To The Honorable Members
of the Virginia General Assembly
State Capitol
Richmond, Virginia
September 18, 1987

My Dear Colleagues:

As Chairman of the Joint Legislative Audit and Review Commission, I am pleased to transmit to you JLARC’s 1987 Report to the General Assembly. The report overviews the work of the Commission and its staff during the past two years, follows up on previous study recommendations, and previews ongoing and future projects.

For JLARC, the past two years have been a period of change and transition. We of the Commission, along with all our colleagues in the General Assembly and all the citizens of Virginia, grieved the passing of Senator Edward E. Willey, who was serving as Commission Chairman at the time of his death. Senator Willey was one of the original members of JLARC, and his absence is acutely felt.

Former JLARC Chairman L. Cleaves Manning was appointed Circuit Judge in Portsmouth, and Delegate Richard M. Bagley was appointed Secretary of Economic Development. Three new members were appointed to the Commission: Delegate Alson H. Smith, Jr., Senator William A. Truban, and Delegate William T. Wilson. I was elected to serve the remainder of Senator Willey’s term as Chairman, with Delegate Theodore V. Morrison, Jr., serving as Vice Chairman. Former staff director Ray D. Pethtel became State Commissioner of Transportation, and Mr. Philip Leone was appointed staff director.

In the Commission’s work, too, change has been a recurring theme. After more than four years of intense study, nine legislative reports, and several hundred recommendations, we have completed our examination of the complex corrections issues that have long troubled the Commonwealth. This work can serve as a long-term agenda for continuing improvement in that area.

Other governmental areas in transition include transportation, information technology, education, and mental health services. JLARC has been especially active in these areas over the past two years, and the agencies involved have taken significant actions in response to Commission recommendations.

As this report reveals, much has been done, but many challenges remain. I speak for the entire Commission when I thank all members of the House and Senate for their continuing good faith, cooperation, and support in our oversight efforts.

Respectfully,

Hunter B. Andrews
In Memory of
Senator Edward E. Willey
Chairman of JLARC
January 1986 - July 1986
Member
General Assembly of Virginia
1952 - 1986

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Joint Legislative Audit
and Review Commission

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Mr. Walter J. Kucharski, Auditor of Public Accounts

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

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

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

The Statutory Mandate

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

- ways in which agencies may operate more economically and efficiently,
- ways in which agencies can provide better services to the State and to the people.

The Commission has also been assigned authority to make 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 this biennial report, agencies are requested to file "status of action" reports on their efforts to address the Commission's findings and recommendations. Special follow-up studies are required in cases where the Commission has cited waste, extravagance, fraud, or misuse of public funds.

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

Section 2.1-196.1 of the Code gives JLARC authority to establish new internal service funds and to discontinue those no longer needed. JLARC can also authorize the transfer of excessive retained earnings from internal service funds to the State general fund. To carry out these responsibilities the Commission reviews, on a continuing basis, internal service funds for graphics, systems development, telecommunications, central warehouse, computer services, central garage, buildings and grounds special projects, and State and federal surplus property.
The Legislative Program Review and Evaluation Act


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

The creators of the Act felt strongly that the Act itself should be subject to review after an appropriate period. A provision of the Act stipulated that "in 1985 a Conference on Legislative Oversight will be held by the Joint Legislative Audit and Review Commission to assess and evaluate the accomplishments of this act."

To comply with this requirement, JLARC sponsored the conference in October 1985. In addition to members of the General Assembly and the staff of JLARC, legislators and oversight staff from around the country attended. The Conference provided a useful forum for surveying seven years of JLARC's work under the Evaluation Act, placing that work in the larger context of legislative oversight across the country, and proposing improvements to the Act based on experience with it in the Legislature.

The consensus of the conference was that the Act has served Virginia well and should continue to guide JLARC's oversight efforts. Minor procedural modifications which grew out of the conference were enacted by the 1986 Session. The complete proceedings of the conference are available as a publication from the JLARC staff offices.

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.

To date, JLARC has issued 91 reports, each of which is annotated in this publication. Seven projects are currently in progress. In addition, numerous letter reports have been prepared on specific topics of interest to the Commission.

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

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

The Commission or one of its subcommittees reviews the report, indicates any additional legislative concerns, and authorizes publication of the study as a legislative document. The printed report is distributed to all 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 publications 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, English, law, philosophy, planning, political science, policy analysis, psychology, public administration, and urban systems. Most members of the research staff have graduate degrees. Staff titles reflect formal education, training, and experience at JLARC. The titles are assistant, associate, senior associate, senior, principal, and chief analyst.

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.
D Program and Agency Savings

Program cost savings are frequently the product of legislative oversight studies, and are usually the most visible of all possible outcomes. Savings directly related to JLARC studies total over $181 million to date. Harder to pinpoint, but just as important, are the opportunities for savings which may result from the implementation of recommended efficiencies or adoption of program alternatives.

The amount of potential savings depends on the extent to which changes are made. In some instances, changes may result in more spending to achieve greater effectiveness.

A Balance Sheet on Legislative Oversight

The 1985 Report to the General Assembly documented over $166 million in savings and new revenues resulting from JLARC recommendations since the Commission's inception.

Additional savings to the State reported by agencies during the past biennium include $2 million in estimated savings from personnel and technical changes recommended for the Department of Information Technology, $9,611,771 in set-off debt collections for FY 1986 and 1987, and $2.9 million in savings for reduced overtime expenditures in the Department of Corrections.

This brings total savings to date to $181,005,192, compared to JLARC's budget expenditures totaling $10,926,610 through 1986.

Objectives of Legislative Oversight

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<th>An Informed Legislature</th>
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<td>Oversight studies help inform citizen legislators about agencies, programs, and activities. A primary objective for JLARC is to gather, evaluate, and report information and make recommendations that can be used in legislative 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.</td>
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<th>Compliance with Legislative Intent</th>
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<td>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.</td>
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<th>Improved Efficiency and Effectiveness</th>
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<td>JLARC is required by statute to make recommendations on ways State agencies may achieve greater efficiency and effectiveness in their operations. Achieving efficiency means finding ways to accomplish the same tasks at reduced cost; achieving effectiveness means finding ways to better accomplish program and agency objectives. Significant changes have been made in program efficiency and effectiveness in response to oversight reports and recommendations. The fact that a regular program of legislative oversight exists also stimulates agency self-evaluation, which may bring about improved operations.</td>
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Recent Agency and Program Reviews

Deinstitutionalization and Community Services

"Deinstitutionalization" refers to the process by which the primary treatment responsibility for the mentally disabled is transferred from State mental health and mental retardation facilities to community-based service providers. It is based on the concept that therapeutic mental health care can occur most effectively and efficiently within the context of normal home and community ties.

Deinstitutionalization means discharging clients and linking them successfully with community services. This process involves a number of different agencies, treatment and support services, and procedures. Assessing how well this complex process works in Virginia was the charge given to the Commission on Deinstitutionalization. This Commission was created by the 1984 General Assembly, which also directed that the JLARC staff provide technical assistance. JLARC had previously reviewed the area in 1979, so the new research mandate constituted a follow-up of the earlier study as well as an assessment of emerging issues.

JLARC found that since 1979, substantial improvements have been made in the Commonwealth's mental health system. Pre-admission screening and pre-discharge planning have been widely implemented. Community service boards (CSBs) have been established for every locality in the State, and generally the level of services available to clients has improved. The JLARC report emphasized, however, that much remains to be done.

The Commission on Deinstitutionalization reported its findings to the 1986 General Assembly, and its recommendations were the impetus for several new studies in this area. Nine pieces of legislation related to deinstitutionalization were passed during the session, addressing such issues as hospital pre-discharge planning; identification of the aftercare needs of persons in adult homes; and fiscal, service, and client management by community service boards. Some of the major participants in the deinstitutionalization process are reporting progress on several fronts:

- During its recent comprehensive planning process, the Department of Mental Health and Mental Retardation (DMHMR) emphasized service expansion and enhancement in the areas of pre-admission screening, crisis stabilization and evaluation, hospital liaison, and discharge planning. The department is currently working with CSBs to implement strengthened statutory mandates and departmental procedures. The 60 case
Manager positions funded in the 1986-88 budget are now in place throughout the CSB system. DMHMR has completed an extensive study of all discharges from State mental health facilities during FY 1986, and is utilizing the results to guide CSB program development and strengthen discharge linkages.

In the area of housing, DMHMR is developing a housing action plan, as mandated by the 1987 General Assembly. The plan will focus on cooperation with the Department of Housing and Community Development and the Virginia Housing Development Authority in expanding and improving housing and associated support services. With the assistance of the Department of Social Services, DMHMR is also assessing the aftercare needs of the mentally disabled in homes for adults. This study, mandated by the 1986 Session, should lead to recommendations in the areas of licensing, service coordination, and funding.

