating with serious violations that could affect the health and safety of children.

Sanctions for non-compliance were difficult to enforce. As in the adult homes study, JLARC found that advanced notice of inspections gave facility operators the opportunity to correct substandard conditions.

The Commission made ten recommendations for improving the licensing inspection process, including unannounced inspections, intermediate sanctions, and a review of the reasonableness of licensing standards.

One area where significant action is under way is the review of licensing standards. Beginning in May of 1983, the department began a review of minimum standards for licensed child-care centers as the first step in a process which will result in the promulgation of revised standards by mid-1985. The process provides for input from other State agencies as well as from providers of care. An interim report on the initial success of this review will be provided by the department this fall.

A study of **long-term care** in Virginia found that licensing standards and inspection processes for nursing homes were generally adequate. The Department of Health was hampered to some extent in its efforts to enforce compliance because it lacked effective sanctions. Although the department had the authority to close nursing homes, this step had never been taken because of the potential displacement of patients.

To provide realistic alternatives to closure, the General Assembly passed legislation giving the department intermediate sanctions to enforce licensure standards. The Commissioner of Health now has the authority to restrict or prohibit new admission to nursing homes in violation of regulations.

JLARC's study of **certificate-of-need** highlighted the law's importance in implementing health care plans and in containing costs. Certificate-of-need is a regulatory mechanism for controlling the development of medical facilities and services.

The Commission found that the law had not been completely effective in fulfilling its intended purpose. Although the growth of new hospital beds had been curbed and shortages of nursing home beds eliminated, existing beds continued to be approved for renovation, replacement, and conversion, even in overbedded areas of the State. The program needed better defined authority, greater administrative consistency, and strengthened monitoring and coordination.

Although the Commission concluded that it was necessary to maintain the program, both long-term and short-term improvements were recommended. The General Assembly imposed a one-year moratorium on the issuance of certificates for nursing home beds. The Department of Health has taken steps to improve health planning by revising the Medical Facilities Plan format to more closely coincide with the format of the State Health Plan. The department has also reported that it has

improved the monitoring of health care construction projects by revising regulations and coordinating licensure responsibilities with the Department of Mental Health and Mental Retardation.

JLARC's study of the **seafood industry** in Virginia included a review of the regulatory authority of the Virginia Marine Resources Commission. The report concluded that VMRC's ability to respond quickly to changing fisheries conditions is hampered by the fact that many management parameters are currently specified in statute.

Such constraints on agency authority can delay actions necessary to deal with changing biological, socio-economic, or weather conditions. In addition, the specific language of some statutes makes them difficult or unnecessarily time-consuming for VMRC officers to enforce. The Commission has recommended that the Legislature consider amending the *Code of Virginia* to allow VMRC control by regulation of details related to seasons, enforcement methods, and licensure fees.

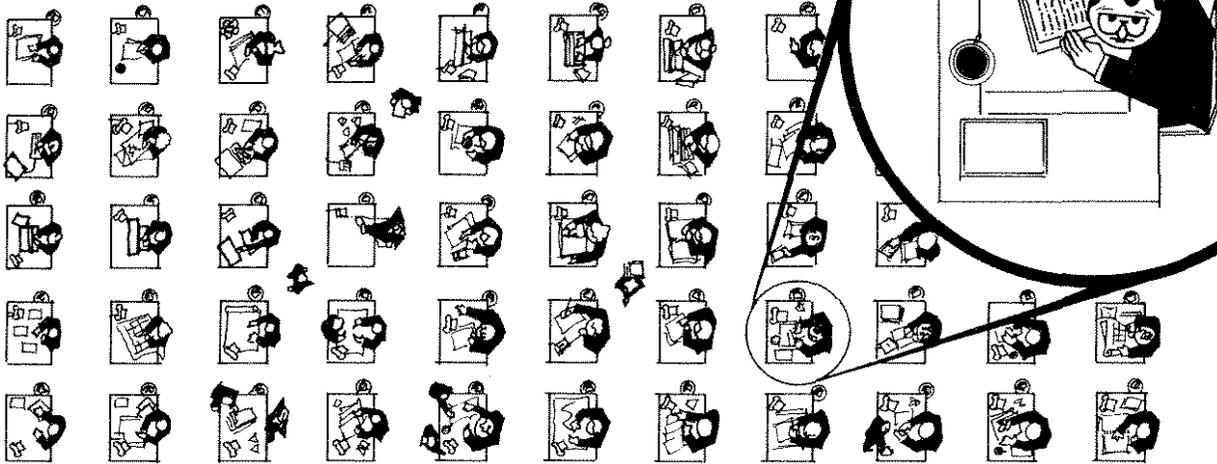
The study also found inadequacies in the enforcement procedures of the two State agencies which inspect seafood processing plants. Although the Department of Health's Bureau of Shellfish Sanitation has made commendable efforts in setting sanitation standards, the agency needs to ensure that these policies are applied uniformly by its area offices. The Bureau also needs to formalize its policies for handling repeat violations, and should develop a written manual of plant inspection procedures.

The Department of Agriculture and Consumer Services, which monitors sanitary conditions in food processing facilities, needs to develop specific written standards and a checklist with which inspectors can evaluate facility conditions. In addition, the agency presently has few appropriate enforcement sanctions for dealing with flagrant and repeat violators. Such sanctions would reduce dependence on voluntary compliance.

During JLARC's studies of **highway financing** and **vehicle cost responsibility**, staff analysts reviewed the road tax audit process of the State Corporation Commission. This review resulted in a letter report to the SCC regarding certain regulatory concerns. The report suggested that the SCC's audit selection process should be statistically based, targeted, and should draw on all available motor carrier information. Further, it was recommended that SCC automate its enforcement reports and share data with the State Police.

SCC now has in operation an automated audit selection system which selects those carriers most likely to be in non-compliance. The system features a targeting capability through which specific troublesome carriers can be pinpointed. Also, SCC's motor carrier data base is fully automated to include all reported incidents of carriers operating on State highways.

ACCOUNTABILITY & THE LEGISLATURE



Both in Virginia and across the nation, growth has been a dominant characteristic of state government for several decades. This trend is hardly surprising when population growth and the accompanying demand for services are taken into account.

It is important to note that growth which results from an increased demand for services takes place in the executive branch. In Virginia, for example, the number of executive agencies more than doubled between 1950 and 1980.

Traditionally, a major responsibility of state legislatures has been to monitor the actions of the executive branch. It is the legislature which creates, funds, and eliminates executive agencies. Ideally, this arrangement maintains the necessary system of checks and balances between the two branches, and ensures a representative linkage between citizens and government agencies.

However, the increased administrative complexity of providing diverse services on such a large scale tends to concentrate power in the executive agencies. The legislature may find itself, for example, relying on a particular agency to provide all the information upon which an appropriation to that same agency will be based.

The inevitable growth of state governments, then, has greatly complicated the question of agency accountability. This is a primary reason that many oversight groups like JLARC have come into being. They fulfill the need for an objective source of specialized information with which informed policy and funding decisions can be made. And at

the same time, the program reviews themselves provide direct incentives for desirable changes in individual agencies.

Accountability is a gem of many facets, each of which must be carefully examined when an agency is under review. There are numerous indicators of proper accountability: explicit lines of authority and responsibility; comprehensive operational guidelines and procedures; internal and external review mechanisms; fiscal controls; precautions against fraud, abuse, and conflict of interest; adequate monitoring and reporting systems; systematic documentation; and, most importantly, a close relationship between established agency program objectives and legislative intent as revealed in statute.

In applying these criteria to executive agencies, JLARC has made numerous recommendations for ensuring both internal accountability and compliance with the needs and intent of the Legislature.

