



# JLARC Impacts: Actions Taken on Report Recommendations

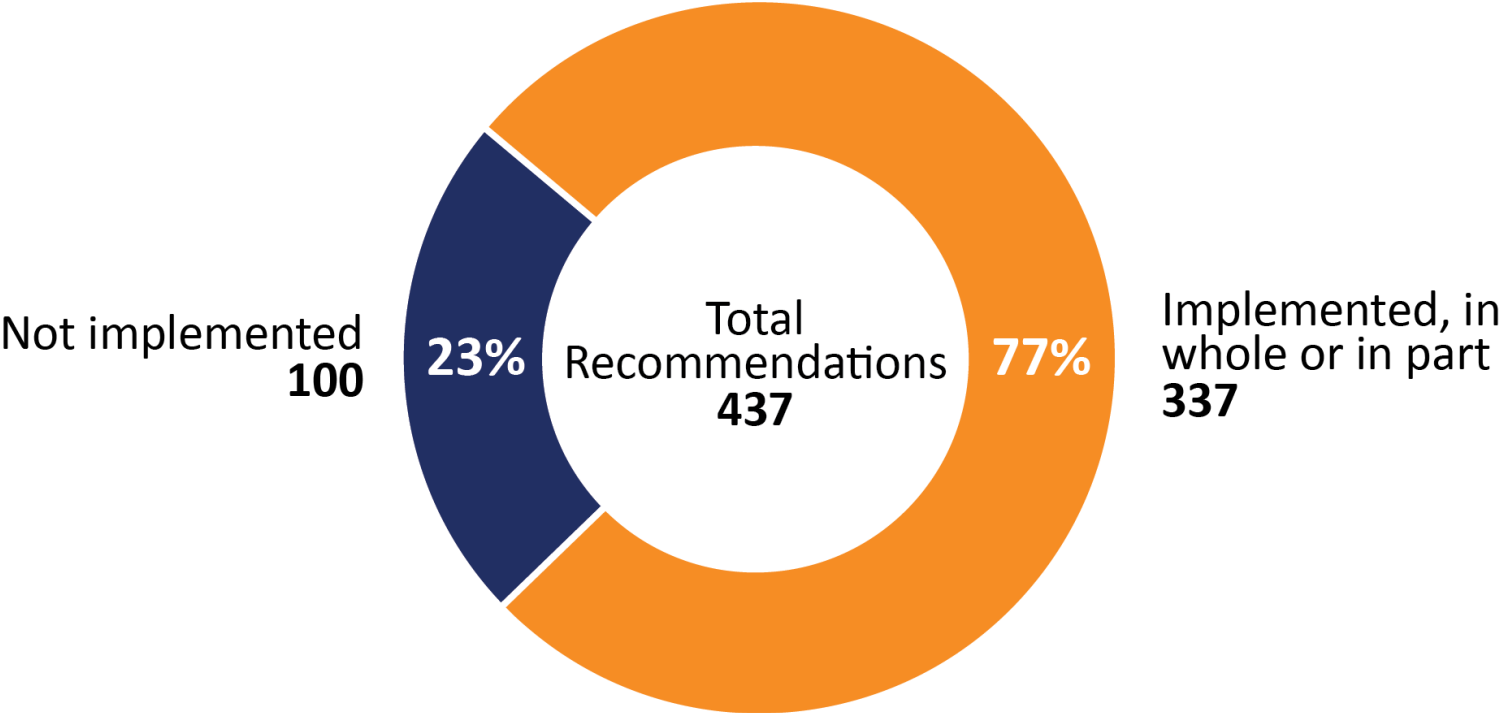
---

## Follow-up on JLARC reports

- Recaps action taken in response to recommendations
- Reports savings from implemented recommendations
- Identifies further actions needed

# JLARC performance measure

## Recommendations



Reports published 2017-2020

---

# JLARC performance measure

## Savings FY19 and FY20

Estimated savings of \$11.5M includes

- MCOs returning a portion of their underwriting gains (profits) to the state
- Reduced rates to MCOs to reflect inefficient spending

\$26 million was saved in FY18 from MCOs returning a portion of their underwriting gains