The development of local inpatient programs is being promoted in several ways. In addition to existing CSB funds for these programs, the Governor’s Office approved the use of $1.23 million in special funds for FY 1987 to purchase local inpatient beds while community services are being developed. DMHMR is planning a special evaluation of the impact of these hospital purchase funds. In addition, the Secretary of Human Resources is directing a pilot effort in Chesapeake which will examine the issue of incentives for community services through local service management.

The Department of Social Services has rewritten the adult protective services chapter of its service manual to clarify the investigative and protective responsibilities of local agencies, and is conducting training sessions on the new procedures around the State.

Although progress is being made, much more remains to be done. At the State level, additional improvements in client management procedures are needed. Greater efforts are needed to ensure that clients are linked to local services. Improvement in outreach programs could be especially productive.

At the local level, the overwhelming need is for a broader range of services to ensure that the continuum of care is available to all clients. There is also a need for improved housing. Homes for chronically ill adults should be more closely linked to the mental health system.

In addition, JLARC found a continuing need for improved accountability. Responsibilities are currently split among several State and local agencies. Coordination of these services is critical to the success of clients in the community.
The Virginia Housing Development Authority

Concerns about the housing needs of low- and moderate-income families, the effectiveness of mortgage revenue bonds as a viable financing method, and the State's moral obligation to back VHDA's $1.2 billion bond indebtedness led the 1984 General Assembly to direct JLARC to evaluate the programs, operations, and management of VHDA.

In general, JLARC found that VHDA is regarded by municipal bond experts as one of the financially strongest housing finance agencies in the country. Greater efforts were needed, however, to better target the authority's housing programs to serve low- and moderate-income persons, especially given recent funding and program changes at the federal level. JLARC found that the authority's strong financial position could enable it to fund additional programs and modify existing programs to reduce the impact of federal housing cuts.

A major JLARC recommendation was for VHDA to designate a portion of its substantial fund balances to make additional housing available for lower income groups, including the State's mentally disabled. The Authority subsequently established a $45 million Virginia Housing Fund for this purpose. Recently, the Authority allocated $10 million of this fund to the Department of Mental Health and Mental Retardation. The funds will be used for group homes to house the mentally disabled. Applications for the money will be made through local Community Service Boards.

Another $1.3 million from the fund will be used to create new or renovated housing in depressed city neighborhoods. This money will be targeted to low-income persons who would not qualify for loans under VHDA's normal lending requirements.

The Authority has also taken other significant steps which respond to JLARC concerns:

- Income limits have been adjusted to better reflect geographic differences in area median incomes.
- Several new methods for increasing loan commitments to inner city and rural areas have been initiated. These
include low-interest loans for the acquisition and rehabilitation or construction of homes for low-income, inner-city residents; grants to lenders and coordinators in targeted areas for promotional, counseling, and mapping activities; a new Rural Homesteading Program for very-low-income families; expanded promotional and educational outreach activities with lenders and realtors; and expanded programs for low-income purchasers of mobile homes.

- Processing delays have been eliminated through increased monitoring and training, and through a more manageable bond sale process.

- Management policies and procedures have been improved, including a new manual for the Housing Management Division and new approaches to handling data processing needs.

- Long-term strategic planning processes have been initiated. A dialogue with the Department of Housing and Community Development concerning the reduction in federal programs resulted in a report to the Governor in the fall of 1986 summarizing current needs and possible future housing initiatives. Other planning processes involve the Departments of Mental Health and Mental Retardation, Social Services, and Aging.

- Procedures aimed at preventing unnecessary foreclosures have been instituted. During calendar years 1985 and 1986, VHDA’s foreclosure rates remained stable while State and national averages rose.

- VHDA’s application of the moral obligation for both single-family and multi-family bond issues has been reviewed by the General Assembly. The Code of Virginia has been amended to limit moral obligation on new bond issues to an aggregate of $300 million.

## Costs for the Standards of Quality

### Part One: Assessing SOQ Costs

Since 1971 the Constitution of Virginia has required the Board of Education to prescribe educational standards of quality (SOQ) which specify the minimum requirements for a high-quality program in all school divisions. These standards establish the “foundation” program for public education in the Commonwealth.

Since the adoption of the Standards of Quality, questions have been raised about the methods for calculating SOQ costs and about the adequacy and equity of State funding in support of these standards. The HJR 105 Subcommittee, in expressing its concern about these issues, recommended that JLARC assess the method for estimating SOQ costs. Since JLARC had already been scheduled (SJR 35, 1982) to review public education, an SOQ study was scheduled as the first project in this series.

In February 1986, a JLARC staff report entitled “Funding the Standards of
Quality — Part I: Assessing SOQ Costs” was released. This first phase of the analysis dealt only with the costs of implementing the existing standards. The study incorporated new data sources and improved analytical techniques, resulting in a more thorough and sophisticated approach to estimating costs than had been previously possible. The study was of considerable interest both to the General Assembly and to the educational community, and had significant impact on budget decisions of the 1986 Session.

The study showed that the existing methods for estimating SOQ costs overestimated the costs for both instructional personnel and support. However, consistent with the findings of another JLARC study on State mandates and local financial resources, the report found that the State needed to increase funding for the standards.

The JLARC staff proposed alternative statistical and computational techniques to address inadequacies in the existing costing methods. The recommended approach was based on an analysis of prevailing costs in the school divisions across the Commonwealth. This methodology was adopted for use in determining the State budget for SOQ programs.

Using the new approach, and the existing structure for the apportionment of costs between the State and local governments, the JLARC staff estimated the total cost of the Standards of Quality for the 1986-88 biennium to be $5.16 billion ($3.33 billion from State funds and $1.83 billion from the local governments). This estimate represented an increase of $161.4 million in general fund appropriations for the biennium.

The SOQ costs estimated in this first-phase report were derived within the constraints of the existing framework for defining and funding the standards, which included the requirement that a major portion of the funding for school divisions be based on a single “per pupil” amount. The study dealt with existing standards, not with the question of what the standards “should be,” nor with the issues of equity or distribution.
Review of Information Technology in Virginia State Government

Information technology is an important and growing area of State government. Virginia's information technology budget (which includes data processing personnel and equipment purchases for all agencies) more than quadrupled between 1976 and 1986, from $87.7 million to $383.5 million. More than $500 million will be spent on automated data processing and telecommunications services during the current biennium. This escalating budget trend is likely to continue as computer use expands and additional agencies automate.

JLARC's review of information technology in Virginia State government represented a joint executive and legislative initiative. The review was authorized by the Commission under JLARC's statutory authority to monitor internal service funds. The impetus for the review was the growing concern about service costs and other issues raised both by members of the General Assembly and the executive branch. The Department of Planning and Budget played an important role in this study by helping to identify issues and review key research products, and by providing funds to hire a consultant to evaluate technical and financial issues.

The study centered upon the Commonwealth's central data processing and telecommunications agency, the Department of Information Technology (DIT). The creation of DIT, through the 1984-85 merger of three separate agencies, consolidated in a single agency the State's previously fragmented efforts to manage and deliver services. Thus, a major task of the JLARC review team was to assess the extent to which DIT was achieving the reorganizational goals set forth for the consolidated agency: effective and efficient delivery of services, staffing economies, integration of related technologies, timely and simplified procurement processes, and facilitation of State planning for information resource management.

The JLARC staff found that DIT is successful in a major component of its mission: operating the State's mainframe computers. In numerous other areas, however, especially management and administration, improvements need to be made. Predicted staffing reductions, streamlining of processes, cost savings, and integration of services have not yet been fully realized.

Telecommunications troubleshooting boards at DIT.
The report's 65 recommendations include the following:

- Increased emphasis should be placed on planning at all levels: within DIT, in the user agencies, and at the State level. Specific planning issues include manpower planning within DIT, capacity planning for computer systems both within DIT and in the agencies, and development of a statewide plan for overall management of information technology.

- Both internal and external controls over procurement should be strengthened through better justification and validation of sole source purchases, staff training in procurement procedures, clarification of who constitutes a qualified minority-owned vendor, and fuller compliance with competitive bidding requirements.

- DIT should provide more technical assistance to the user agencies, especially in the areas of system needs evaluation, computer utilization, data processing and storage techniques, product research, training, and cost containment.

- DIT should improve budgetary accountability through a simpler and more meaningful billing system, better methods for projecting computer services use, and management and performance objectives linked to spending plans.

- Organizational efficiency and productivity should be streamlined through development of productivity criteria, closer scrutiny of DIT by the Department of Personnel and Training, new position descriptions for numerous inappropriately classified positions, and internal reorganization to address personnel misclassification, service fragmentation, and lack of coordination.
In addition to specific operational recommendations, the JLARC report included two higher-level proposals, a reorganization plan for DIT, and the establishment of a State-level oversight board. The report proposed the reorganization of DIT into six major divisions: operations support, data center, telecommunications, customer services, systems development, and administration. This proposal would achieve more uniform division size, reduce managerial layers, and eliminate about 30 management positions. The maximum employment level for DIT would be reduced from 480 to 419. These and related recommendations amounted to more than $2 million in cost-saving opportunities.