Focus on Accountability

A study of the **administration of the Department of Highways** and a later study of **highway needs** both pointed out that DHT was overspending its maintenance budget despite clear spending limits in the Appropriations Act. This overspending, which amounted to \$59 million in 1978-80, occurred because of inadequate checks by the Department of Planning and Budget and the comptroller. The use of one accounting code for all highway work, both construction and maintenance, had removed the primary assurance that spending was consistent with law.

The Commission recommended that appropriate controls be established. These procedures, which differentiate between construction and maintenance expenditures, were implemented in July 1982. The General Assembly also amended the 1982-84 Appropriations Act to strengthen both legislative and executive control over expenditures.

The report also noted that capital budgeting activities were at variance with State policies, and suggested that improved control could be achieved by consolidating the capital outlay function with the budget function. Although DHT has not acted upon this recommendation, the Department has reported that it is now in total compliance with proper capital outlay procedures.

A special review was undertaken of the Virginia Conflicts of Interest Act as it applies to the Highway Commission. Specific procedural and training recommendations were made to ensure that Commission members are aware of the statute and fully comply with its provisions.

JLARC's study of **inpatient care** provided to the poor in Virginia's hospitals focused on the availability and accountability of public funds spent in this health care area. The study concluded that the State had spent substantial sums for indigent hospital care, but had little control over hospital rates or health care costs. Oversight was found to be inadequate in the State's own teaching hospitals, which accounted for approximately \$23 million in annual general fund expenditures.

The study addressed cost containment through the reduction of surplus beds statewide. The Department of Health was requested to evaluate methods for reducing the number of beds licensed, decertifying existing beds and services, and converting beds to other uses. State teaching hospitals were also requested to develop procedures for determining patient eligibility for State-subsidized care.

As a result of the study and continued concern over spiraling Medicaid costs, language was added to the 1981 Appropriations Act directing the Commissioner of the Department of Health to develop an appropriate plan to address these concerns. In the past year, improvements have been cited by the Department in two areas. First, hospital payments have been significantly restricted for certain indigent health services. Second, a new hospital utilization review program, requiring monitoring of all Medicaid admissions, has been implemented. A major objective of this review process is to ensure that inpatient care is provided only when medically necessary. Inappropriate admissions and continued stays are not reimbursed.

Federal Funds

Concern over growing federal influence on State programs prompted JLARC's studies of **federal funds** and their oversight. A principal

finding was that because State agencies consistently underestimated federal fund revenues, major portions of State expenditures were not appropriated by the General Assembly. During the 1978-80 biennium, for example, a half billion dollars in federal funds were authorized for expenditure without going through the legislative appropriation process.

The Commission's recommendations to promote better management and control of federal funds have been substantially implemented.

- The General Assembly has reemphasized its policy that agencies must include in their budgets all reasonable estimates of nongeneral revenues.
- The Appropriations Act was amended to require the executive to furnish a written reconciliation between agency estimates and actual receipts of nongeneral fund revenues.
- To improve executive oversight, an Administration and Finance directive established new procedures under which revenues in excess of 110 percent of an agency's appropriation must be approved by the Governor.
- To better anticipate federal impacts, the Department of Planning and Budget set up an interagency impact team, which periodically reports on the effect that federal actions may have on funds earmarked for Virginia.

The Commission has also had impact at the national level regarding federal funding mechanisms. JLARC was one of several state agencies to assist the U.S. Office of Management and Budget in developing the Federal Awards Assistance Data System. The goal of the System is to improve states' information on federal assistance. In addition, JLARC developed a report on monitoring federal fund expenditures for the National Conference of State Legislatures.

The Many Facets of Accountability

The **management of State-owned aircraft** was examined in a special Commission report. The study revealed that only three of 22 aircraft owned or operated by State agencies were statutorily authorized. There were no State guidelines on aircraft acquisition, use, or record keeping, and only three of the seven agencies involved had written policies in these areas.

Several study recommendations were subsequently incorporated into the Appropriations Act. The Governor was directed to prepare general guidelines regarding aircraft acquisition and use, examine the aircraft needs of agencies, and determine the most efficient and effective method of organizing and managing the State's aircraft operations. Responsibility for the aircraft attached to the Department of Aviation and the Department of Highways and Transportation has been assigned to

the Secretary of Transportation. At the Secretary's request, a study of executive aircraft assigned to DOAV was made by the Department of Management Analysis and Systems Development. The study recommendations are now being reviewed for possible action by the Governor.

A study of **Title XX** of the Social Security Act, the principal funding source for social services in Virginia, revealed that the State had overexpended its allotment of federal Title XX funds for two of the three federal fiscal years 1978-80. This overexpenditure and the resulting program deficit were caused by overallocation of available funds, late billing by some agencies, inadequate monitoring of fund balances, and unanticipated federal actions. Further, rates paid for the purchase of services were often based on undocumented costs, without systematic oversight.

The Department of Social Services has taken significant steps to resolve these gaps in accountability. Through amortization, Title XX funds have been brought back into balance, and the Department now ensures that federal money will be available before it is considered for allocation. A 90-day limit has been enforced on the payment of invoices, and local agencies are provided with allotment statements on a monthly basis. In addition, a negotiator's manual has been prepared to assist staff in monitoring vendors and setting rates for services.

In connection with two of its studies, JLARC has functioned directly as the mechanism for ensuring executive accountability to the Legislature. The first of these reports evaluated whether **working capital funds** were used by agencies in a manner consistent with legislative intent. The Commission found that 13 of 17 working capital funds at the time of the study were inappropriate. In some cases, for example, money had been advanced to working capital funds for start-up costs, a practice which circumvented the legislative process.

The Commission ordered that all inappropriate working capital funds be terminated and that alternative financing mechanisms be developed. Legislation was enacted to restrict working capital fund advances to the amounts appropriated by law, and to clarify oversight responsibility.

Another report requiring a special oversight role of JLARC was the recent study of **staffing and manpower planning in the the Department of Highways and Transportation**. Concomitant with an item in the 1982-84 Appropriations Act directing the Department to prepare a manpower plan, JLARC was charged with monitoring these planning activities and evaluating the results. The Commission found that neither DHT's short-term nor its long-term manpower efforts fully addressed the requirements of the Act. In order to achieve the minimum staffing goals set by the General Assembly, DHT needed to commit itself to more

reasonable levels of productivity and efficiency. Targets of opportunity were suggested through an assessment of both the field organization and the central office.

Because the Department's manpower planning system was not implemented until mid-summer of 1983, the principal recommendation of this study was for a follow-up after implementation. That recommendation was adopted by the Commission and enacted into law by the 1983 session of the General Assembly.

As part of its analysis of **Virginia's seafood industry**, JLARC found some questionable practices regarding the management of public oyster grounds. The repletion program administered by the Virginia Marine Resources Commission receives general funds and special fund revenues. JLARC's examination of spending patterns in recent years indicates that general funds have been spent first, and have been supplemented with special funds. This practice appears contrary to legislative intent. In addition, JLARC found that VMRC's procedures for processing oyster ground lease applications have not complied with statutory requirements regarding priority and renewal.