---

# JLARC performance measure

## Legislation introduced 2020 and 2021

- Bills: 82
- Budget amendments: 49

---

## Impact: Considerations to legalize marijuana

- Legalizes possession and cultivation for personal use (if 21+)
- Addresses public health and safety
  - prohibits consumption by drivers and passengers
  - created the Cannabis Public Health Advisory Council
  - independent testing of quality and THC content
  - maximum THC level and health/safety warning labels
  - child-resistant and tamper-evident packaging
  - restricts advertising
  - allocates 30% of tax revenue to public health purposes

*HB 2312 - Herring, SB 1406 – Ebbin & Lucas*

---

## Impact: Considerations to legalize marijuana

- Virginia Cannabis Control Authority to authorize and regulate a commercial marijuana market
  - licenses by type or class, subject to statutory caps
  - narrowly limits vertical integration and ensures all licensees have equal opportunity
- Commercial retail sales subject to state and local taxes
  - 21% tax on all retail sales (in addition to existing retail sales tax)
  - Localities can levy additional 3% tax

*HB 2312 - Herring, SB 1406 - Ebbin & Lucas*

---

## Impact: Considerations to legalize marijuana

- “Automatically” expunge prior marijuana offenses
- Social equity criteria to evaluate and award licenses
- Virginia Cannabis Equity Business Loan Fund & Cannabis Equity Reinvestment Fund
- 30% of all tax revenue to Cannabis Equity Reinvestment Fund for programs that support people and communities harmed by disproportionate enforcement

*HB 2312 - Herring, SB 1406 – Ebbin & Lucas*



---

## Impact: Small business financing

- Virginia Small Business Financing Authority (VSBFA) to report on available loan and grant funding used
- VSBFA to conduct risk-based review of outstanding loans and report results to the board
- Five VSBFA board members have experience lending to small businesses
- SBSD developing improvement plan and better guidance for VSBFA loan programs

*HB 2170, 2171 – King; HB 1830 – Head*

*SBSD: Department of Small Business & Supplier Diversity*

---

## Impact: Small business financing

- SBSD to submit improvement plan for the Business One Stop
  - purpose and benefit of the website
  - resources needed to fully implement and maintain
  - recommend whether the website should be kept

*Appropriation Act*

---

## Impact: Department of Education

- Design and implement a pilot program for more comprehensive state oversight of school division compliance
- Develop and submit plan for a more effective and appropriately resourced school improvement program

*Appropriation Act*

---

## Impact: K–12 special education

- Improving special education eligibility determinations
- Improving IEP development
- Improving VDOE’s special education oversight
- New requirements for “applied studies” diploma
- Training for teachers and administrators
- Recruiting special education teachers

*HB 2299 – Carr; SB 1288 – Dunnavant*

*HB 2316 – King; Appropriation Act*

---

## Impact: Children's Services Act

- Use CSA funds to transition students from private special education day schools back to public school
- Workgroup to review use of CSA funds to prevent private day placement and administration by VDOE
- New requirements for private special education day schools
  - reporting on tuition and performance
  - use of restraint and seclusion
- Strengthen authority of the Office of Children's Services

*HB 2212 – Plum*

*HB 2177 – VanValkenburg; SB 1313 – Mason*

---

## Impact: Data Center Incentives

- Encourage data center growth in distressed localities
- Add reporting requirements for data centers claiming exemption

*HB 2273 Morefield; SB 1423 – McPike*

---

## Impact: Infrastructure and Regional Incentives

- Eliminate coal tax credits
  - Coalfield Employment Enhancement Tax Credit
  - Coal Employment and Production Incentive Tax Credit
- Strengthen project selection criteria for the Economic Development Access Program

*HB 1899 - Hudson/SB 1252 – McPike; SB 1253 – McPike*

---

## Impact: Virginia Information Technologies Agency

- Annual report on adequacy of network infrastructure
- VITA fully or partially implemented all recommendations from 2019 review of new service model

*Appropriation Act*



---

## JLARC staff for this report

Justin Brown, Senior Associate Director

Kimberly Sarte, Associate Director

Tracey Smith, Associate Director

Elizabeth Gibbs, Business Manager