The JLARC study noted that executive agencies other than DIT account for two-thirds of total State expenditures on information technology. Further, as a service agency DIT cannot effectively control user-agency procurements, nor can it independently evaluate its own substantial procurements. Citing a clear need for strong planning and control of information technology resources at the State level, JLARC proposed an independent Council on Information Management, with statewide planning, standard-setting, and procurement responsibilities. The council would rely heavily on DIT, the agencies, and the institutions of higher education in developing and enforcing statewide plans, policies, and standards. The council would also review agency plans, budgets, and major procurements to ensure conformance with statewide objectives.

### Organization and Management of the State Corporation Commission

JLARC was directed by the 1985 General Assembly to “plan and initiate a comprehensive performance audit and review of the operations” of the State Corporation Commission (SCC). Prior to this study the SCC, an independent regulatory agency of State government with legislative, judicial, and executive authority, had never been the subject of a major legislative evaluation.

The review concluded that, overall, the agency’s organization and management are sound. The agency’s organizational structure groups regulatory staff and activities into logical components, and a strong personnel system has been developed. The SCC’s special fund structure helps to ensure that different special funds are not commingled. A comparison of SCC regulatory activities to statutory responsibilities indicated that the SCC is in compliance with legislative intent in most instances.

As with any large public organization, however, certain improvements could be made. The JLARC report included 36 recommendations to address shortcomings in financial management, general organization and management, personnel and staffing practices, and the scope of SCC authority and responsibility. A majority of these recommendations have been implemented, and others should be resolved within the next budget cycle.

In the area of financial management, JLARC found that three of the SCC’s special fund balances were unreasonably high and therefore out of compliance with legislative intent. The agency has responded by establishing formal,
written policies regarding these balances and specifying three- to six-month reserve levels. In addition, a task force is revising staff cost allocation formulas to ensure that special funds are appropriately charged for staff support. The Bureau of Financial Institutions has drafted revisions of its assessment schedules for savings and loan associations and for banks. By bringing these assessments in line with its regulatory expenditure needs, the Bureau can eliminate subsidization between the various financial institutions.

The SCC has also responded to several JLARC recommendations regarding the agency's regulatory responsibilities. The Bureau of Insurance will initiate, on two-year cycles, investigations of the economic conditions affecting the business of premium finance companies. This increased level of review will give the SCC the information needed to equitably and accurately set ceilings on interest rates and service charges.

The Bureau of Financial Institutions has begun a formal, detailed assessment of proposed changes in the regulation of financial institutions.

In the motor carrier area, two major actions have occurred. First, the SCC and the Department of Motor Vehicles have taken steps to conduct joint motor carrier audits where possible, and are studying the area for further possibilities. Second, the scheduling of motor carrier investigators has been revised to provide for roadway coverage during periods of high-volume truck traffic.

In response to recommendations for internal improvements, the SCC has taken or is taking a number of important steps. The role of the Executive Director is being clarified. Unnecessary involvement of the SCC Commissioners in routine administrative matters is being limited, allowing Commissioners to focus more on policy. Paralegal assistance is being provided to the Commissioners. Policies and procedures to guide organizational operations and decision-making are being written or revised. A more appropriate chain of command is being established in the Division of Accounting and Finance. And structural, management, and operational weaknesses in the Bureau of Insurance are being addressed.

Five pieces of legislation passed by the 1987 Session resulted directly from the JLARC study. This legislation:

- clarified the General Assembly's intent by clearly giving the SCC authority to maintain financial reserves in the financial institutions and insurance special funds,

- eliminated unnecessary accounting transactions and paperwork by modifying the reversion cycle for the corporate operations special fund balance, thereby eliminating the need for the SCC to secure a revenue anticipation loan each year,

- enhanced fund integrity by establishing a special fund for regulation of securities and retail franchising, thereby ensuring that revenues from these industries are used for regulating them,

- eliminated potential duplication with the federal government by making statutes concerning the examination of railroad works and equipment permissive rather than mandatory,

- brought statutes into alignment with present-day regulatory needs by allowing the SCC to distribute compilations of common carrier statutes upon request.
An Assessment of Eligibility for State Police Officers Retirement Benefits

One of three separate State employee retirement systems in Virginia, the State Police Officers Retirement System (SPORS) covers only officers of the Virginia State Police. Numerous proposals had been made to include other law enforcement officers in SPORS. However, the General Assembly postponed action on these proposals and directed JLARC to conduct a study.

The JLARC staff reviewed SPORS and identified the criteria implicit in its establishment as a separate system. Legislative commission reports, interviews with experts in policing, and the study mandate were used to develop four assessment criteria for law enforcement personnel: (1) sworn law enforcement officers, (2) general police powers, (3) unlimited statewide jurisdiction, and (4) hazards and risks comparable to those faced by the State Police.

The next step was to determine which, if any, other law enforcement groups either employed or compensated by the State met all four criteria for SPORS coverage. A total of 20 groups, including the State Police, were identified as appropriate candidates for comparison on these criteria.

Only two groups were found to meet the first three criteria: The Department of Game and Inland Fisheries, and the Department of Alcoholic Beverage Control. However, the analysis showed that neither ABC enforcement officers nor game wardens face the same magnitude of hazards and risks as the State Police.

Assessment of the retirement trends for law enforcement personnel in other states showed that the only prevailing practice was earlier retirement for state police. No predominant trend was found for earlier retirement of other law enforcement officers.

In light of these findings, JLARC recommended that SPORS remain solely for those positions within the State Police that are currently covered.

Collection of Southeastern Americana at the University of Virginia's Alderman Library

The JLARC staff investigated alleged waste of State funds at the University of Virginia's Alderman Library. Specifically, the study reviewed procurement and management of a special collection of southeastern Americana books and esoterica. The Auditor of Public Accounts also performed a concurrent audit of employee leave report discrepancies.

The review found numerous problems involving selection and procurement procedures for the collection:

- All items were purchased exclusively from one dealer over a 30-year period. This use of a sole source in acquiring the collection was contrary to the Procurement Act and gave the appearance of favoritism and impropriety.

- The collection appeared to have become a mechanism for maximizing year-end purchases in order to avoid the reversion of unspent money to the general fund.
Recent Agency and Program Reviews

- Overly broad and ambiguous collection development criteria and a lack of checks and balances had led to questionable expenditures, out of proportion to the University's interest in the area. Furthermore, much of the collection, which totalled 12,000 items costing approximately $800,000, was uncataloged and unused for more than 15 years.

In response to JLARC recommendations, the University has appointed a committee of appropriate university personnel to develop written collection criteria, and has discontinued purchases for the collection until such criteria are in place. Procurement practices have been revised to allow more careful evaluation of potential purchases and to encourage negotiation of prices. The University reports it is now in full compliance with the Procurement Act, and that increased oversight of purchasing and budget practices has been implemented.

In response to the APA's findings, a new procedure for library faculty leave records has been instituted, requiring supervisory monitoring and approval of employee leave reports. Disciplinary action was taken against an employee found to be abusing the former system.

- Special Study: Cousteau Ocean Center

Under authority of Section 4-5.07 of the Appropriations Act, the Commission approved a special audit of the Cousteau Ocean Center project. The audit covered all funds appropriated to the Norfolk Recreational Facilities Authority (NRFA) and to The Cousteau Society for planning, design, construction, and administration of the proposed Ocean Center. More than one million dollars had been appropriated by the General Assembly for the project.

The financial component of the audit was performed by the Auditor of Public Accounts. In preparing the program audit, JLARC staff reviewed project files and interviewed officials of the NRFA, The Cousteau Society, and the City of Norfolk. The key issues driving the study were: (1) Had NRFA taken a reasonable approach to planning, designing, and administering the Ocean Center? and (2) Was the Public Procurement Act applicable to the project?

In researching the first issue, JLARC staff assessed whether the proposed project conformed with community goals and plans for waterfront development, whether it was financially viable, and whether the purpose, scope, and nature of the project had been adequately defined.

The study found that although the path to completing the project had been indirect, the NRFA had generally followed a logical sequence of events in planning and designing the Center. The project did conform with downtown development plans, and appeared economically viable with some limitations. However, from a State point of view, appropriations could have been used more economically if the nature of the project had been defined more precisely. It had taken four years of negotiations among the key participants to reach consensus on the project's final composition and financing.
Regarding the applicability of the Public Procurement Act, the Auditor of Public Accounts consulted the Attorney General, who ruled informally that, as a Virginia not-for-profit corporation, the project did not fall under the Act. JLARC staff noted that all of the design contracts awarded by Cousteau Ocean Center were sole source, and recommended that the General Assembly require such corporations to comply with competitive bidding and negotiation procedures. The report also recommended that, in the future, pre-planning studies be prepared by non-State agencies requesting funds for capital construction.