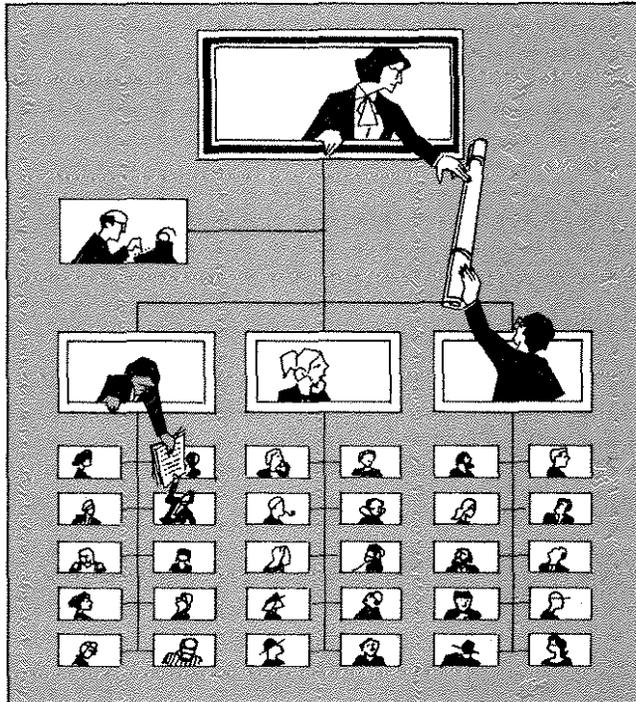
The Commission has recommended that VMRC improve its fiscal planning, allocation, and accounting processes to ensure that special repletion funds are spent for the purposes intended. The report also offers recommendations to improve the leasing process and remedy the large backlog of applications.

The 1983 session of the General Assembly directed JLARC to undertake two studies which have special significance in the area of accountability. The Commission is to evaluate the performance of two relatively "young" State agencies—the **Division for Children** and **the Division of Volunteerism**—in fulfilling their legislative mandates.

The Division of Children was created in 1977 to provide for the planning and coordination of all State services to children. The Division of Volunteerism was created in 1979 to encourage and enhance volunteerism in the Commonwealth. In creating both agencies, the General assembly included special "sunset" clauses in the enabling legislation. These clauses provide that the agencies are authorized to continue their operations only through June 30, 1984, unless the enabling legislation is reenacted.

JLARC has been asked to review the activities and programs of the two agencies, evaluate their success in complying with the Legislature's intent, and recommend whether the 1984 General Assembly should reauthorize their operation. In making these evaluations, the Commission will be consulting with public, private, State, and local organizations which have been served by or have worked with the two agencies.

MANAGEMENT



In private enterprise, good management often spells the difference between turning a profit and filing for bankruptcy. A company's success may depend on its ability to quickly recognize and respond to the constantly changing stresses of a highly competitive environment. State agencies, on the other hand, are not usually subject to the corrective forces of the marketplace. The environment in which they operate is by design non-competitive, since in this environment competition would amount to duplication.

In the absence of such corrective forces, the State must rely on periodic evaluation to assess its management systems. This is especially true in periods of rapid growth, when the emphasis is sometimes on service delivery at the expense of management concerns.

Few private industries can compare in scale to Virginia's executive branch, and probably none attempt to deliver such a diversity of services. Individual state agencies, however, are frequently compared by the public — and sometimes unfavorably — to private enterprises. Certainly, the public sector can learn important lessons from the private sector in the application of good management principles.

In a sense, JLARC's relationship to an executive agency is similar to that of a consultant brought in by a company to observe its operations and assess its managerial structure. The difference,

of course, is that the Legislature directs JLARC to perform the evaluation, and it is the Legislature which acts upon the recommendations.

In its studies of agency programs and operations, JLARC has found a variety of management problems, and has suggested a wide range of remedial actions. Concerns have most frequently surfaced in the areas of organizational structure, information management, and the administration of certain cross-cutting functions.

Recommendations have included realignment, merger, and other organizational changes; clarification of management roles, job descriptions, and lines of authority; revision of procedures and administrative policies; implementation of information and documentation systems; and improvement in productivity through more rational use of staff and resources.

Improving Organizational Structure

A study that is perhaps the most extensive organizational assessment ever undertaken by an oversight agency will be reported to the General Assembly during the 1984 session. The study, to be entitled *The Organizational Structure of Virginia's Executive Branch*, has as its goal to assess the management structure of the entire executive branch, which presently consists of nearly 400 organizational components. To accomplish this comprehensive objective, a rational set of assessment criteria, drawn from management theory, common-sense understanding of administrative functioning, and expressions of legislative interest, will be applied to the whole range of activities that comprise the executive function: general government, resource and economic development, education, individual and family services, administration of justice, enterprises, and transportation.

This assessment will measure the executive branch of Virginia's government against specifically stated public goals and expectations, and will catalogue instances of duplication, fragmentation, and inconsistent alignment of agencies and activities. In addition, the report will examine in depth two organizational areas in which the Legislature has expressed special interest: the secretarial system and boards and commissions.

A study of the **administration of the Department of Highways and Transportation** indicated that existing reporting relationships required an excessive day-to-day involvement by the Commissioner, potentially interfering with his

role as chief policy officer. JLARC recommended creating separate positions of deputy commissioner and chief engineer in order to provide better distribution of workload at this top management level and thereby improve the coordination of planning, programming, and budgeting. House Bill 978 of the 1982 session implemented this recommendation.

The study recommended several other structural changes, among them the creation of an internal auditing unit to keep management informed about the effectiveness of agency operations; elevation of the public transportation division to the directorate level, a stature more in line with legislative intent; and transfer of the environmental quality division from the planning directorate to the engineering directorate, to enhance coordination of preconstruction activities. All of these recommendations have been implemented by DHT.

JLARC's study of the **occupational and professional regulatory system** in Virginia found administrative problems stemming from organizational growth. For example, certain officials with management roles in the Department of Health Regulatory Boards also had major administrative roles on individual boards within the agency. This arrangement had significantly weakened management "checks and balances" and had affected staff morale. DHRB reports that these dual roles have been discontinued.

The discovery of fraudulent payments in retirement system funds prompted a management review of the **Virginia Supplemental Retirement System**. JLARC found that VSRS lacked an accurate organizational plan detailing the duties of the functional divisions, the internal relationships among departments, and personnel needs. Improved financial leadership and additional staff were also recommended.

Since the completion of the study, VSRS management practices have benefited from increased scrutiny. A follow-up review by the Department of Management Analysis and Systems Development reported significant improvements in general administration and oversight. New management positions of chief financial officer and internal auditor have been added, as well as new committees to advise the Board of Trustees in the areas of auditing, finances, actuarial matters, long-range planning, and investments.

In its study of **Virginia Tech's Extension Division**, JLARC found that although the Division was generally well-managed, there were at least two areas in need of improvements: one level of the organizational structure appeared to have an excessive number of supervisory personnel, while responsibilities in two other levels needed clarification and strengthening.

The Division took decisive action on each recommendation in the Commission's report, realigning staff positions under a new organizational plan. Within one year, the Division was reporting

substantial increases in efficiency and effectiveness through improved communications and accountability. The Division also reports that significant reductions in the number of extension personnel have occurred in the past five years.

Utilizing Information Systems for Better Management

A recurring theme has emerged from several Commission studies: the need for better information management. Improved information systems benefit agencies in at least three ways: they provide a data base upon which to make management decisions, they assist agencies in assessing their own strengths and weaknesses, and they serve a broader purpose in providing the General Assembly with sufficient information for making policy and monetary decisions.

JLARC's analysis of the **general relief program**, which provides assistance to needy people who are not eligible for federal income maintenance programs, revealed several information problems. Needs of clients and the adequacy of assistance payments were difficult to assess due to inadequate planning data, fragmented record-keeping, and inconsistent referral patterns. The lack of useful management information indicated administrative weaknesses in the program.

In response to legislative concern, the Department of Social Services now maintains a Statewide financial services system. Case reviews are conducted to ensure that local agencies are in compliance with general relief plans. In addition, a caseload management module has been developed for local workers. These initiatives have led to improvements in the identification of problem areas, reduction of errors, and better compliance by local agencies to State standards.

In a recent study of the **CETA job training program** managed by Virginia's balance-of-state prime sponsor, JLARC found an inadequate information system, which invited potential abuse by contractors. In more than one third of the contracts reviewed, for example, records were either inaccurate, incomplete, or missing altogether.