Subsequent to the studies by JLARC and the Auditor of Public Accounts, the proposed Cousteau Ocean Center project was terminated due to lack of support from the private sector. Legislation was enacted requiring Virginia not-for-profit corporations receiving more than $10,000 in State funds for planning, design, or construction to comply with the Public Procurement Act.
Virginia's correctional system experienced rapid growth and modernization in the 1970s. Increases in the number of inmates requiring incarceration were accommodated through an aggressive prison construction program, which resulted in the opening of nine new facilities between 1976 and 1983. Concurrently, the mission of the Department of Corrections also expanded beyond secure confinement to include a range of prison work programs and community-based alternatives.

Overall, DOC's modernization has had positive results. Numerous problems noted in the 1970s have been addressed, escape rates have decreased to record lows, and the department has made progress in professionalizing its staff and establishing effective security policies and guidelines.

The department has made considerable headway over the last decade, but the sailing has not always been smooth. During the period, five directors have come and gone, and a sixth is now at the helm. DOC has come under scrutiny from both the legislature and the public, with concern reaching a new high in 1984, when six death-row inmates escaped from the super-secure Mecklenburg Correctional Center.

JLARC first turned its attention to corrections in 1982, when the legislature mandated that the Commission assess agencies and activities under the functional area of Administration of Justice. The 1983-85 Appropriations Acts further specified this mandate, calling for studies of staffing, forecasting, security procedures, community corrections, and capital outlay. A study of correctional education was also mandated.

In all, JLARC's research efforts resulted in hundreds of recommendations in nine reports, a series second in length only to the highway studies. The findings of the first four reports, summarized below, were detailed in a previous (1985) Report to the General Assembly:

- **Central and Regional Office Staffing:** JLARC's first report assessed the need for the department's regional level of management and the appropriateness of administrative staffing levels in the centralized as well as the regional offices. The report recommended that regional management be continued, but that one office be abolished and the regional workloads distributed more equitably.

  As proposed, DOC abolished its Lynchburg office and redistributed its workload among the remaining four, resulting in annualized savings estimated at over $585,000. Per other JLARC recommendations, DOC has consolidated a number of central office units to eliminate duplication and improve reporting. The report also identified additional staffing efficiencies, a number of which have been implemented.

- **Security Staffing and Procedures:** This JLARC study assessed the appropriateness of the levels of security staffing at each of Virginia's 15 major prisons, as well as important aspects of their security procedures. The study team found extensive staffing
variations among the prisons, which resulted from insufficient staffing guidelines. Other findings included inadequate accounting for overtime, inappropriate use of security staff for nonsecurity duties, and gaps and inconsistencies in security policies. JLARC recommended revisions to DOC’s staffing formulas and security procedures, specific security and nonsecurity staffing changes (a net reduction of 25 positions), and the creation of an independent, internal security auditor.

Many of the 93 study recommendations were later affirmed or superseded by those of the Governor’s Task Force on Security Staffing. As recommended by both JLARC and a Board of Corrections consultant, DOC has created an inspector general position, who reports directly to the director. The department has also published and implemented a systemwide security procedures guide, a major step towards improving overall DOC security.

Population Forecasting and Capacity: The General Assembly, concerned with the impact of DOC’s population and capacity projections on capital outlay and staffing, directed JLARC to review the department’s forecasting methodologies. JLARC staff analyzed DOC’s population forecasting methods, correcting technical errors and recommending refinements. Subsequently, DOC and JLARC staff worked cooperatively to develop and implement a technically adequate forecast methodology. The first forecast based on the joint methodology was released in 1985, and the latest in August 1986. As of May 1987, the forecast was performing extremely well, with an error of only three inmates.

JLARC also examined prison capacity, finding DOC’s operational capacity figures unreliable and unreflective of the actual levels at which many facilities operated. The department has taken exception to this finding. Development of accurate capacity ratings has been the subject of legislative interest and oversight since the completion of this study.

Community Diversion: The Community Diversion Incentive (CDI) program provides the judicial system with additional alternatives for sentencing certain nonviolent offenders who may require less than incarceration, yet more than probation. This State-supervised, locally-administered program diverts offenders
from incarceration into community service work, and in some cases requires restitution. DOC oversees the program, which is administered by 28 local CDI agencies covering 106 localities.

The JLARC staff study of CDI indicated the program was meeting most of its objectives. The report addressed some problems with the management, planning, budgeting, and monitoring of the program. Recommendations were also made for improving program data collection and dissemination to better identify potential diverts. DOC reports that it has implemented or undertaken every recommendation applicable to the department. CDI continues to grow in Virginia, diverting the convicted from more expensive incarceration.

During 1986, four more studies of corrections issues were completed by the JLARC staff and reported to the Commission. In addition, a final summary report was prepared to wrap up the series. These studies and their impacts are discussed in the following sections.

### Staffing of Adult Prisons and Field Units

This report assessed nonsecurity staffing in the 15 major institutions and both nonsecurity and security staffing in the 26 field units. Overall, JLARC staff found the level of nonsecurity personnel in the major institutions to be adequate. However, three functional areas — maintenance, treatment programs, and support services — appeared to be understaffed.

The report also addressed three additional related issues in the major institutions: insufficient monitoring of overtime use, personnel misclassification, and lack of emphasis on inmate labor. Further, in the medical services area, JLARC staff found that physicians and dentists were allowed to work fewer hours than they were paid for, contrary to State personnel policy.

In field units, the level of staffing was found to be insufficient to provide adequate programs and security. The report recommended an increase of 51 nonsecurity positions and 26 security positions in field units. In both major institutions and field units, the need for counselors was a major nonsecurity concern. The 1987 General Assembly approved the addition of 40 new counselor positions for adult institutions.

In many respects, the findings of this and previous JLARC staffing studies were affirmed by the Governor's Task Force study. Both groups recommended revising the staffing formula and improving post audits — the method used to assess security staffing needs. DOC has consolidated the recommendations of both reports and has developed an action plan for implementing them. In response to Item 541 of the 1987 Appropriations Act, the department expects shortly to release a report on progress made in these areas.

Overtime payments have been sharply curtailed. After increasing from $4.2 million in FY 1984 to $6.8 million in FY 1986, DOC overtime payments decreased to $2.6 million in FY 1987, the lowest amount since before 1979.
The Capital Outlay Planning Process and Prison Design

This study found that DOC needed to strengthen its long-range planning capabilities, improve the effectiveness of prison designs used in constructing new institutions, and develop better mechanisms for projecting its maintenance needs.

The examination of DOC's capital outlay planning process revealed that the process lacked consistency and continuity. The department needed to develop a more proactive, systematic approach, beginning with a comprehensive long-range plan delineating program goals and capital outlay options. The report also recommended that DOC strengthen its capital improvements program and develop a comprehensive policy manual for use by its capital outlay staff.

Prison design effectiveness was assessed by examining the three designs used in constructing Mecklenburg, Brunswick, and the prototype for Buckingham, Nottoway, and Augusta. This assessment showed that the prototype design provided significantly more flexibility and cost-effectiveness in housing inmates of various security classifications.

An evaluation of the maintenance performed at correctional institutions revealed that DOC had experienced problems in budgeting for and performing maintenance in a timely manner. The department's recently established preventive maintenance program could be useful in addressing these problems. DOC also needed to assign maintenance reserve fund projects a high priority.

The State Penitentiary, located in downtown Richmond, is scheduled to close by 1990.
Corrections Issues

The department is currently at work on a Master Site Plan project, intended to generate and bring together long-range plans, including capital needs, for all the institutions. As recommended in the JLARC report, a major restructuring of DOC’s Capital Projects Unit has been completed, which will provide additional staff support in designing, monitoring, and evaluating capital projects. The department also reports that a full-time preventive maintenance coordinator has been hired, a preventive maintenance computer program is being implemented, and additional tracking and monitoring mechanisms have been developed to assure that maintenance reserve funds are effectively utilized.

DOC is currently embarking on a major capital expansion program. New prisons are planned at Greensville (1200 cells) and Buchanan (500). Expansions are under way or completed at Augusta (256, completed), Buckingham (224), and Nottoway (256). Implementation of JLARC’s recommendations should promote improved planning, monitoring, and control of these major construction efforts.

Local Jail Capacity and Population Forecast

The populations of local jails and State prisons are closely related. Basically, when State prisons are full, prisoners are held longer in local jails as they await space in a State prison. This backup of prisoners in turn crowds local jails.

Because of the close relationship between local jail and State prison crowding, JLARC was directed to examine the capacity and population of local jails. The resulting report focused on the capacity of local jails, local and State inmate population forecasts, and different ways that the State might manage growing prison and jail populations.