JLARC recommended that contractors be required to report specific performance data, cost breakdowns, and documentation of competitive bids for subcontracted services. CETA implemented these recommendations by revising its contract provisions. The study also noted problems with the program's automated information system. A new system is being developed to accommodate the requirements of the Job Training Partnership Act, which will be replacing CETA in October 1983.

At the time of JLARC's study of **homes for adults** in the Commonwealth, about 2500 persons were receiving State grants to help pay for the care they received. The Commission recommended a system to generate cost data, so that grant payment

levels could be determined from actual costs. In response to this recommendation, a House appropriations subcommittee asked the Department of Welfare to begin generating such data, and JLARC staff assisted in developing an appropriate methodology.

In response to legislative concern, several other agencies have also improved their information systems:

- The Department of Health has established a uniform records management system to assist local health departments in maintaining patient accounts and collecting fees.
- A revised management information system has helped the Virginia Community College System improve its enrollment forecasting, making this function more useful to the Legislature in determining appropriations.
- The Department of Mental Health and Mental Retardation has developed a statewide information system which will provide technical assistance to community service boards. Computer hardware has been installed at several sites around the State, staff have been trained to operate the system, and the initial report of data is imminent.
- The Medical College of Virginia has implemented an improved hospital information system which identifies charges for indigent patient care.
- The Department of Commerce is preparing to implement a board-based management information system to improve occupational regulation. The system will provide extensive information on historical trends and comparisons of a variety of items, including financial summaries, application processing, examinations, manpower, regulatory review activities, and licenses issued.
- The State Water Control Board has developed an automated system for permit violation tracking. The system also provides a historical record of regulatory activities. Monthly summaries are evaluated by management and can serve as the basis for enforcement actions.

Special Management Concerns

Certain activities of State agencies raise special management concerns. Managing contractors and equipment, for example, presents unique administrative problems that require different kinds of management controls.

In a typical year, it may be necessary for the Commonwealth to contract for the services of more than a thousand consultants, at a cost of \$50 million. In a study of the **use of consultants** by State agencies, JLARC found inadequate documentation of the need for consultants and weaknesses in the procedures used for selection and monitoring. It was found, for example, that three quarters of the

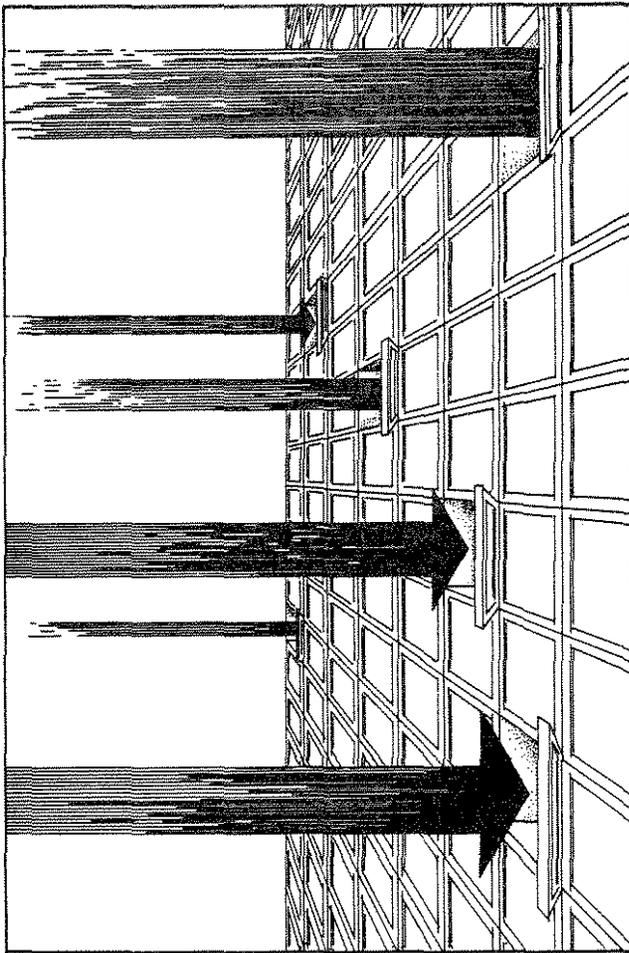
consultant projects examined had not been competitively bid. JLARC's recommendations regarding these findings have been implemented through directives from the Secretary of Administration and Finance. The directives establish a comprehensive policy for determining needs, selecting consultants, obtaining services, preparing contracts, and measuring results.

Effectively managing the State's 2,600 general purpose passenger cars is the unenviable responsibility of DHT's Central Garage. In one year alone, State employees traveled nearly 96 million miles. JLARC's review of **vehicle management** noted several problems: lack of appropriate controls over employee commuting, fragmented responsibilities for garage operations, and underutilization of a significant portion of the fleet. The Commission recommended developing more clearly defined policies governing assignment and use of pool cars; charging employees for commuting use where appropriate; improving financial management; expanding and defining the fleet manager's role; and purchasing compact, fuel-efficient cars.

Actions have been taken in response to all of these recommendations, resulting in significant savings and improved operations. Cars are assigned in accordance with provisions of the 1982-84 Appropriations Act, and assignment is monitored by the various agencies, the Auditor of Public Accounts, and the Fleet Manager. Increased effort is made to purchase fuel efficient vehicles, and 157 operators paid commuting charges during FY 1981-82. Financial management has been strengthened by the Central Garage Car Pool Committee, which monitors the agency's financial status on the basis of quarterly reports from the Fleet Manager.

Another special concern, which surfaced during JLARC's study of **marine resource programs**, was the management of the Virginia Institute of Marine Sciences. A special report was prepared by the Commission and submitted to the Governor. The report examined the Institute's financial status, temporary loan balances, institutional management, and vessel operations. JLARC found that VIMS had a substantial deficit, and temporary loans could not be repaid in a timely fashion. Subsequent audits revealed an accumulated deficit totalling \$6.9 million, principally as a result of poor management of grants and contracts.

In July of 1979, VIMS was formally merged with the College of William and Mary. Operating as the School of Marine Science, the Institute has undertaken new initiatives in the planning, coordination, and administration of its education, research, and advisory programs under the auspices of the College. The deficit has been reduced to about \$5.8 million through repayments totalling \$887,500 and relief of \$262,500 from the General Assembly. The College reports that fiscal controls have been implemented to ensure the Institute's future financial integrity.



SERVICE DELIVERY

Such assessments must, of course, be based on appropriate criteria, which might be expressed in the form of questions:

Have client needs been identified and prioritized, and are the services provided appropriate to meet these needs?

To determine whether **CETA** as administered by Virginia's balance-of-state prime sponsor was meeting the needs for which it was created, JLARC examined in depth the many sub-programs: on-the-job-training, work experience, manpower services, classroom training, and job generation. The study showed that some high-cost activities had negligible results. Further, services needed to be prioritized to ensure that the most critical employment and training needs of the disadvantaged were met.

The Job Training Partnership Act (JTPA), which will replace CETA in October 1983, will address these concerns through performance-based program evaluation. Performance standards, planned to be developed with the assistance of the Department of Labor, will emphasize basic return on investment by measuring the increased employment and earnings of participants and reductions in welfare dependency.

JLARC's evaluation of **vocational rehabilitation** programs managed by the Department of Rehabilitative Services concluded that the number of handicapped Virginians eligible for rehabilitation far exceeded available resources. This shortfall in service capacity reinforced the need for effective eligibility controls to ensure that the most severely disabled would be served first.

To meet this goal, the department has developed and implemented a "Statement of Service Priorities," which has significantly increased the percentage of severely disabled clients being served.

The Commission's most recent study of **working capital funds**, which are used to finance and account for support services provided to one agency by another, measured the services provided by five State agencies against the needs of their clients. Success in meeting needs was assessed by testing client satisfaction and investigating complaints. This study found several instances where services could be improved through better identification of client needs.

For example, personnel in some agencies were

The lives of most Virginians are affected by some aspect of State government on a daily basis. The impact of programs is often indirect, such as the regulation of a particular occupational practice or the services that one agency provides to another. On the other hand, services may be of a direct and personal nature, such as domiciliary care for the aged or assistance in finding employment.

The delivery of services is the last step in a long and complex process that may have involved major elements of planning, research, development, and administration. From the point of view of the "clients" served, however, the actual services rendered are often the only visible products. Thus, these direct interactions between the State and its citizens can be the most significant stage in the entire process. They are often the basis of the impressions formed about State agencies, and it is against these services that clients measure their return on the taxes and service fees they have paid.

In evaluating service delivery, then, the Legislature is attentive to the satisfaction of the citizenry it represents. Further, it tests vital signs that are frequently indicative of an agency's general state of health.

confused by the billing system used by the Department of Computer Services. JLARC recommended an altered billing format and the provision of more management-oriented information. DCS plans to enhance client understanding and utilization of billing information through extensive one-on-one education exercises with agency representatives.

The services provided by the Systems Development Division of MASD under another working capital fund have been in great demand for several years. However, JLARC's review indicated some customer dissatisfaction with the division's project planning, because the costs of development projects were frequently underestimated. The Commission recommended improving cost estimating through systematic identification of each client's needs. The Division reports a significant improvement in schedule and budget performance, and has instituted a policy of absorbing cost overruns on its estimates. To better specify costs and time frames, the Division has firmed up its contracting process and has placed greater emphasis on the tracking of project changes.

The chief complaint of agencies using the Central Warehouse was delayed delivery of their orders. These delays occurred because deliveries were made only when shipping trailers were full. Although cost effective, this practice needed to be balanced against the needs of smaller customers. The Commission suggested consolidating the orders of neighboring clients, and also made several recommendations regarding inventory control. Central Warehouse has implemented these changes and reports improvements in its order filling process.

A study mandated by the 1983 Session of the General Assembly epitomizes legislative interest in the quality and appropriateness of services delivered. Senate Joint Resolution 13 directs JLARC to evaluate the **programs of education and training for handicapped children** provided by the facilities of the Department of Mental Health and Mental Retardation. The educational programs in these facilities have been criticized as to quality, administrative responsibility, and uniformity of services. Among other areas, the Legislature has asked that special attention be given to: the quality of instruction and materials; the uniformity of the offered services among facilities; the suitability of the environment in which the programs are conducted; the eligibility of the students for mainstreaming; and whether all school-aged children are receiving education or training as required by law.

Are services known, accessible, and equitably provided to potential clients?

JLARC's study of **deinstitutionalization** concluded that a coordinated system of care for the mentally ill and mentally retarded had not been developed in the Commonwealth. Responsibilities

for transferring mentally ill and mentally retarded clients from State institutions to community settings and linking them with continued treatment and support services were fragmented among numerous State and local agencies, without central direction. The Commonwealth needed policies and procedures to ensure client access to necessary services in all parts of the state.

JLARC made several recommendations to improve the continuity of care, including the provision of a basic core of services, standardization of planning forms for client discharge, clarification of the leadership role of the Department of Mental Health and Mental Retardation, improved monitoring of community service boards, and enhanced interagency cooperation. The General Assembly mandated comprehensive discharge plans, and directed DMHMR to establish core services to be provided by the community service boards.

Considerable progress has been reported by DMHMR. During the latter part of 1981, the department implemented a statewide case management plan, including pre-discharge planning. These efforts have resulted in the statewide availability of this planning function, which responds to the needs of individual community service boards and organizational structures. In the area of core services, definitions and interpretive guidelines have been established by a task force of central office, community, facility, and advocacy group representatives. The department has invested considerable effort in documenting service demands and establishing priorities for implementation.

JLARC's report on **inpatient care** reviewed services available to the poor in Virginia hospitals. Investigation revealed that access to the State-Local Hospitalization program was not equitable throughout the State. Eligibility standards varied, and an increasing number of localities had opted out of the program. Moreover, indigent hospital care was fragmented among State and private hospitals and at least nine other programs.

In response to legislative concern, the Department of Health and the Statewide Health Coordinating Council are pursuing the concept of regionalization of services. Regionalization would discourage the proliferation of small hospitals offering limited services and encourage larger, regional hospitals offering a full range of services. Implementation of this concept should close service gaps and ensure better utilization of facilities.

A recent study of **office space in Roanoke** noted that State offices were dispersed throughout the area and were not very visible. Many were not easily identifiable or visible from the street. Some were difficult to locate, some suffered from insufficient parking, and others lacked facilities for the handicapped. In all, the study found that 24 of the 29 offices would improve their accessibility, visibility, or physical condition by relocating. Although cost-effectiveness was the primary goal of this

analysis, JLARC found that consolidation could significantly improve service delivery in the Roanoke area.

Are the personnel who provide services properly trained to do so?

Several JLARC studies have noted the need for training to improve service delivery:

- A study of **long-term care** revealed that nursing aides, who are responsible for about three quarters of the care provided in nursing homes, were not adequately trained. Subsequently, orientation and ongoing in-service training were required for all nursing home employees, including aides and orderlies. Further, since July 1982, nursing homes have been required to employ only aides and orderlies who have completed State-approved training.
- To reduce fraud in the State's **welfare** system, the Commission recommended increased support for local fraud detection efforts. The Department of Social Services has created an additional fraud training position to provide this service.
- A study of **homes for adults** reported that both the conditions in the homes and the effectiveness of the State's inspection program could be improved through the training of operators and licensing specialists. Training in nutrition, sanitation, and drug management are now being offered.
- The State Water Control Board has taken a significant step toward improving **water resource management** in Virginia through the improved certification and training of technical personnel.
- Although the **Virginia Supplemental Retirement System** has provided training programs for employee contacts in State agencies, JLARC found that these programs were not supported by the necessary manuals. As a result, there was misunderstanding about applicable policies, reporting requirements, and membership documentation. The situation has been corrected by the distribution of a comprehensive procedures manual.
- The Department of Health Regulatory Boards has implemented a JLARC recommendation to improve **occupational regulation** by providing enforcement personnel with training in investigative techniques, report writing, and laws and regulations.

Is the administration of services coordinated among State agencies so as to avoid duplication and enhance delivery?

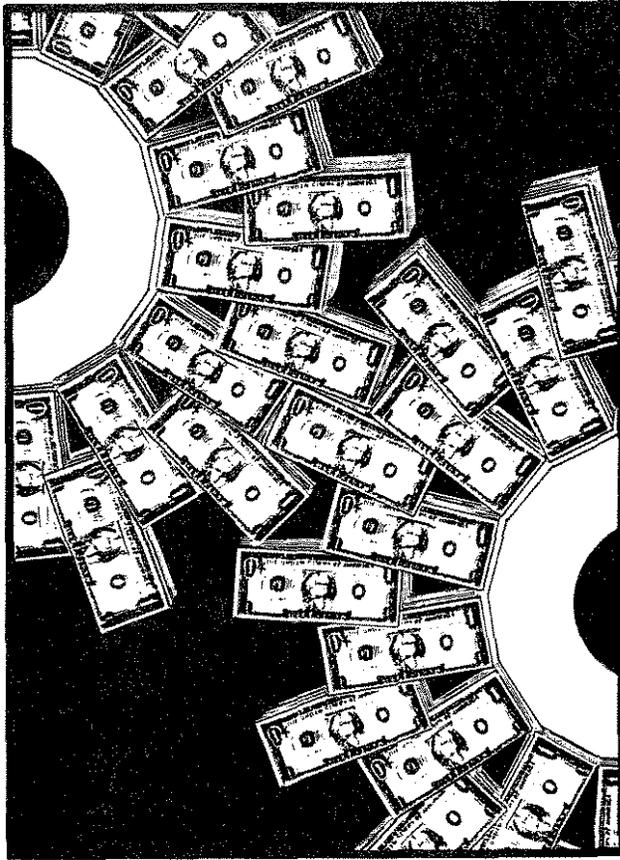
In its study of **drug abuse** in Virginia, JLARC found that the complicated structure of

State, regional, and local organizations involved in substance abuse control resulted in overlapping and conflicting responsibilities. To improve service coordination, the General Assembly placed full responsibility for administrative planning and regulation of substance abuse services with the Department of Mental Health and Mental Retardation, which now licenses every drug and alcohol program in the State. A letter of agreement has been signed between DMHMR and the Department of Vocational Rehabilitation to jointly provide rehabilitation, counseling, and placement services to clients. Additional cooperative agreements have been made with the Division of Justice and Crime Prevention, the Department of Social Services, and the Department of Education.