JLARC staff visited all 94 local jails, examining on site jail capacity and crowding. Populations in the fall of 1986 were in the 7500 range, which was almost a thousand greater than the aggregate jail capacity which JLARC staff calculated system-wide. These record jail populations were in part the result of record prison populations, which increased 34 percent from 8,124 in FY 1979 to 10,902 in FY 1986. (DOC population in September 1987 was 11,360.)

The report noted that future bed needs depend directly on the assumptions made regarding how the system should operate. For example, whether or not the Penitentiary closes and the success of diversion programs will affect the bottom line. Moreover, how capacity is defined — the report discusses “operational” vs. “planning” vs. “temporary emergency” capacities — can alter the picture significantly.

The study concluded that both construction and non-construction initiatives were needed in order to meet the forecast demand for confinement space. Suggested initiatives included planning and management changes, transportation pools, regional jails, more active use of transfer authority, changes in sentencing practices, increased diversion, changes in building standards, and of course, construction.

Jails will continue to be crowded in the near future. The total inmate population forecast for 1990 was 21,169, of which 13,372 would be State responsibility inmates and 7,797 would be the
responsibility of localities. This forecast represented a 19 percent increase over 1986 actual population levels, which already exceeded capacity levels.

The 1986 JLARC report noted that 1,035 additional State beds would be needed in 1990 to operate at "planning capacity," and 1,719 new beds would be needed to meet "operational capacity" requirements. The General Assembly authorized the Virginia Public Building Authority to sell $110 million in Section 9(d) revenue bonds. DOC has since contracted to build 1700 new cells in Greensville and Buchanan Counties.

Most of the specific recommendations of the report have been or are being implemented by the Department of Corrections, including:

- adjustment of aggregate jail bed figures to reflect bed increases and underutilized beds,
- technical assistance to local jails in identifying new and effective techniques for population management,
- regular review and updating of jail capacity figures,
- encouragement of localities to develop adequate jail capacity and, where appropriate, to consider regional jail options,
- modification of operational capacity figures for adult facilities,
- review of minimum jail construction standards,
- establishment of a transfer program, under which inmates are transferred from overcrowded jails to jails with empty beds,
- reassessment and monitoring of DOC's felon intake system.

Approval of the construction of needed correctional facilities, while not a direct result of any JLARC report, was supported by the capacity analysis and population forecasts.
Staff and Facility Utilization by the Department of Correctional Education

The 1983-85 Appropriations Acts also directed JLARC to evaluate correctional education. The Department of Correctional Education (DCE) was created by the General Assembly in 1974 with the intent of expanding and upgrading correctional education programs. The department (formerly the Rehabilitative School Authority) administers the State’s principal efforts to rehabilitate incarcerated individuals.

The JLARC study found DCE’s program to be generally sound. However, in major adult facilities, DCE and DOC needed to improve incentives encouraging (and alleviate conditions discouraging) inmate participation in the programs.

The report noted that DCE’s academic teachers were underutilized at some institutions, and recommended that enrollments be increased or positions cut. Vocational programs needed to be better linked with work programs.

In the field units, the paucity of educational programs and limited instructional hours resulted in low enrollments. In the juvenile learning centers, more attention needed to be given to providing appropriate education services to handicapped youths (including the recruitment of more special education teachers), and to developing work-training programs for older youths.

DCE reports that it has implemented or is taking action on a majority of the report recommendations. Inmate enrollments in DCE’s academic and literacy volunteer programs are increasing, partly in response to Governor Baliles’ “no-read, no-parole” program. Vocational classes remain filled, and apprenticeship programs are increasing in major institutions.

DCE is planning to add modular classrooms at three field units and convert six underutilized teacher positions in the juvenile learning centers into field unit instructors, thereby accommodating 144 additional students. Further, DOC is converting the Appalachian Learning Center into a correctional field unit, where a DCE school will accommodate 70 adult inmates.

Corrections Issues: Final Summary Report

To wrap up JLARC’s long involvement with correctional issues in Virginia, the staff prepared a summary report focusing on “the big picture.”

This project was an opportunity to supplement the recommendations of previous reports, follow-up on earlier recommendations being implemented, address cross-cutting issues, suggest future directions, and generally integrate the many perspectives derived from three years of intense study.

Some of the broader conclusions reached in this report were the following:

- A separate public safety secretariat is needed to provide an appropriate level of oversight in the corrections area.
More emphasis should be placed on improving rehabilitative programs.

The separation of youth services from adult corrections should be considered.

More extensive use of unit management — an innovative corrections technique wherein living units are structured as semi-autonomous entities — should be explored.

Construction of correctional facilities in the Northern Virginia area should be considered, in order to incarcerate inmates closer to their homes and promote the rehabilitation process.

A consensus inmate forecasting process, incorporating the key actors in the criminal justice system, is needed in order to promote understanding, enhance forecast accuracy, and improve planning.

Aerial photo of Buckingham Correctional Center, which was also the prototype design for Nottoway and Augusta.
Follow-up of
Previous JLARC Studies

Department of Transportation Studies

In January of 1986, JLARC’s staff director was appointed Highway Commissioner. When JLARC recently requested the Department of Transportation to update its responses to previous JLARC reports, VDOT delivered a comprehensive document, detailing all activities on every recommendation for a period of seven years. Below are some highlights of the reported activities which have occurred since the 1985 Report to the General Assembly. The relevant JLARC recommendations are indicated in italics.

Establish a standing committee to oversee public transportation planning:
In 1987, a Multi-Modal Transportation Committee was established within the Commonwealth Transportation Board, which continues to perform the responsibilities of the previous subcommittee (Rail and Public Transportation) within the Highway Transportation Commission.

Improve control over capital outlays:
VDOT is developing a six-year capital outlay program, including appropriate guidelines for internal managers.

Improve management of surplus land:
The surplus parcels inventory was improved by the districts during 1985-86. In November 1986, the Right of Way Division implemented a management information system, which includes the framework of a new property inventory and offers new management capabilities. The department also experimented successfully with the use of a real estate broker to sell slow-selling properties.

Monitor construction engineering and minimize staffing costs:
The Construction Division, in conjunction with the Research Council, is developing the Construction Manpower Management Information System, which will assist in the planning and allocation of construction manpower.

Improve data processing and related systems:
In addition to the right-of-way and construction manpower management systems mentioned above, the department has developed or is developing several other interactive systems. A program/project management system has been in operation since the fall of 1986. Financial management, purchasing and inventory, and highway and traffic records systems have been designed, and their implementation is under way. The general design for an equipment management system is in progress. Bids have been solicited for developing an automated fuel dispensing and inventory control system. A database management system has been adopted, and a database administrator hired. Procurement has been initiated for a telecommunications network.

Create a policy research and statistics team to advise the Commissioner:
An office of policy analysis, reporting directly to the Commissioner, was established in 1987. In addition, the Management Services Division has recently created a productivity improvement center.

Improve communications and training:
A communications task force has been
established to examine and recommend ways to increase the flow of information and ideas among department personnel, and a new leadership forum facilitates communications between top managers. These efforts are especially important in light of an ongoing program of decentralization within VDOT. In addition, all VDOT managers are required to participate in a management development training program which began in 1986.

**Develop an annual maintenance program:** The department submitted such a program to the Highway and Transportation Commission, which approved it in January 1983. VDOT has since developed a document entitled “Levels of Service for Maintenance Conditions,” which provides the central office and district managers with a management tool for identifying when action is required to correct a deficient maintenance condition. In addition, the pavement management system provides data on probable resurfacing needs, and the bridge rating system identifies bridges requiring attention.

**Review workload standards:** A consultant recently completed an evaluation of the department’s maintenance management system, including validation of planning and budgeting standards, and the study recommendations are now being evaluated. The department is presently conducting an analysis of five years of historical maintenance performance data, and has also instituted a quality assessment and evaluation team to assist in evaluating performance standards.

**Implement a pavement management system:** This system is in place and is having an impact on the planning and budgeting process. A pavement management system for concrete is also being created, because these rigid pavements involve different forms of distress.
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**Improve information and identify ways to reduce costs in the area of public transportation:** The department’s first annual transit performance evaluation report was published in October 1985. A public transportation financial needs study was conducted in 1986, and the results presented to the Commission on Transportation in the 21st Century.

**Develop a method for recording all hours worked by employees:** In February 1986, the department implemented a combined financial and human resource planning timesheet, which covers all employees and includes both compensated and noncompensated overtime.

**Assess the feasibility of implementing computer assisted design (CAD):** A 1984 department study identified significant potential for improving productivity through CAD, and a germainal system was installed in April 1985. The department reports that its capacity to respond to increased work demands has been enhanced considerably. Because current transportation initiatives have altered the department’s focus significantly, the role of CAD has been redefined from a means of maintaining and economizing plan production to a way of stockpiling plans for construction as financing becomes available. The system has been enlarged and maximized through extra work stations, double shifts, and extensive training. It appears that the department is well on its way to a computerized road design system.

**Improve productivity standards:** In November 1985, VDOT hired a consultant to study many of issues involved in this area. In January 1986, the new Commissioner expanded the study to separate human resource planning functions into planning and management sectors. In April 1987, based on a personnel study by another consultant, the human resource planning function was moved from the Human Resources Division to the Management Services Division.

The activities discussed above reflect VDOT’s responses to specific JLARC recommendations. The Commissioner notes that many other initiatives are also under way in regard to internal management and organization of the department. The JLARC staff is currently in the process of assessing VDOT’s response to SJR 7 of the 1986 Special Session and will submit a follow-up report under separate cover.
Consolidation of Office Space in the Roanoke Area

The 1982 General Assembly directed JLARC to study the feasibility, desirability, and cost effectiveness of consolidating State agency offices in Virginia. The first study under this mandate assessed office space in the Roanoke area. After consideration of several consolidation alternatives, JLARC recommended that State agencies accept a proposal by the City of Roanoke to lease a city-owned building for consolidation purposes.

That consolidation has now come to fruition, and the renovated building, an old post office renamed the Commonwealth of Virginia Building (CVB), now houses 13 state agencies. The Department of General Services describes the city’s cooperation in maintaining the physical plant, responding to agency needs, and carrying out all terms of the lease as “excellent...beyond reproach.”

The vacancy rate has been low at the CVB, currently around 6.5 percent, and efforts are under way to bring occupancy to 100 percent. The full-service cost of space (base rental plus maintenance and operating costs) was approximately $7.27 per square foot in 1986-87, compared to an average rate of $8.00 for the State agencies still leasing privately. This translates to anticipated savings of over $28,000 for the fiscal year.

A 153-space parking lot has been constructed to provide employee parking for the CVB. The lot was opened in July 1986, and has produced approximately $7,000 in revenue.

The financial benefits of consolidation are complemented by other benefits derived from the common location: improved services and a unified State presence in Roanoke.

The Economic Potential and Management of Virginia's Seafood Industry

In response to industry and legislative concerns that the Commonwealth was not achieving the full economic potential of its marine resources, the 1982 General Assembly directed JLARC to review the nature and scope of the regulation of Virginia’s fishing and seafood industries and their economic potential.

The JLARC report recommended better coordination among the various State entities whose roles affect Virginia’s $100 million/year seafood industry. Co-operative efforts have recently taken place in several areas:

- Inspection functions were found to be split between the Departments of Health (VDH) and Agriculture and Consumer Services (VDACS). The two agencies have developed a Memorandum of Understanding for the sanitary control of shellfish and finfish processing plants. Information exchanges, joint inspections, and other training activities are being held in
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An illustration from JLARC's report shows the hydraulic escalator dredge, one of several methods used to harvest oysters in the Chesapeake Bay.

To reduce overlap and improve service delivery, VMPB coordinates its annual marketing plans with VDACS, the Sea Grant Consortium, VPI&SU, the Virginia Marine Resources Commission (VMRC), and the Virginia Institute of Marine Science (VIMS).

To improve information on levels of effort in commercial fisheries, VMRC has contracted with VIMS to survey fishing efforts in the tributaries of the Chesapeake Bay.

VIMS initiated a study and demonstration project utilizing steel mesh cages for relaying and reharvesting polluted hard clams. VIMS coordinated with VDH and the VMRC on this purification project, which was a complete success and holds "significant and impressive" potential for the industry.

Other JLARC recommendations dealt with improving fisheries harvesting data and automating related services. VMRC has recently automated and centralized oyster ground leasing and marine fishery licensing. This has reduced the paperwork burden on field employees and greatly improved fisheries data bases. In developing its recent Oyster Management Plan, VMRC made extensive use of econometric models recommended by JLARC and developed by VPI&SU.

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- VDHC’s Bureau of Shellfish Sanitation has been working to make inspection procedures uniform across area offices. A shellfish procedures manual is being developed, and the section on plant inspections is nearing completion.

- The product promotion section of VDACS’ marketing division has been working with the Virginia Marine Products Board (VMPB) on a number of coordinated efforts — ranging from point-of-purchase promotions to media publicity — to benefit the Commonwealth’s seafood industry.

- VMPB, in cooperation with Virginia Polytechnic Institute and State University (VPI&SU), conducts retailer training seminars on a nationwide basis, and publishes a Virginia Seafood Processors Directory for distribution to potential buyers.

- In order to assess the feasibility of turning both kinds of inspections over to VDH, the VDHC’s Bureau of Shellfish Sanitation has been working to make inspection procedures uniform across area offices. A shellfish procedures manual is being developed, and the section on plant inspections is nearing completion.

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JLARC published two companion studies in 1982 reviewing the regulation of occupations and professions by the 29 boards within the Department of Commerce (DOC) and the Department of Health Regulatory Boards (DHRB). The studies made more than 50 specific recommendations, dealing with fee setting, examination of competency, promulgation of rules, and expediting investigations of complaints against practitioners. The studies are still having beneficial effects after nearly five years.

DHRB reports some recent major actions and improvements in areas that were subjects of concern:

- The department’s compliance functions have been reorganized into separate investigative and inspection units. This and other improvements are reported to have increased productivity approximately 29% in FY 1987.

- A fully automated complaint tracking and reporting system was implemented July 1, 1986, improving the timeliness and accuracy of management information. Further, a complaint intake unit was formed in July 1986 to ensure proper classification, investigation, and reporting of all complaints prior to review or adjudication by boards.

- Having completed a substantial regulatory review effort, all boards are now involved with final rulemaking, and all regulations have been recodified in accordance with a legislatively mandated style manual.

- Accountability has been improved through a new budgeting, accounting, and reporting system, including a new, verifiable cost allocation process. A comprehensive office automation system is expected to be implemented next year.

The General Assembly’s abiding interest in regulatory boards was demonstrated by more than a dozen related bills and resolutions affecting the Department of Commerce (DOC) during the last two legislative sessions. These bills concerned a wide range of professions, including real estate appraisers, interior designers, public accountants, private investigators, contractors, soil scientists, and speech pathologists.

DOC reports that during the past five years, the volume of work has increased about 5% annually. An agency task force recently recommended centralization of the licensing and examination functions, which is now under way.

Agency staff have published a fair housing law manual for local government administrators, real estate brokers, and attorneys. A consultant has developed a testing services manual for the Board of Commerce. In addition, the agency reports efficiency initiatives completed or under way in data processing, records management, exam administration, and complaint review.

The department is now working with the Virginia Code Commission in reviewing Title 54 of the Code of Virginia, so that recommendations can be presented to the 1988 General Assembly.
Mental Health and Mental Retardation Studies

The 1983 General Assembly directed JLARC, in coordination with an eight-member subcommittee, to examine the operation, funding, and quality of educational programs for children and youths in facilities operated by the Department of Mental Health and Mental Retardation (DMHMR). Two separate but related reports resulted from the study, one focusing on mental retardation training centers and the other on mental health facilities. The major issues examined were:

- the quality of instruction and materials,
- the uniformity of services,
- the suitability of the educational environment,
- eligibility of students for mainstreaming,
- the appropriateness of the administrative authority,
- cost effectiveness of programs,
- whether all children were receiving education as required by law.

The two studies made over 90 recommendations, many of which resulted in legislation or resolutions passed by the 1985 Session. The recommendations called for enhanced administrative support from both DMHMR and the Department of Education (DOE), improved coordination of efforts between the two agencies, and technical assistance by DOE in curriculum development and vocational education. Recent agency actions related to the studies include the following:

- Curriculum guidelines for severely/profoundly handicapped school-age residents were developed by staff from DMHMR and DOE and are currently in place. All five training centers presently have teachers fully endorsed in this area, as required by DOE.

The JLARC report noted that the Virginia Treatment Center for Children should serve as a model program.
A joint study to determine the costs which local school divisions incur in educating training center students in the least restrictive environment is currently nearing completion by the two agencies.

Procedures for identifying children in DMHMR facilities eligible to be appropriately placed in public school programs have been added to the existing regulations governing special education programs for handicapped children. The five State training centers now have approximately 87 school-age residents attending local public school day programs.

Legislatively established grants have been implemented to promote innovative teaching methods and staff development programs.

DOE reports that more emphasis is being placed on vocational assessment and on pre-vocational, vocational, and independent living skills programs in the six mental health education programs. In-service training of instructional staff at the facilities has increased, and there is more utilization of DOE staff to provide technical assistance. DOE has hired additional staff to provide at least one vocational education teacher in each mental health facility.

Utilization of the IEP (instructional education program) for identifying individual needs and goals is being encouraged, including increased participation by the child, his or her parents, and the local school division.

An "affective" education curriculum and staff development program is scheduled to be implemented in the 1987-88 school year.