A recent action of the General Assembly has also improved inter-agency coordination in the drug abuse area. The Prescription Drug Abuse Bill, passed by the 1983 Session, enables law enforcement personnel in both the administrative and criminal sectors to share investigative resources. The bill also requires the Department of Health Regulatory Boards to refer to Commonwealth's attorneys investigatory information which indicates a suspected violation of criminal law. DHRB has instituted procedures to comply with this legislation.

JLARC's study of **cooperative extension at Virginia Tech** revealed that growth had placed the program on a potential collision course with the mandates and programs of at least 23 other State agencies. Acknowledging this need for coordination, the Extension Division developed memorandums of understanding with 30 State agencies, defining the scope of activities to be carried out. The memorandums have proven to be a positive effort in avoiding overlap and have encouraged cooperation between agencies on matters of mutual concern. The Division has also strengthened its relationships with existing local coordinating groups and has established others where needed.

Because the activities of so many State agencies pertain to **Virginia's seafood industry**, there is considerable risk of duplication and conflict. In its recent report, JLARC pointed out a number of such overlapping activities, such as the inspection of shellfish and finfish processing facilities by the Department of Health and the Department of Agriculture. Other areas of potential duplication are marine research and advisory services, which are provided by the Virginia Institute of Marine Sciences, Virginia Tech, Old Dominion University, and the University of Virginia. Several agencies also provide promotional support to the seafood industry. The Commission has made recommendations to improve coordination of these services, including the creation of a research advisory committee representing all segments of the seafood industry, and the possible centralization of all inspection functions under one agency.



As these essays have demonstrated, legislative evaluation of State agencies and programs can be a powerful tool for improving government in the Commonwealth. Experience has shown that when findings are used, the results can be significant.

Cost savings are one of the most "visible" outcomes of evaluation. They are visible in the sense that they elicit considerable interest from the citizens of Virginia, who are reminded in every pay envelope that their own dollars support State programs. Savings are also visible in the sense that they provide a "bottom line" measurement of economies achieved, in terms that everyone can understand.

Over the past decade, the Commission has recommended ways to achieve savings or acquire new revenues in excess of \$160.4 million. When measured against JLARC's expenditures to date of \$5.7 million, the potential return is about \$28 for every \$1 spent. Some savings and improvements are the direct outcomes of the Commission's evaluations. In other cases, evaluation has served as a catalyst for improvements.

The savings have resulted from many different kinds of recommendations, for example: the sale or transfer of State-owned land, the use of excess balances in special purpose accounts, improved debt collection, better vehicle management, improvements in the management of programs, increased work productivity, staffing economies, the elimina-

ECONOMY AND EFFICIENCY

tion of duplication, and numerous improvements in procedural and administrative efficiency. Some recommendations have resulted in one-time savings; others have set the stage for annual economies continuing well into the future.

The Commission's very first study, a review of the **Virginia Community College System**, focused on administrative and educational aspects of system management after an eight-year period of intensive building and development. One finding of this study was that in attempting to meet a diversity of student needs, the system offered many programs with enrollments too low to be cost efficient. JLARC's recommendation to limit such classes had the potential to save \$500,000 in the 1973-74 academic year alone.

The 1982 Session of the General Assembly directed JLARC to study the feasibility, desirability, and cost effectiveness of consolidating State agency offices throughout Virginia. The first study under this mandate assessed **office space in the Roanoke area**, where JLARC found that it was feasible and desirable to consolidate 26 out of 42 offices. These agencies currently spend over \$500,000 annually for their space, an expense that could more than triple by the year 2000.

A major consideration during the study was a proposal by the City of Roanoke that the Commonwealth lease a city-owned building for consolidation purposes. The city offered to renovate an old post office and lease it to the State for 20 years. Annual lease costs would be based on a prorated share of renovation expenses and actual costs of utilities, maintenance, custodial services, and insurance. The Commission found that this alternative would be more cost-effective than constructing a new building, and predicted savings of between \$4 million and \$7.3 million over the 20-year period.

On the basis of the Commission's recommendations, the Department of General Services has all but finalized the list of agencies to be housed in

the post office building, and the Attorney General's office is in the final stages of preparing a legal agreement between the Commonwealth and the City of Roanoke. The project now hinges on the ability of the City to provide appropriate usable space, acceptable renovations, and an economically sound rental rate. Although several alterations to building plans have reduced the maximum savings predicted for the project, savings of \$2.5 million should still be achieved in the first 20 years.

A second study under this mandate assessed the potential for **consolidation in the Northern Virginia area**. Although the study concluded that cost-effective alternatives are not presently available in this area, the Commission made several recommendations to improve agency offices and make better use of existing space. Moreover, the study found that space leased for off-campus programs of the University of Virginia and VPI&SU was overly expensive and inefficiently used. The Commission recommended that the two universities, with the assistance of the State Council of Higher Education, explore several cost-effective alternatives to obtain less expensive instructional space.

A study of the **management of State-owned land** reported that the Commonwealth owned 9,100 acres of surplus and unused property. About 5,400 acres of this property was valued at \$10.3 million in 1977. The report concluded that significant revenues could be generated through the sale of some of this unneeded property.

In 1979, Governor Dalton announced plans to implement recommendations contained in the report. Since that time, 17 properties have been sold, producing over \$850,000 in revenues. Firm bids on other properties totalling over \$748,000 are now being processed. Most importantly, 11 properties with an estimated value of over \$18 million have been transferred between agencies to meet State needs without additional real estate purchases. In addition, increased timber harvesting on State-owned land has produced over \$158,000.

During its study of **federal funds**, the Commission found that some agencies used inefficient procedures for receiving and spending these funds. JLARC identified \$286,000 in potential investment gains that could be achieved annually by improving agency cash flow management.

A report on **working capital funds** evaluated the extent to which the use of these funds by agencies was consistent with legislative intent and with the principles of sound financial management. The study concluded that 13 of Virginia's 17 working capital funds were inappropriate, and that cumbersome interagency billing processes impaired efficiency.

The Commission ordered that all inappropriate working capital funds be terminated and that alternative financing mechanisms be developed. As a result, the State Comptroller closed 13 funds. The

A Balance Sheet on Legislative Oversight

JLARC's expenditures since its inception have totaled \$5.7 million. During this time, the Commission has recommended ways to achieve savings or acquire new revenues in excess of \$160.4 million, a potential return of \$28 for every \$1 spent.

The savings and revenues associated with individual projects are provided below. Where feasible, figures have been documented by the agency involved. In cases where savings are estimates, the lower figure of the estimated range has been used. Where savings are of a recurring nature, only one year of savings has been included.