The level of coordination and interaction between DMHMR and DOE has increased, including such areas as facility renovation planning, population shifts within state facilities, technical assistance, and evaluation of instructional personnel.

To encourage computer-assisted instruction, the number of computers within education programs in mental health facilities has been increased.

### Patent & Copyright Issues in State Government

The genesis of this study was the concern that appropriate policies might not be in place to secure the proprietary interest of the State and the taxpayers in the creation and management of intellectual properties. The report concluded that:

- all colleges and universities should be required to adopt patent and copyright policies consistent with guidelines to be developed by the State Council of Higher Education (SCHEV),
- the Center for Innovative Technology (CIT) should assist State agencies and universities in evaluating, promoting, and managing intellectual properties,
- a clear-cut policy outlining the Commonwealth's position with regard to State employees developing inven-
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Follow-up of Previous JLARC Studies

...ions while on the job would help avert future conflicts over ownership.

Working with institutional representatives, attorneys from the public and private sectors, and CIT staff, SCHEV developed patent and copyright guidelines which implement the recommendations contained in the JLARC study. They require all institutions to have policies on intellectual property, to have the Governor's approval in order to transfer properties to another entity if they have been developed with a significant use of State funds, and to report annually to the Council on the number of properties and their disposition.

Further, SCHEV has taken on the oversight role of reviewing institutional policies, recommending to the Governor whether an institution should be allowed to transfer a property to another entity, and annually reporting data on intellectual properties to the Governor and the General Assembly.

An Intellectual Property Policy for executive branch employees became effective in July 1986. The policy encourages creativity and innovation, while protecting the State's interests.

Other related executive branch activities include:

- A meritorious service awards program is in place to reward classified employees whose ideas and inventions save the State money.
- The Secretary of Administration has established an intellectual property review committee to evaluate properties and make recommendations regarding their disposal.
- At the direction of the Secretary of Administration, the Department of Information Technology has developed an automated system to monitor intellectual property activities.

The Innovative Technology Authority (for which CIT is the operating arm) is authorized to protect and market the intellectual property of State agencies, State-supported institutions of higher education, and political subdivisions of the Commonwealth. CIT has negotiated agreements with the State Corporation Commission and six major universities in the State, and is presently developing an agreement with the Secretary of Administration. These agreements share revenues with the State and allow CIT to recover certain costs.

As of March 1987, 46 State agencies had reported a total of six inventions and thousands of creations. The majority of creations reported have been determined not to have commercial value. Several, however, such as a computerized jail management system created at the Department of Information Technology, appear to have marketing potential and have been recommended for commercialization.
Internal Service Funds in the Department of General Services

Internal service funds are a type of proprietary fund used to finance and account for goods and services provided by one agency to other governmental agencies or units on a cost-reimbursement basis. Section 2.1-196.1 of the Code of Virginia directs JLARC to establish internal service funds, discontinue those no longer needed, and authorize the transfer of excess fund balances to the general fund.

The Department of General Services administers five internal service funds: Central Warehouse, Office of Graphic Communications, State Surplus Property, Federal Surplus Property, and Maintenance and Repair Projects. Two of these functions, central warehousing and graphic communications, were addressed in previous (1976 and 1982) JLARC studies. In keeping with its oversight responsibilities, the JLARC staff is conducting both financial and operational reviews of all five funds, and will follow up on previous study recommendations where appropriate.

The financial reviews will examine service rates and charges, fund balance levels, and billing procedures. The operational reviews will explore efficiency measures and user satisfaction.

Review of Central Garage Car Pool

In 1979 the JLARC staff completed a comprehensive management review of the State's vehicle fleet. Most of the study recommendations related to improving the operations of the Central Garage and determining appropriate service rates. Three major JLARC recommendations subsequently implemented were (1) reducing the minimum annual business mileage for permanent assignment, (2) instituting a commuting fee, and (3) designating the Central Garage an internal service fund.

The JLARC study for 1987 is a follow-up of the previous studies, with an emphasis on review of the internal service fund. Specific objectives of the review include:

- assessing the extent to which vehicle assignments are based on need,
- determining the appropriateness of current operations and financial management procedures,
- determining the effectiveness of the current organizational structure in responding to system demands.
Funding the SLH and CHD Programs

JLARC staff were directed by Senate Joint Resolution 87 of the 1986 Session to review the formulas used in the State/Local Hospitalization (SLH) and State/Local Cooperative Health Department programs.

SLH was established in 1946, and is administered by the Department of Social Services. The program distributes funds to localities, solely on the basis of population, to provide hospitalization to indigent and medically indigent persons. The State finances 75% of operations, while localities finance 25%. Local government participation is voluntary, with 72 counties and 31 cities currently participating.

The State/Local Cooperative Health Department program (CHD) was established in 1954 to provide statewide cooperative health services, and is administered by the Department of Health. A major portion of funding is paid by the State, with minimum and maximum contributions of 18 and 45% by the localities.

The formula for determining percentage shares is based on estimated true value of locally taxable property.

The JLARC study resolution points to specific problems with the two funding programs which have been identified by various groups over the years, especially the Joint Subcommittee Studying Alternatives for a Long-Term Indigent Health Care Policy. The SLH formula (1) does not account for local poverty or access to teaching hospitals, (2) distributes funds to localities not participating in the program, and (3) distributes reserve funds retrospectively. The CHD formula has not been revised since 1954 and does not account for the diversity of local tax bases in its measure of fiscal condition.

The JLARC staff study will address each of these concerns, and will include an analysis of alternative formulas and estimates of the costs of implementation.

Funding the Standards of Quality: Part Two

The second phase of the SOQ study (see “Recent Agency and Program Reviews”) is currently drawing to a close. The resulting report will include analyses of school division costs to meet the Standards of Quality, and local abilities to raise revenues to pay for those costs. The purpose of these analyses will be to develop a framework within which various SOQ distribution options can be evaluated. A computer package will be developed to facilitate the assessment of different options.
Funds Held in Trust by Courts and General Receivers

Any matter brought before one of Virginia's 121 circuit courts can potentially result in funds being held in trust. The presiding judge decides how trust funds will be administered. Some courts administer these funds through a court-appointed general receiver, who may be the clerk of the court, an outside individual, or a financial institution. Courts which do not appoint general receivers administer such funds through the clerk.

Currently, there is no comprehensive source of information on how trust funds are managed by general receivers and clerks. Senate Joint Resolution 147 of the 1987 session requires JLARC to study these funds and determine: (1) the total amount of monies held in trust, (2) how best to administer these funds, (3) the need for audits of these accounts, (4) the Commonwealth's interest in the monies, and (5) the costs associated with handling these funds.

The JLARC study will produce, for the first time, a comprehensive picture of the administration of trust monies, as well as recommendations for improving their management.

Upcoming JLARC Studies

Studies in three additional areas are currently in the planning and preliminary scoping stages:

☐ Item 11 of the 1985 Appropriations Act directed JLARC to study the operations of independent agencies of State Government. The initial report (December 1986) completed under this mandate was JLARC's review of the State Corporation Commission. The mandate also called for a review of the Department of Workers' Compensation (Industrial Commission of Virginia). This agency is responsible for deciding claims for compensation under the Workers' Compensation Act and crime victim compensation statutes, which cover victims of disabling industrial accidents and violent crime. Issue identification for this study is now in progress.

☐ JLARC was mandated by the 1987 Appropriations Act (Item 469) to conduct a performance audit and review of the programs and activities of Community Action Agencies. The report will be presented to the 1989 session.

☐ Higher Education is the next area of State government to be reviewed under the Legislative Program Review and Evaluation Act. It is anticipated that study scope work and planning will begin in 1988.
**Cumulative Annotated Bibliography**

**Program Evaluation: The Virginia Community College System**  
Evaluated Virginia's Community College System, and identified administrative and educational issues requiring attention by VCCS, the Council on Higher Education, and the Legislature.

**Program Evaluation: Virginia Drug Abuse Control Programs**  
Evaluated education, law enforcement, adjudication, treatment, and other control functions of the State's drug abuse programs.

**Operational Review: Working Capital Funds in Virginia**  
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**  
A review of VIMS, focusing on financial and management problems.

**Program Evaluation: Water Resource Management in Virginia**  
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**  
Evaluated the vocational rehabilitation programs managed by the Department of Vocational Rehabilitation and the Commission for the Visually Handicapped.

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

**Program Evaluation: Marine Resource Management Programs in Virginia**  
Evaluated State programs for managing marine resources and the administrative efficiency of agencies in implementing these programs.

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

**Special Report: Use of State-Owned Aircraft**  
Assessed the cost, utilization, and management of State-owned aircraft. Recommended a needs assessment and the implementation of appropriate policies and guidelines.

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

**The Sunset Phenomenon**  
December 1977 (authorized by House Joint Resolution 178), 89 pp.  
Third and final report of the HJR 178 study. Contains legislation recommended to the General Assembly.
Long Term Care in Virginia
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 VRSR to complement a financial audit of the system conducted by the State Auditor of Public Accounts.

Operational Review: The Capital Outlay Process in Virginia
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
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
Reviewed State programs that provide hospital care to the indigent. Third in a series of reports on medical assistance programs.

Outpatient Care in Virginia
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
Evaluated the utilization of State-owned passenger vehicles and appropriateness of management procedures.

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

1979 Report to the General Assembly
Provided general information about the Commission and summarized studies conducted from 1974 through 1979.

Virginia Polytechnic Institute and State University Extension Division
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
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
Assessed the need for and the use of consultants by State agencies. Made recommendations to increase competitive bidding and improve documentation and accountability.

The General Relief Program in Virginia
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
Focused on federal influence over State and local programs and evaluated the procedures by which federal funds are sought, utilized, monitored, and controlled.
### Cumulative Annotated Bibliography

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

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

**Organization and Administration of the Department of Highways and Transportation: Interim Report**  
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 needs, revenues and methods of financing, and the fair apportionment of costs among different vehicle classes. Highlighted the principal findings and recommendations of each study.

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

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

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

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

**Publications and Public Relations of State Agencies in Virginia**  
*January 1982 (Senate Document No. 23 of the 1982 Session, authorized by Senate Joint Resolution 166 of the 1981 Session)*  
115 pp.  
Assessed the value of the publications of State agencies, and other public relations efforts. Recommended changes in reporting requirements to achieve savings.
Occupational and Professional Regulatory Boards in Virginia
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
Assessed the effectiveness of CETA programs through a review of adult training contracts and client follow-up.

Working Capital Funds in Virginia
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
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.

Assessed the reasonableness, appropriateness, and equity of statutory provisions for allocating highway construction funds among the various highway systems and localities. (See final report of June 1984, which enlarged this study).

Consolidation of Office Space in the Roanoke Area
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
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
Examined the feasibility, desirability, and cost effectiveness of consolidating State agency offices located in Northern Virginia.

Interim Report: Local Mandates and Financial Resources
Provided background information and summarized progress toward the final report (see December 1983).

Interim Report: Organization of the Executive Branch
Provided background information on the executive branch, and summarized research activities for the series of four final reports (see January 1984).

The Economic Potential and Management of Virginia's Seafood Industry
Examined 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
Evaluated the progress of the department in implementing recommendations made during the 1982 Session to ensure the efficient use of funds for highway construction and maintenance.

1983 Report to the General Assembly
Summarized studies conducted by the Commission through 1983. Provided a 10-year overview of JLARC's work, organized according to the recurring themes, and spotlighted the importance of sound research methodology.
## Cumulative Annotated Bibliography

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

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

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

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

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

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

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

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

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

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

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

**Special Education in Virginia’s Mental Health Facilities**  
*November 1984 (Senate Document No. 4 of the 1985 Session, authorized by Senate Joint Resolution 13 of the 1983 Session)*  
148 pp.  
Examined eight issues concerned with the operation, funding, and quality of educational programs for children and youths in mental health facilities operated by the Department of Mental Health and Mental Retardation. (Second of two reports.)
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<td>Examined the SCC’s compliance with the Commonwealth’s Public Procurement Act and related issues in contracting for automated data systems.</td>
<td>Examined intellectual property issues related to State agencies and institutions of higher education.</td>
<td>1985 Report to the General Assembly September 1985 (4th Biennial Report, authorized by Section 30-58.2, Code of Virginia) 50 pp. Summarized studies conducted by JLARC since the 1983 biennial report, provided updates on agency responses to previous studies, and spotlighted the Legislative Program Review and Evaluation Act.</td>
</tr>
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<td>Special Report: The Virginia State Library’s Contract with The Computer Company November 1984 (House Document No. 5 of the 1985 Session, requested by the Speaker of the House and authorized by the Commission) 34 pp. Examined whether the State Library followed State procedures in awarding the contract to TCC, and whether public libraries were satisfied with the services provided.</td>
<td>The Community Diversion Incentive Program of the Virginia Department of Corrections April 1985 (House Document 35 of the 1985 Session, authorized by the 1984 Appropriations Act) 174 pp. Reviewed the effectiveness of the CDI programs designed to divert offenders from State prisons and local jails.</td>
<td>The Virginia Housing Development Authority October 1985 (Senate Document No. 6 of the 1984 Session, authorized by Senate Joint Resolution 7 of the 1984 Session) 110 pp. Evaluated programs, operations, and management of VHDA. Assessed the extent to which the Authority’s programs have benefited persons of low and moderate income.</td>
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<td>Special Report: The Virginia Tech Library System November 1984 (House Document No. 6 of the 1985 Session, requested by the Speaker of the House and authorized by the Commission) 34 pp. Examined the ownership of proprietary rights in the software of a computerized library system, the sharing of royalties with a university employee, and the transfer of the system to the Virginia Tech Foundation for marketing and distribution.</td>
<td>Virginia’s Correctional System: Population Forecasting and Capacity April 1985 (House Document 35 of the 1985 Session, authorized by the 1984 Appropriations Act) 174 pp. Calculated the capacity of State prisons and field units. Reviewed DOC’s population forecasting model and procedures.</td>
<td>Special Report: Cousteau Ocean Center January 1986 (Senate Document 13 of the 1985 Session, authorized by the Commission under Section 4-5.07 of the Appropriations Act) 22 pp. A special audit of the Cousteau Ocean Center project. Examined the reasonableness of the project’s planning and design, and the applicability of the Public Procurement Act.</td>
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### Cumulative Annotated Bibliography

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

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

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

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

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

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

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

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

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

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

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

Health Pilot
Subcommittee (1978-1979)
Senator John C. Buchanan
Senator Elmon T. Gray
Delegate Mary A. Marshall
Delegate Owen B. Pickett
Senator Elliot S. Schewel
Delegate W. Ward Teel

Camp Pendleton
Task Force (1978)
Delegate C. Richard Cranwell
Senator Joseph T. Fitzpatrick
Mr. Clarence D. Fleming, Jr.
Senator William B. Hopkins
Mr. E. Ralph James, Jr.
Delegate George W. Jones
Delegate Benjamin J. Lambert, III
Delegate C. Hardaway Marks
Delegate Owen B. Pickett
The Honorable Fred C. Pollard
Mr. George W. Stroube
Senator Russell I. Townsend, Jr.

Sunset Task Force (1977)
Delegate Earl E. Bell
Senator Adelard L. Brault
Mr. Arthur R. Cecelski
Delegate J. Samuel Glasscock
Delegate Raymond R. Guest, Jr.
Delegate Charles W. Gunn, Jr.
Mr. Julian J. Mason
Delegate A. L. Philpott
Secretary Maurice B. Rowe
Senator Elliot S. Schewel
Mr. A. Howe Todd
Senator Stanley C. Walker

Health Pilot Assessment
Senator Peter K. Babalas
Delegate Richard M. Bagley
Delegate Robert B. Ball, Sr.
Delegate Herbert H. Bateman
Delegate Robert S. Bloxom
Senator Adelard L. Brault
Mr. Andrew Fogarty
Delegate J. Samuel Glasscock
Secretary Jean L. Harris
Delegate George H. Heilig, Jr.
Delegate Elsie B. Heinz
Senator Richard J. Holland
Commissioner James B. Kenley
Commissioner William L. Lukhard
Delegate Mary A. Marshall
Senator Williard J. Moody

Occupational and Professional Regulation Subcommittee
Delegate Ralph L. Axselle, Jr.
Delegate Alan A. Diamonstein
Delegate Calvin W. Fowler
Senator Ray L. Garland
Senator Madison E. Marve
Senator C. Jefferson Stafford
Senator Stanley C. Walker

Transportation Subcommittee
Senator Peter K. Babalas
Delegate Earl E. Bell
Senator Daniel W. Bird, Jr.
Delegate Vincent F. Callahan, Jr.
Delegate Archibald A. Campbell
Delegate Orby L. Cantrell
Delegate C. Richard Cranwell
Delegate V. Earl Dickinson
Senator Clive L. DuVal, 2d.
Senator J. Harry Michael, Jr.
Delegate Theodore V. Morrison, Jr.
Senator Richard L. Saslaw
Delegate Norman Sisisky
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Section Managers
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Gregory J. Rest, Research Methods

Project Team Leaders
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Clarence L. Jackson
Charlotte A. Kerr
Susan E. Massart
Robert B. Rotz
E. Kim Snead

Project Team Staff
Linda E. Bacon
Andrea C. Baird
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Nolani Courtney
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Kim S. Hunt, Associate Methodologist
R. Jay Landis, Data Processing

Interns
Desiree Asche
Bonnie Bakeman
Steve Hairston
Kay Hall

STAFF FOR THIS PROJECT

Text & photos: John Long
Computer graphics: Tim Hendricks