Improved management and use of State-owned vehicles	\$5,020,145
Improved management and sales of State-owned land	19,222,276
Working capital fund transfers	1,332,000
Set-off debt collection revenues	1,000,000
Investment of State funds	286,000
Highway equipment transfers and deferrals of purchases	17,000,000
Collection of revenues to support Virginia Tech's CEC	233,000
Reduction of low enrollment classes in the Community College System	500,000
Reduction of caseworker errors in the general relief program	1,300,000
Improved billing and collection procedures in health care agencies	5,000,000
Use of surplus health revenues to offset appropriations	4,100,000
Improved cost controls on Medicaid nursing home reimbursement	2,900,000
Estimated new motor vehicle revenues through increased fees to recover actual service costs (1982-84)	91,700,000
Potential savings from staffing and manpower economies in DHT	8,400,000
Estimated savings from consolidation of office space in the Roanoke area	2,500,000
TOTAL	\$160,493,421

In addition to savings, transfers, and new revenues, oversight has improved legislative control over federal funds (\$29 million in amendments during 1980 session) and community college enrollment forecasts (\$9.1 million forecast revision). Scrutiny of VIMS financial management has resulted in progress toward eliminating an operating deficit totaling \$6.9 million and growing at a rate of \$1.5 million each year.

Commission also directed the Comptroller to transfer \$1.2 million in excess retained earnings to the general fund. JLARC's most recent action in this area was to initiate the process for making the central garage a working capital fund.

An innovative means of recouping lost funds was recommended during the Commission's review of social service programs. JLARC proposed and the 1981 General Assembly enacted the **Setoff Debt Collection Act**. The Act requires State agencies to identify delinquent bills owed to the State so the Department of Taxation can withhold any tax refund owed to the debtor. This legislation has the potential to recover as much as \$2 million each year.

Since its implementation early this year, the Act has recouped over \$1 million. A follow-up on the process, however, revealed a disappointing level of agency participation. The Commission therefore recommended that the Act be made mandatory in agency debt collection procedures.

A review of **vehicle management** found that the Commonwealth could save millions of dollars by better utilizing its general purpose passenger vehicles. Many State cars were underused. Further, the minimum annual mileage criterion for permanent assignment of a vehicle was unrealistically high and therefore was not enforced. State employees were not being charged for commuting, and financial management of the central garage motor pool needed to be strengthened. In addition, the State was moving away from the practice of purchasing fuel-efficient cars.

Since the study, the State has saved over \$5 million by improving vehicle use, reducing the need for additional vehicle purchases, charging employees for commuting in State cars, using excess cash held in a surplus property account, reducing overdue accounts, and purchasing compact rather than standard-sized cars.

A review of the **administration of the Department of Highways and Transportation** found weaknesses in the management of fleet equipment, leading to the purchase and retention of potentially unneeded machinery. JLARC's analysis concluded that substantial savings could be accomplished by deferring purchase or replacement. By implementing such deferrals and making equipment transfers, the department has achieved a one-year savings of approximately \$17 million, and continuing economies are predicted.

A recent JLARC study of the **publications and public relations of State agencies** has a clear potential to save money. The Commission assessed the purpose, type, number, cost, distribution, and oversight of agency reporting and publishing activities, which generate more than 3,000 publications each year at a cost of approximately \$6 million. Public relations, which costs the State about \$11.5 million a year, was also a focus of the

study. A number of recommendations were made regarding evaluating the need for annual reports, trimming distribution, encouraging competitive bidding by printers, closing unneeded State print shops, and utilizing the printing services available through the Department of Corrections.

On the basis of this report, the General Assembly requested the Governor to undertake an evaluation of annual-biennial reporting, State publications in general, and public information. This study, with preliminary recommendations, has been submitted to the Legislature, and further recommendations will be submitted to the 1984 session. Although cost estimates are not presently available, the Governor's office reports that implementation of these recommendations should result in considerable savings to the State. For example, pending approval by the Governor, 47 of 80 current reporting requirements will be recommended for deletion from the *Code*.

A review of the **Extension Division at Virginia Tech** included a financial assessment of the University's Continuing Education Center. JLARC found that significant costs for center operations were borne by the Commonwealth, contrary to a generally held State policy not to support non-credit activities from the general fund. The Commission recommended that these costs be charged to facility users.

As of July 1, 1980, the Continuing Education Center was completely self-supporting. Based on the costs charged to the general fund in 1978, this policy change has netted savings of \$233,000 annually.

A review of the State's **general relief** program focused on the administration of this emergency assistance program at the State and local levels. Since the program is entirely funded by the Commonwealth and its localities, any economies identified would directly reduce State expenditures. A major finding was that in nearly a quarter of all general relief cases local eligibility workers made judgmental or procedural errors which resulted in incorrect payments or payments to ineligible persons. The cost of these errors was estimated to be at least \$1.3 million and possibly as high as \$2.2 million during FY 1980.

Among the Commission's recommendations were the development of casework monitoring mechanisms to assess worker compliance with program requirements, and improved guidelines and training for caseworkers. The Department of Social Services responded to legislative interest by developing a statewide financial services monitoring system which includes the general relief program. This system identifies problem areas so that corrective action can be initiated by State or local staff, and should considerably reduce errors in the general relief program. In addition, eligibility determination has been facilitated through improvements

in the General Relief Manual, and an accompanying training manual is under development.

The Commission's study of **long-term care** concluded that the Department of Health had appropriate cost controls over medicaid expenditures for nursing home care, but that not all these controls were adequately developed or enforced. Subsequently, the Department took actions to strengthen these controls. The Medicaid program audit staff disallowed \$2.1 million in builder's profits that were inappropriately claimed. Further, the staff improved their analysis of interest expenses. Over \$800,000 was disallowed as unreasonable or unrelated to patient care during FY 1979 and 1980. Recent department initiatives have included revisions to the reimbursement formula and other reimbursement policy changes. The annual savings associated with these changes is estimated to be \$23,750,000.

Two 1979 health care studies concluded that improved billing and collection of fees charged to patients able to pay for their medical services would bring more revenue to State health care agencies. JLARC's study of **outpatient care** in local health departments identified at least \$2 million in fees that had not been billed to patients. Similarly, a review of State teaching hospital programs conducted as part of the **inpatient care** study found that about \$3 million in patient fees had been written off as bad debts against State tax funds. Both billing and collection systems have been strengthened since these studies.

The outpatient care study also found that the cash balance held in a Department of Health revenue account was at times unnecessarily high. The high balance resulted from two factors: under-estimation of revenues, and the practice of collecting and retaining revenues for an entire fiscal year before using them in a succeeding year. JLARC recommended that excess cash held in the account be used as an offset to the general fund appropriation for local health services. The resulting appropriations offset represented an immediate, one-time savings to the Commonwealth of \$4.1 million.

The Department of Health has also reported two significant actions to reduce expenditures. First,

the Medical Assistance Program has further restricted hospital payments in several health service areas. The Department estimates annual savings totalling \$5.5 million from these restrictions. Second, a hospital utilization monitoring program has been implemented. This required hospital review process, which is monitored through the claims processing system and onsite audits, ensures that inpatient care is provided only when medically necessary. Inappropriate admissions and continued stays are not reimbursed.

JLARC's transportation reports have generated many cost-saving recommendations over the years. The sixth report in the series was devoted to **highway financing** in Virginia, and contained financing alternatives derived from all the studies. Among the legislative actions suggested were increasing DMV and SCC fees-for-service to cover service costs, increasing vehicle licensing fees to cover collection costs, increasing truck registration fees to meet equity requirements, extending the maximum gross registered weight, and establishing an overweight tolerance permit.

The 1982 Session of the General Assembly implemented these recommendations effective July 1, 1982. The new revenues estimated for the 1982-84 biennium are \$91.7 million. In addition, the establishment of a 3 percent "oil franchise" tax on the wholesale price of motor fuel was estimated to generate \$171.3 million in new funds.

The Commission's recent report on **staffing and manpower planning in the Department of Highways and Transportation** served multiple purposes in assessing compliance with a legislative staffing mandate, monitoring DHT's planning efforts, and measuring productivity as evidenced in selected departmental activities. JLARC's analysis of construction, maintenance, preconstruction, and administrative activities identified productivity enhancements that could result in staffing economies equal to between 635 and 793 staff-years of effort.

The report made 21 specific recommendations aimed at increasing productivity and achieving staffing economies. If all the staffing reductions identified in JLARC's report were achieved, savings of \$8.4 to \$14 million would result.

ON THE HORIZON:

ADMINISTRATION OF JUSTICE and EDUCATION

The 1978 Evaluation Act provided for the periodic review and evaluation of selected topics from among the seven program functions of State government. Since 1978, JLARC has completed research and published reports in three of the seven areas: Individual and Family Services, Transportation, and Resource and Economic Development. In addition, the Commission's ongoing study of the organizational structure of Virginia's executive branch is an expansive research effort in a fourth area: General Government.

JLARC was directed by the 1982 Session of the General Assembly to turn its research efforts to the remaining functional areas of State government. Senate Joint Resolution 35 mandated the initiation of studies in the realms of Administration of Justice, Education, and Enterprises. Planning and research are already under way in two of the three areas.



Administration of Justice

Wide-ranging changes initiated in the 1980s to achieve modernization resulted in rapid growth in Virginia's corrections system. The Department of Corrections is now one of the Commonwealth's largest organizations, with 56 correctional institutions, a staff of approximately 7900, and biennial appropriations of half a billion dollars.

Concerned with this growth, the General Assembly reduced the department's 1982-84 non-security appropriation by 6 percent. Further, JLARC was mandated to review the department's staffing needs. The 1983 Appropriations Act directs JLARC

to examine the utilization and need for existing or anticipated central office and regional staff. An interim report is to be submitted to the Governor and the Legislature prior to the 1984 Session. This study will be the Commission's first in the area of administration of justice.

Other parts of the study, to be completed prior to subsequent sessions, will include a review of security and non-security manpower, plans to increase manpower in relation to projected growth in the adult inmate population, and the effectiveness of the department's capital outlay planning process and prison design. The final report will be submitted prior to the 1986 Session and will include recommendations for improved manpower and facilities utilization.

In conjunction with this study, the Commission has also been directed to conduct a study of manpower utilization in the Rehabilitative School Authority.

Elementary and Secondary Education

Largely in response to public demand, government officials at all levels — national, state, and local — are showing a renewed interest in public education at the elementary and secondary levels. This interest has been sparked by several factors, some positive and others negative. Declining scores on aptitude tests have signaled problems in the classroom, to which answers are difficult to ascertain. The downward trend in reading skills, for example, has led many parents and teachers to advocate a "back-to-basics" approach.

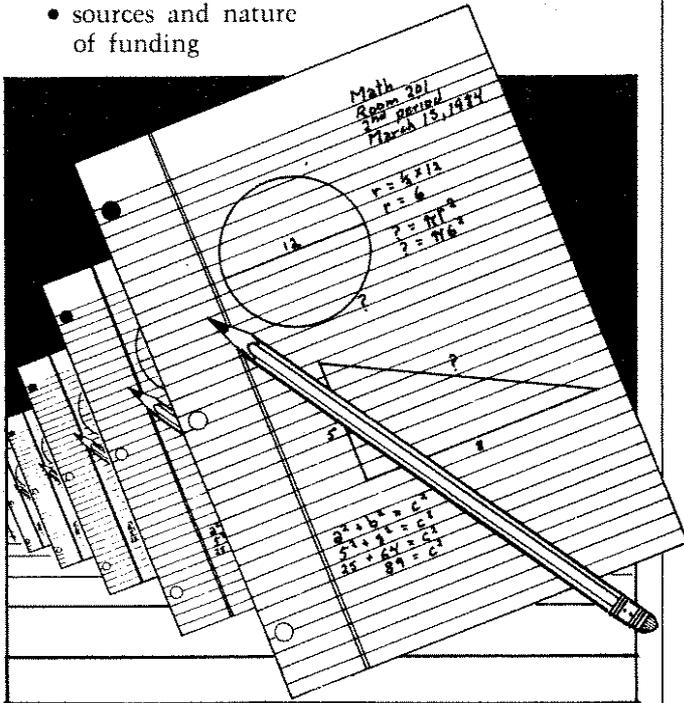
On the other hand, it is recognized that many elements of our educational system are in a transitional phase. The changes are related to such factors as declining student populations, teachers' demands for appropriate pay, competition between private and public schools, and major technological advances with educational applications.

JLARC is currently reviewing these and many other aspects of elementary and secondary education in Virginia in order to identify and prioritize potential issues for study by the Commission. As provided in SJR 35, the Commission will be coordinating its review efforts with Senate and House

committees which have general jurisdiction in the education area.

One topic of study that has already been specified is computers. Item 192.9 of the 1982-84 Appropriations Act directs JLARC to evaluate the status of computer education and the use of computers in the classroom. Other possible topics under consideration relate to:

- general evaluation of administrative processes in the Department of Education
- local authority, responsibilities, and operations
- standards of quality financing
- teacher competency and certification
- special education in public schools
- programs for the gifted and talented
- efficiency, management, and utilization of physical plant facilities
- sources and nature of funding



Once the issues have been selected for review, JLARC will design appropriate research efforts and initiate its mandated review of the educational area. In assigning this responsibility to the Commission, the General Assembly is fulfilling its charge, as specified in the Constitution of Virginia, that it "seek to ensure that an educational program of high quality is established and maintained."

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 the State'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, prompted by financial and management problems discovered during another Commission study regarding marine resources.

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.

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.

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.

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.

An Annotated Bibliography

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 in Virginia.

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.

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.

An Annotated Bibliography

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 LARC's vehicle cost responsibility study. The design 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, and construction planning as well as fund allocation procedures.

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 the Commission since its inception up to and including 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.

An Annotated Bibliography

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.

Addressed the performance of 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. This study has been enlarged to include reviews of public transit, maintenance assistance, and ordinary maintenance. The final report will be completed in time for the 1984 Session.

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.

An interim report on a study which will review 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, the adequacy of those sources, and the differences in the responsibilities of counties, cities, and towns. The final report will be completed in time for the 1984 Session.

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 final report, which will be completed in time for the 1984 Session.

The Economic Potential And Management Of Virginia's Seafood Industry

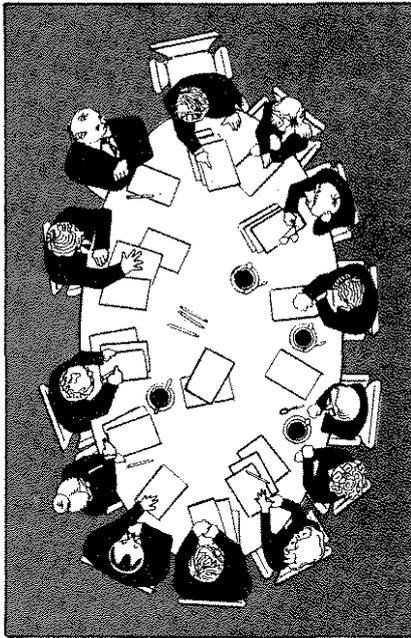
January 1983 (House Document No. 2 of the 1984 Session, authorized by House Joint Resolution 59 of the 1982 Session) 213 pp.

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.



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Ray D. Pethtel

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William H. Scarborough

Geraldine A. Turner

JLARC STAFF FOR THIS REPORT

Philip A. Leone, Deputy Director

Project Team

John W. Long, Team Leader

David W. Porter, Design & Illustrations

Anthony T. Hebron, Publications Intern



910 Capitol Street
Suite 1100
Richmond, Virginia 23219
(804) 786-1258

